MILUX®

MILUX CORPORATION BERHAD

[199401027937 (313619-W)]

ANNUAL REPORT 2020

CONTENTS

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth ("**26th**") Annual General Meeting ("**AGM**") of the Company will be conducted fully virtual at the broadcast venue at Meeting Room, Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 17 June 2021 at 3:00 p.m. or at any adjournment thereof for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon. *(refer to Note B)*

2. To approve the payment of Directors' fees of RM270,000.00 for the period from 1 July 2021 to 30 June 2022, to be payable on a monthly basis in arrears. *(Resolution 1)*

3. To approve the payment of benefits payable to the Directors up to an amount of RM87,000.00 from 1 July 2021 to 30 June 2022. *(Resolution 2)*

4. To re-elect the following Directors who retire in accordance with Clause 117 of the Company's Constitution and being eligible, have offered themselves for re-election:-
   (a) Mr. Tan Chee How; *(Resolution 3)*
   (b) Datuk Dr. Wong Lai Sum; and *(Resolution 4)*
   (c) Datuk Wira Ling Kah Chok. *(Resolution 5)*

5. To re-appoint CAS Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Resolution 6)*

As Special Business

To consider and, if thought fit, with or without any modification, to pass the following Resolutions:-

6. **ORDINARY RESOLUTION NO. 1**
   - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Resolution 7)*

   "**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad's letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and thereafter ten percent (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements (hereinafter referred to as the "**General Mandate**");

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

   AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Twenty-Sixth Annual General Meeting (cont'd)

7. **ORDINARY RESOLUTION NO. 2**
   - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE") *(Resolution 8)*

   "**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in the Circular to Shareholders dated 30 April 2021, which are necessary for the day-to-day operations of the Company and/or its subsidiaries ("**Group**"), to be entered by the Group in the ordinary course of business and are on terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company;

   THAT such approval shall continue to be in force until the earlier of:-

   (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

   (ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

   (iii) revoked or varied by resolution passed by the shareholders in general meeting before the next AGM;

   AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC NO. 201908002648)
CHENG CHIA PING (MAICSA 1032514) (SSM PC NO. 202008000730)
Company Secretaries

Kuala Lumpur
Dated: 30 April 2021

Notes:-

(A) Information for Shareholders/ Proxies

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **10 June 2021** ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

Notice of Twenty-Sixth Annual General Meeting (cont'd)

3. A proxy may but does not need to be a member of the Company and notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 26th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 26th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the 26th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. Appointment of proxy and registration for remote participation and voting

   The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Poll Administrator, SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at **https://www.sshsb.net.my/**. All resolutions set out in this notice of meeting are to be voted by poll.

   Should you wish to personally participate at the 26th AGM remotely, please register electronically via Securities Services e-Portal at **https://www.sshsb.net.my/** by the registration cut-off date and time.

   Please refer to the **Administrative Guide** on the Conduct of a fully virtual general meeting available for download at **https://milux.com.my/investor-relations/** for further details.

   If you have submitted your proxy form(s) and subsequently decide to appoint another person or wish to participate in our electronic 26th AGM by yourself, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

(B) Audited Financial Statements for the financial year ended 31 December 2020

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(C) Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 26th AGM on the Directors' fees for the period from 1 July 2021 to 30 June 2022, i.e. until the next AGM in 2022 and to be payable on a monthly basis in arrears after each month of completed service of the Directors.

Under Resolution 2, the benefits payable to the Directors have been reviewed by the Nomination and Remuneration Committee ("**NRC**") and the Board of Directors of the Company, which recognise that the benefits payable are in the best interest of the Company. The Directors' benefits comprised of meeting allowance and other benefits only.

Notice of Twenty-Sixth Annual General Meeting (cont'd)

(D) Re-election of Directors

Clause 117 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 26th AGM, the NRC has considered the following:-

(i) Directors' self-assessment and peer-to-peer performance evaluation;
(ii) Evaluation on the effectiveness of the Board as a Whole and the Committees of the Board; and
(iii) For Independent Non-Executive Directors ("**INEDs**") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

The Board approved the NRC's recommendation for the retiring Directors pursuant to Clause 117 of the Constitution of the Company. All the retiring Directors have consented to their re-election, and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NRC and Board meetings, where applicable.

(E) Re-appointment of Auditors

The Audit and Risk Committee ("**ARC**") have assessed the suitability and independence of the External Auditors and recommended the re-appointment of CAS Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2021. The Board has in turn reviewed the recommendation of the ARC and recommended the same to be tabled to the shareholders for approval at the forthcoming 26th AGM of the Company under Resolution 6.

Explanatory Notes to Special Business:-

(F) Authority to Issue Shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 26th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the Twenty-Fifth AGM of the Company held on 18 September 2020 (hereinafter referred to as the "**Previous Mandate**").

The Previous Mandate granted by the shareholders had not been utilised and therefore no proceed has been raised pursuant to the Previous Mandate.

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities has via its letter dated 16 April 2020 granted several additional relief measures to listed issuers, amongst others, listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of Main Market Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities ("**20% General Mandate**").

This 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

The Board believes that the Company requires a flexible and readily available method of raising capital, to allow the Company to capture suitable prospective investment opportunities in a timely manner.

Notice of Twenty-Sixth Annual General Meeting (cont'd)

The Board, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group to sustain the business, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders, on the following basis:-

- the proposed 20% General Mandate would provide the Group with financial flexibility to raise capital expeditiously for its operations, future expansion and business development.
- the proposed 20% General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise.
- other financing alternatives such as debt financing may incur interest burden to the Group.
- the proposed 20% General Mandate provides the Company with an avenue to raise capital for future investment opportunities if and when they are identified.

This 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions.

(G) Proposed Renewal of Shareholders' Mandate

The proposed Resolution 8, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Further details are set out in the Circular to Shareholders dated 30 April 2021 circulated together with this Annual Report.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 26th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Group's business and operation for financial year 2020

Our Group is principally engaged in the manufacturing of gas appliances, assembly of instant water heaters and the trading of gas and electrical home appliances. During the year, our operations were carried out at four (4) locations of which two (2) are located in Prai, Penang, one (1) in Klang, Selangor Darul Ehsan and another in Johor Bahru, Johor Darul Takzim.

Our Group's vision is to be a market leader in the home appliances business involving the distribution of gas and home electrical appliances through a continuous process of product innovation, stringent quality standards, competitive pricing strategy and excellent customer service.

Review of Financial results

During the year under review, despite major disruptions brought by the COVID-19 pandemic to the business environment globally, the Group achieved a higher revenue of RM72.99 million, which represented a double-digit growth of 16.7% year on year (**"Y-o-Y"**) compared to RM62.53 million for the financial year ended 31 December 2019 (**"FYE2019"**). This was due to higher sales registered by the trading segment.

The Group recorded a Loss Before Tax (**"LBT"**) of RM5.03 million in financial year ended 31 December 2020 (**"FYE2020"**) compared to a LBT of RM4.77 million in FYE2019. The LBT was arrived at after impairments of slow-moving inventories, trade receivable and property, plant & equipment and payment of termination benefits to employees affected by the downsizing of the manufacturing segment which was completed as at end of FYE2020.

The Group's administration expenses increased to RM11.32 million for FYE2020 compared to RM11.08 million for FYE2019 due to termination benefits paid out during the year while other operating expenses increased to RM1.47 million from RM0.53 million in the preceding year mainly due to impairments made for the downsizing of the manufacturing segment.

Selling and distribution expenses increased to RM7.24 million from RM5.35 million, an increase of RM1.89 million or 35.3%. This was mainly due to higher carriage outwards costs and sales incentive to dealers as a result of higher sales by the trading segment.

Finance costs decreased by RM0.32 million to RM0.21 million from RM0.53 million in the preceding year. The decrease was due to lower utilisation of banking facilities during the year by the trading segment.

Manufacturing segment

The Group's manufacturing segment acts as an Original Equipment Manufacturer (**"OEM"**) of gas cookers and related appliances for both local and overseas customers. Among its products are gas cookers, cooker hobs and cooker hoods. About 40% (2019 – 49%) of the output for this segment was for the export market with the remaining 60% (2019 – 51%) for the local market. The key export countries and their respective contribution to revenue for FYE2020 are Vietnam (56%), Cambodia (15%), Thailand (11%), Sri Lanka (7%), and Nepal (6%). Other export destinations include Saudi Arabia, Mauritius and United Arab Emirates.

For FYE2020, the Group's manufacturing segment contributed RM16.64 million to the Group's revenue compared to RM20.32 million for FYE2019. On a Y-o-Y basis, revenue decreased by 18.1% due to lower export and local OEM sales. This segment incurred a LBT of RM5.71 million compared to LBT of RM2.12 million in the preceding year. The increase in LBT was due to impairments made for inventories (RM3.22 million), property, plant & equipment (RM0.52 million) and trade receivable (RM0.45 million). In addition, termination benefits amounting to RM0.72 million was paid to employees affected by the downsizing.

Due to the dim prospect going forward, the Group started and completed the downsizing of this segment during FYE2020. This included the entering into a Sales & Purchase Agreement to dispose off one of the two factories in Prai, Penang. Going forward, this segment will outsource the manufacturing function to third parties. With the reorganization completed, we are confident that we will be able to contain the losses of this segment going foward.

Trading segment

The Group's trading segment is involved in the distribution of gas and home electrical appliances to the local market under the MILUX, MILLE and EXENTIAL brands. Among the gas products distributed are cast iron stoves, gas canisters, gas cookers, gas cooker hobs, and cooker hoods, gas rice cookers and gas regulators. The home electrical appliances include among others electric oven, blender, multi cooker, food steamer, thermo pot, stand mixer, induction cooker, food processor, rice cooker, hair dryer, coffee maker, air cooler, iron and fans including ceiling fan, table fan, stand fan, wall fan, floor fan and industrial fan. During the year, this segment introduced to the market Milux Chest Freezer, Milux Exhaust Fan and Milux Ventilation fan.

Management Discussion and Analysis (cont'd)

Trading segment (cont'd)

The gas products and home electrical appliances are the major contributors to this segment's revenue at 45% (2019 - 46%) and 44% (2019 - 41%) respectively. Fan contributed 10% (2019 - 11%) while water heater and others at 1% (2019 - 2%).

For FYE2020, this segment contributed RM56.35 million to Group revenue which was 33.5% higher compared to RM42.21 million in the preceding year. The increase in revenue was due to better geographical coverage of independent dealers made possible by an expanded sales force and also the launch of new products and improved models during the year.

With an increase in revenue and a better gross margin, this segment returned to profitability in FYE2020 with a PBT of RM1.92 million compared to a LBT of RM1.06 million in the preceding financial year.

Going forward, the trading segment will continue to refresh its existing product range in particular its current range of rice cookers and ovens. The main focus of this segment is to continue to ensure that its product range and mix remain competitive both in design, quality and pricing to meet market requirement which is very important if the segment is to remain relevant in this competitive business. While it continues to work towards building up and solidifying its relationships with chain stores, hypermarkets and the current network of independent dealers throughout Peninsula and East Malaysia, it will also continue to build up its online sales via our own Milux portal initiated during FYE2020.

Assembly segment

The Group's assembly segment is involved in the assembly of gas regulator and instant water heater. During the year, the Group ceased the assembly of both of these products. Workers involved in the assembly of gas regulator has been transferred to do packing of gas regulators. For FYE2020, this segment incurred a LBT of RM0.10 million compared to a LBT of RM0.47 million in the preceding year.

Segment "Others"

This segment consists most notably of the Company which is an investment holding company providing management services to its subsidiaries. It also includes dormant companies in the Group with no operating revenue. This segment incurred a LBT of RM1.26 million compared to RM1.12 million in the preceding year.

Financial Position

Trade receivables as at year end increased by 36.8% to RM19.82 million from RM14.49 million as at the end of the previous financial year. This is in line with the higher revenue registered during the year.

Inventories as at year end amounted to RM18.02 million compared to RM18.68 million as at end of the previous financial year. The decrease in inventories was due to the impairment of the manufacturing segment's raw material in line with the downsizing exercise.

The Group's cash and bank balances decreased by 53.1% to RM3.96 million from RM8.45 million while fixed deposits with licensed banks at RM2.16 million as at the end of the financial year was lower compared to RM3.00 million as at end of preceding financial year. The higher cash and bank balances as at end of preceding year was due to proceeds from private placement completed in December 2019.

Trade payables increased by 50.1% to RM7.67 million from RM5.11 million as a result of higher purchases of stock in trade in line with the trading segment's higher sales during the year. Other payables, accruals and deposits received increased to RM2.65 million from RM1.61 million as at the end of the preceding year.

The Group's bank borrowings decreased by RM0.18 million or 3.8% to RM4.56 million from RM4.74 million due to non-utilisation of bank overdraft during the year.

The Group's gearing ratio (total group borrowings over total group equity) stood at 0.12 times as at 31 December 2020 compared to 0.11 times as at 31 December 2019.

Anticipated or known risks

Pandemic risk

One year on, after the COVID-19 was first discovered, the current situation is still full of uncertainties. The outcome of the current COVID-19 pandemic is still unknown despite the on-going vaccination program worldwide. We foresee a difficult but gradual recovery in domestic demand. Thus, we will continue to focus on the safety and health of our employees and customers alike while we continue to take prudent measures in managing our cash flow to ensure our resiliency to face this crisis as it continues.

Management Discussion and Analysis (cont'd)

Anticipated or known risks (cont'd)

Foreign exchange risk

Our core trading segment is exposed to foreign exchange fluctuation which can pose a major challenge to the operation as its stock in trade are imported and paid in United States Dollar. The Group will mitigate this risk through hedging activities as and when deem necessary.

Business risk

The trading segment is also exposed to various business risks such as intense competition over pricing and costing and disruption to the supply chain. The Group will constantly monitor and take appropriate measures to minimize the impact arising from these risks.

Credit risk

The Group's trade receivables increased due to higher deliveries by the manufacturing segment during the last two (2) months of FYE2020 due to fulfilment of additional orders placed by its OEM customers prior to the completion of downsizing of this segment. However, the Group's trade receivables turnover days for FYE2020 was 86 days compared to 89 days for FYE2019. The management will continue to actively monitor the outstanding trade receivables to ensure collection is made within credit period to mitigate the risk of bad debts.

Corporate Development

During FYE2020, our shareholders have approved the Group's proposed diversification of the existing core business of the Group to include provision of support services for the Oil and Gas industry and Property Related business at the Extraordinary General Shareholders Meeting (**"EGM"**) held on 4 November 2020.

Subsequent to FYE2020, our shareholders have at the EGM held on 8 March 2021, approved the Proposed Bonus Issue of 176,292,591 new ordinary shares on the basis of 3 bonus shares for every 1 existing share. This bonus issue was completed on 24 March 2021 with the listing and quotation of the bonus shares on the Main Market of Bursa Malaysia Securities Berhad.

Looking ahead

The Group has completed the downsizing of its manufacturing operation in the financial year just ended. With this, the Group has contained the losses from this segment.

The trading operation where revenue is generated wholly from domestic sales is expected to remain profitable in the current financial year although uncertainties still weigh amid the COVID-19 pandemic. The Group remains optimistic for this segment as its increased sales force will enable it to increase its geographical coverage. It has also continuously revamped its product range by introducing new models to the market.

Notwithstanding the multitude of issues facing businesses in the current economic environment, the Group will continue to serve its existing customers better by maintaining a high standard of quality for its products complemented by an efficient after sales service.

The Group will continue to focus on realizing operational efficiencies to ensure that it will remain competitive. In addition, the Group is looking forward to making headway in its proposed diversification to property-related businesses.

Dividend policy

The Group had not paid dividends for the last five (5) years due to poor financial performance and hence a dividend payout policy has not been established.

Datuk Khoo Teck Kee
Group Managing Director

30 March 2021

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Dr. Wong Lai Sum
Independent Non-Executive Chairman

Datuk Wira Ling Kah Chok
Executive Vice Chairman

Datuk Khoo Teck Kee
Group Managing Director

Tan Chee How
Executive Director

Ho Pui Hold
Independent Non-Executive Director

Datuk Haw Chin Teck
Independent Non-Executive Director

Datuk Yap Kheng Fah
Independent Non-Executive Director

Gan Boon Lay
Non-Independent Non-Executive Director

Yee Carine
Non-Independent Non-Executive Director

Teh Sok Hoon
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Ho Pui Hold - Chairman
Independent Non-Executive Director

Datuk Haw Chin Teck - Member
Independent Non-Executive Director

Datuk Yap Kheng Fah - Member
Independent Non-Executive Director

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689) (SSM PC NO. 201908002648)

Cheng Chia Ping
(MAICSA 1032514) (SSM PC NO. 202008000730)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel: 03 – 2084 9000
Fax: 03 – 2094 9940

PRINCIPAL PLACE OF BUSINESS

No. 31, Lorong Jala 14/KS10,
Off Jalan Telok Gong,
42000 Pelabuhan Klang,
Selangor Darul Ehsan

Tel: 03 – 3134 1254
Fax: 03 – 3134 1193

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
[199601006647 (378993-D)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan

Tel: 03 – 7890 4700
Fax: 03 – 7890 4670

NOMINATION AND REMUNERATION COMMITTEE

Datuk Haw Chin Teck - Chairman
Independent Non-Executive Director

Datuk Dr. Wong Lai Sum - Member
Independent Non-Executive Chairman

Ho Pui Hold - Member
Independent Non-Executive Director

BANKERS

AmBank (M) Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad

AUDITORS

CAS Malaysia PLT (LLP0009918-LCA) & (AF1476)
Chartered Accountants
B-5-1, IOI Boulevard,
Jalan Kenari 5,
Bandar Puchong Jaya,
47170 Puchong,
Selangor Darul Ehsan

Tel: 03 – 8075 2300
Fax: 03 – 8600 5463

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

Stock Code: 7935
Stock Name: Milux

CORPORATE WEBSITE

www.milux.com.my

CORPORATE STRUCTURE

MILUX CORPORATION BERHAD
Holding Company

Subsidiaries of Milux Corporation Berhad

100%	**T.H. Hin Sdn. Bhd.** *Dealer in gas cookers, electrical household appliances and their related products*
100%	**T.H. Hin Home Tech Sdn. Bhd.** *Manufacturing of gas cookers, electrical household appliances and their related products*
100%	**Brightyield Sdn. Bhd.** *Manufacturing of gas cooker component parts and their related products*
100%	**Enamel Products Sdn. Bhd.** *Manufacturing of enamel products (Inactive)*
100%	**Milux Sales & Service Sdn. Bhd.** *Dealer in gas cookers, electrical household appliances and their related products*
100%	**Eurobay Industries Sdn. Bhd.** *Manufacturing and supplying of home electrical appliances (Inactive)*
100%	**Milux International Sdn. Bhd.** *Investment holding*
100%	**Pansprint Consolidated Sdn. Bhd.** *Construction of buildings (Inactive)*
100%	**Milux Properties Sdn. Bhd.** *Engage in the business of acquiring land and building and to undertake the business of property development and other management consultancy activities (Inactive)*
99%	**Milux Home Appliances (India) Private Limited** *Within process of striking off*
51%	**Milux GreenTech Resources Sdn. Bhd.** *Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantations and crop activities (Inactive)*

Joint Venture Company:

60%	**Phoenix Pentagon Sdn. Bhd.** *In Members' Voluntary Winding Up*

Subsidiary of T.H. Hin Sdn. Bhd.:

100%	***Milux Industry (Zhong Shan) Co. Ltd.*** *Ceased operation*

SUSTAINABILITY STATEMENT

BOARD STATEMENT

Dear Shareholders,

The Board is pleased to present Milux Corporation Berhad ("**Milux**")'s 2020 Sustainability Statement. Milux and its subsidiaries ("**the Group**") aim to be the trusted choice in the gas and electrical home appliance industry through delivering excellence and creating value for our stakeholders.

Mandatory Control Movement ("MCO") disruption

On 31 January 2020, the World Health Organization (WHO), due to growing fears about the rapid spread of coronavirus ("**COVID-19**"), announced a global epidemic and on 11 March 2020, COVID-19 was recognised as a pandemic. On 16 March 2020, Malaysia's Prime Minister in his official speech promulgated the Movement Control Order ("**MCO**") under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967. On 18 March 2020, Malaysia began the implementation of MCO which was subsequently extended to 14 April 2021. This MCO together with subsequent implementation of Conditional Movement Control Order ("**CMCO**") and Recovery Movement Control Order ("**RMCO**") had a significant impact on the country's economic sectors.

Board Assurance

With the disruptions brought about by the pandemic, the Board believes that having a good governance structure together with sound business continuity management is critical to our success in delivering a brighter and sustainable future.

With the coming into force of a new provision of corporate liability by the Malaysian Anti-Corruption Commission on 1 June 2020, Milux adopted Anti-Bribery and Corruption Policy and Whistleblowing Policy as a reporting channel for employees and members of the public to raise genuine concerns about possible improprieties or malpractices at the earliest opportunity and in an appropriate way.

In this period of economic stress, it is important for us to strive to integrate sustainability and business continuity plans into our operations. This Statement details how we identify and manage economic, environmental, social, and governance ("**EESG**") issues that are important to our stakeholders, society, the environment and ourselves.

The Board understand that we assume an important role in the selection and review of the EESG factors that are material to the Group and oversees the management and the performance relating to these factors.

Compliance, References and Standard

This Statement is in compliance with the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") [Paragraph 9.45(2) and Paragraph (29), Part A of Appendix 9C of the of the Main LR (supplemented by Practice Note 9) and references the internationally recognised Global Reporting Initiative ("**GRI**") Standards (2016), Integrated Reporting <IR>.

Sustainability Initiatives

As an established Group, we are committed to contribute to Quality, Safety & Reliability in the gas and electrical home appliances by using innovative technologies and adopting sustainable practices. We have adopted measures that will safeguard the interest of society and the environment.

These measures include establishing comprehensive monitoring systems, streamlining our work processes, adopting efficient and sustainable manufacturing methods as well as utilising sustainable materials. To reduce our environmental footprint, we encourage our employees to use recyclable materials, to reduce energy consumption and the noise generated by our activities, and to reduce the usage of papers and water in the workplace. We also work closely with our stakeholders to identify opportunities for improving our sustainability performance.

We strive to contribute to local communities by supporting various meaningful initiatives. We actively pursue our social responsibility through sponsorships and campaigns carried out with charitable organisations and associations.

In order to improve our environmental and occupational safety and health standards in our workplace, we provide relevant occupational safety and health training to staff and workers, either through in-house or external trainers.

Sustainability Statement (cont'd)

We will continue to report on our sustainability journey as we continue to create sustainable value for our stakeholders in the coming years.

ABOUT THIS STATEMENT

Milux is devoted to creating a business that contributes towards convenient living for the global society. This Statement demonstrates the best practices, effort and initiatives that the Group had undertaken to address our organisation's impacts on the local economy, society, environment and governance.

Reporting Scope

The scope of reporting for this Statement covers the activities of our trading and manufacturing operations for our gas and electrical home appliances which contributed 100% of the Group's revenue in the financial year ended 31 December 2020:

- Milux Sales & Service Sdn. Bhd.
- T.H. Hin Home Tech Sdn. Bhd.

This Statement has been prepared for the reporting period from 1 January 2020 to 31 December 2020.

Reporting Framework

The Group prepared Sustainability Statement for years 2017 and 2018 in accordance with the Bursa Securities' Sustainability Reporting Guide. The format adopted is in line with the recommended Global Reporting Initiatives (GRI) 4.0 Sustainability Reporting Guidelines. From year 2019 to now, the Group decided to adopt Sustainable Development Goals ("**SDGs**") as part of the report as well.

Sustainability Statement (cont'd)

DEFINING OUR SUSTAINABILITY STRATEGY

Milux places strong emphasis on "Quality, Safety and Reliability" and strives to deliver top-quality and innovative products, services and content through sustainable business practices. As such, we continuously seek opportunities to incorporate sustainability into our Group's long-term growth and development goals.

In embedding sustainability practices into our day-to-day business operations, we have developed the Group's vision that is based on these four pillars- Marketplace, Workplace, Environment, and Community to Six Capitals mention in Integrated Reporting since year 2019.

MARKETPLACE
Implementing sustainability through product quality and safety

ENVIRONMENT
Improving our environment by utilising greener alternatives.

WORKPLACE
Creating a safe and supportive working environment.

COMMUNITY
Contributing to local community development

SIX CAPITALS OF MILUX

At Milux, we understand the sustainability initiative since 2017 when the Board began to recognise the 4 Pillars model ("**ESG**").

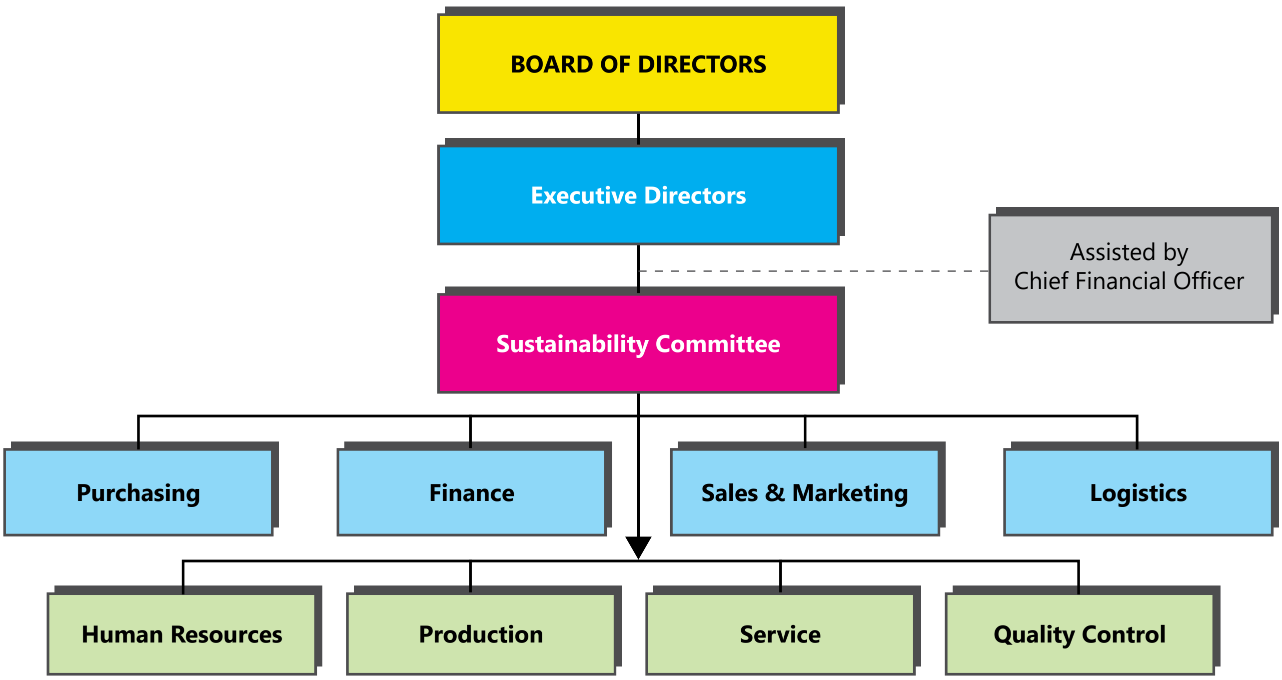
To address the fast-changing enviromental and business landscape, Milux decided to embrace the framework by the International Integrated Reporting Council ("**IIRC**") to make business sense of sustainability performance via the Six Capitals model in financial year 2019. This model has reinforced our sustainability strategy, policies and practices and is aligned to global best standards including the UN SDGs. The shift from 4 Pillars' interaction model to Six Capitals model will allow us to create sustained value for our business and stakeholders as per below:

Sustainability Statement (cont'd)

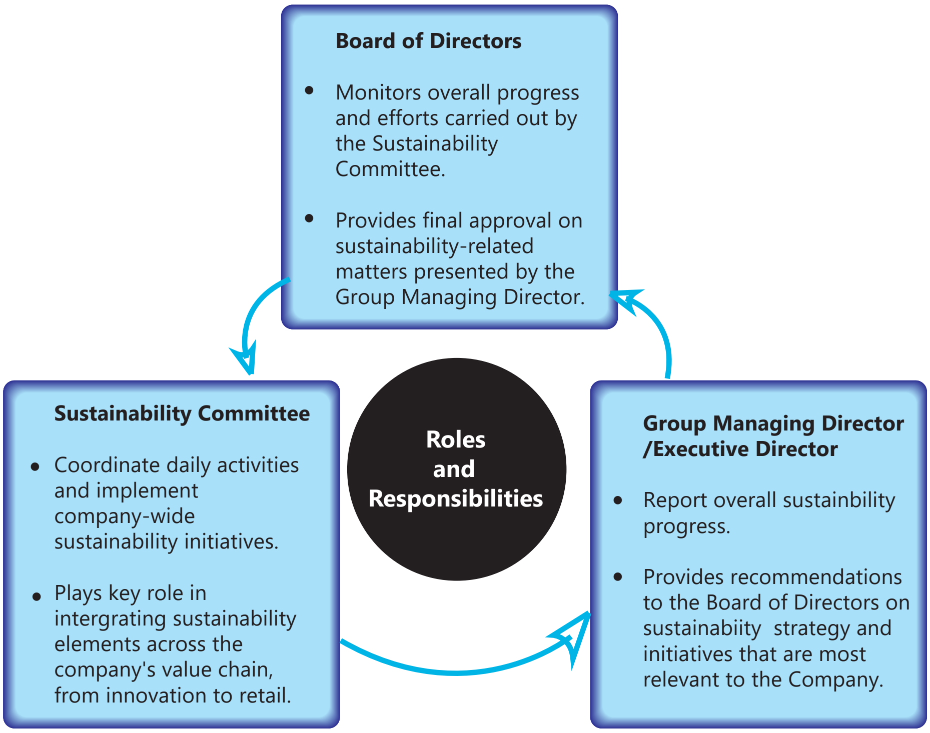
Financial	Manufactured	Organisational
Funds available to firm from operations and financing	Manufactured physical objects used in value creation	Governance, Internal control system and procedures
Financial Highlight Resources to support the Group's operation and implement other Capitals	**Marketplace** Implementing sustainability through product quality and safety	**Governance** Board engagement on strategy, internal control to enhance the sustainability initiative
Human	**Social**	**Natural**
Skills, motivation, alignment with organisational goals	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate	Renewable and non-renewable natural elements, and the eco-system, used as inputs by the firm now or in the past or future, and impact of firm on them
Workplace Creating a safe and supportive working environment, training and self-development	**Community** Contributing to local community development	**Environment** Improving our environment by utilising greener alternatives.

SUSTAINABILITY GOVERNANCE

Milux views sustainability as an important aspect in our Group. The Group has established the following governance structure to ensure successful attainment of all our sustainability targets and goals.



Sustainability Statement (cont'd)



Milux had formed a two-tier governance structure whereby the Executive Director, assisted by the Chief Financial Officer reports directly to the Group Managing Director who in turn reports to the Board of Directors. The Board of Directors leads the structure in determining the sustainability journey and overseeing the execution of sustainability within the Group.

We have also established a dedicated Sustainability Committee as part of the governance structure, with the key function of developing and implementing the Group's sustainability strategy.

There is no significant change during the financial year under review.

STAKEHOLDER ENGAGEMENT TABLE

As part of our commitment to build a sustainable business, we strive to build good relationships with our stakeholders as they offer valuable insights into the business, allowing us to identify areas and opportunities for improvement. Therefore, it is important for us to engage them on a regular basis in order to gather their feedback and address any concerns they may have.

We have identified our key stakeholder groups and seek to engage them through various methods and channels, which are summarised in the table below:

Stakeholder	Interest/Expectation	Engagement methods (Frequency)
Investors	• Financial performance • Financial return • Global business strategy • Sustainable and stable distribution	- Annual general meetings (Annually) - Annual reports (Annually) - Quarterly interim financials (Quarterly) - Corporate website and investor relationship channel (on-going)
Consumers (End users)	• Best practices in product pricing • Licensed manufacturing • Product quality • Prompt after sales service • Efficient complaints resolution	- Roadshows, product demo, videos on social media and You-tube (On-going) - Pricing product to commensurate with product quality (Ad hoc, upon new product or model launch) - Prompt after sales service (Daily, via service team) - Prompt response to calls for service (Daily, via hotline, e-mail, Facebook, Company's website) - Online E-Warranty Registration (on-going)

Sustainability Statement (cont'd)

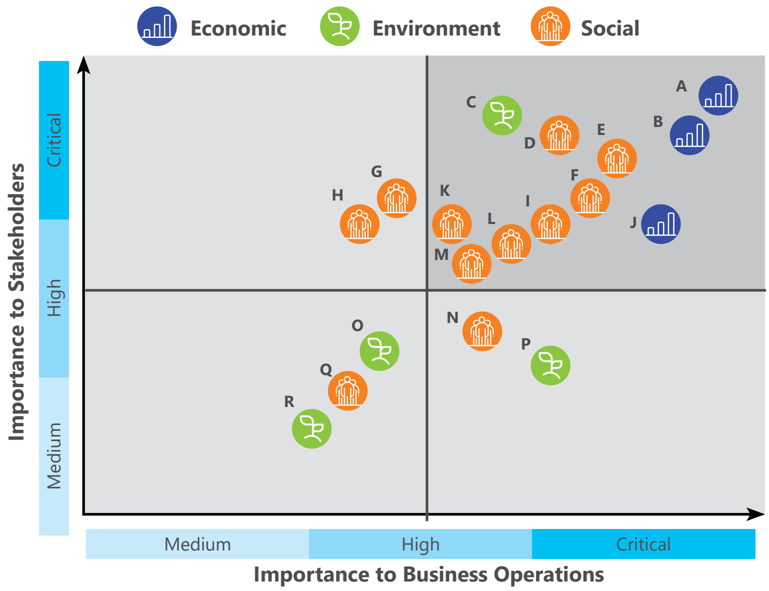
Stakeholder	Interest/Expectation	Engagement methods (Frequency)
Consumers (Dealers)	• Efficient complaints resolution • Customer-Company relationship management • Safety and security • Timely product delivery	- Regular client meetings through sales team (Monthly visit) - Feedback channel through sales team (Face-to face meeting on monthly visit and feedback via annual survey/ Participate in all regional electrical associations dinner/gatherings) - Community and networking events (Annually, attend state association electrical and electronics annual dinners to build rapport) - Direct access of the logistic team to our customers during the delivery process to ensure prompt delivery (Daily update of delivery details for outstation customers to sales personnel)
Local Communities	• Social issues • Impact of business operations	- Community engagement (Annually) - Corporate Social Responsibility programmes (Annually)
Regulatory and Statutory Agencies	• Governance compliance • Labour practices • Occupational safety and health • Environmental management and compliance	- Inspection by local authority (Annually) - Annual report (Annually) - General meeting between management and regulators (Ad hoc when required) - Direct meetings (Ad hoc)
Suppliers	• Transparent procurement practices • Payment schedule • Pricing of services • Timely delivery of materials/ products	- Evaluation and performance (Annual supplier review) - Contract negotiation (Ad hoc, when applicable) - Vendor registration (Ad hoc, upon vendors' appointment) - Timely delivery (Per delivery basis) - Payment to supplier (Per delivery & on agreed terms)
Industry Peers	• Best practices in the industry • Utilising current technology and systems	- Collaboration programs (Monthly informal gathering) - Sharing of best practices (Participate in electrical & home fairs locally and overseas)
Employees	• Work-life balance • Career development	- Training (on going) - Appraisal (Annually) - Annual dinner (Annually) - Safety Training (Annually, Ad hoc when required)

MATERIALITY MATRIX

We conducted materiality assessment during 2017 and 2018 to identify sustainability topic that were of significant relevance to our business and stakeholders. In 2019, we carried out a review to reassess the material topics identified in 2017 that were narrowed down in 2018. While conducting the review, we examined trends and developments within the industry as well as global and local sustainability issues.

Sustainability Statement (cont'd)

The material topics in year 2020 remain unchanged from those identified in years 2017, 2018 and 2019 and they are listed in the table below:



Material Sustainability Matters	Relevant Stakeholders	Applicable GRI indicators
D- Product Quality Management	Supplier and Customers	Product Service and Labelling
E- Product Safety	Supplier and Customers	Product Services and Labelling
H- Training and Development	Employees	Training and Education
L- Occupational Health and Safety	Employees and Regulatory Agencies	Occupational Health and Safety
O- Energy Consumption	Regulatory Agencies and Local Communities	Energy
P- Effluents and Waste	Regulatory Agencies and Local Communities	Waste and Effluence

Financial Highlight - Resources to support the Group's operations and implement other Capitals

For the financial year ended 31 December 2020 (FYE2020), the Group achieved a revenue of RM 72.99 million, an increase of 16.7% against the previous corresponding period (FYE2019: RM 62.53 million). Its loss after tax increased by 14.0% to RM 5.05million (FYE2019: loss RM 4.43million) due to impairments and cost incurred as a result of the downsizing of the manufacturing operation.

Please refer to Milux's Annual Report 2020 for our full Financial Performance Report.

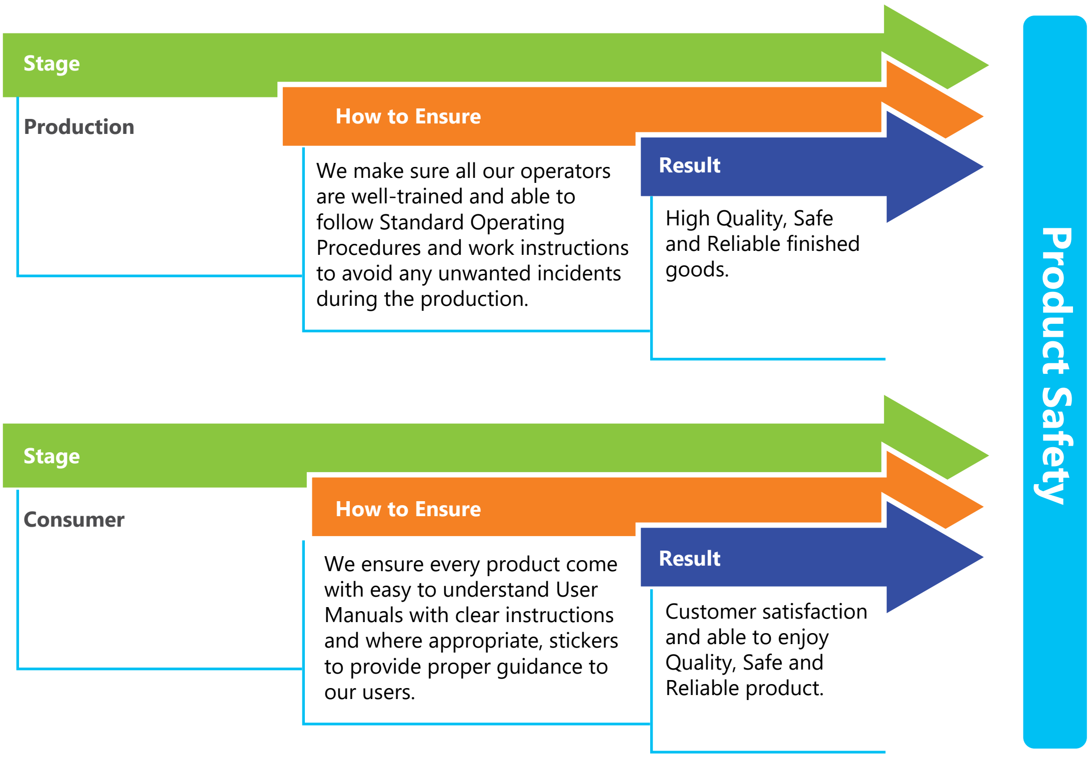
Marketplace - Implementing sustainability through product quality and safety

As a Malaysia-based internationally recognised OEM manufacturer of gas household appliances and a local distributor of Milux brand of gas & electrical household appliances, Milux has contributed towards the growth of both local and global market place.

Sustainability Statement (cont'd)

PRODUCT SAFETY

To best define on the Quality, Milux focuses on ensuring its product is safe to use and not cause harm to users, those around them and to the environment. It also ensures its product features are user-friendly.



Below are samples of guidances/instructions and precautions that are included together with our appliances.

Gas Appliance

- ✓ Hot surface warning;
- ✓ Dimension via hob cut-out to ensure proper installation;
- ✓ Guidance on proper placing of wok & pots, air ventilation for gas burners to ensure proper usage to prevent burn or explosions.

Electrical Appliance

- ✓ Hot surface warning;
- ✓ Proper placement and installation procedures;
- ✓ Guidance on proper usage to prevent shocks/electrocution.

We also provide visual versions of proper product use. Customers can also check out other features and demonstrations of proper usage on how to use the appliances via Milux's official YouTube Channel at: https://www.youtube.com/channel/UCU_mv2QKbp9GPPa6soAct0Q.

Sustainability Statement (cont'd)

PRODUCT QUALITY MANAGEMENT

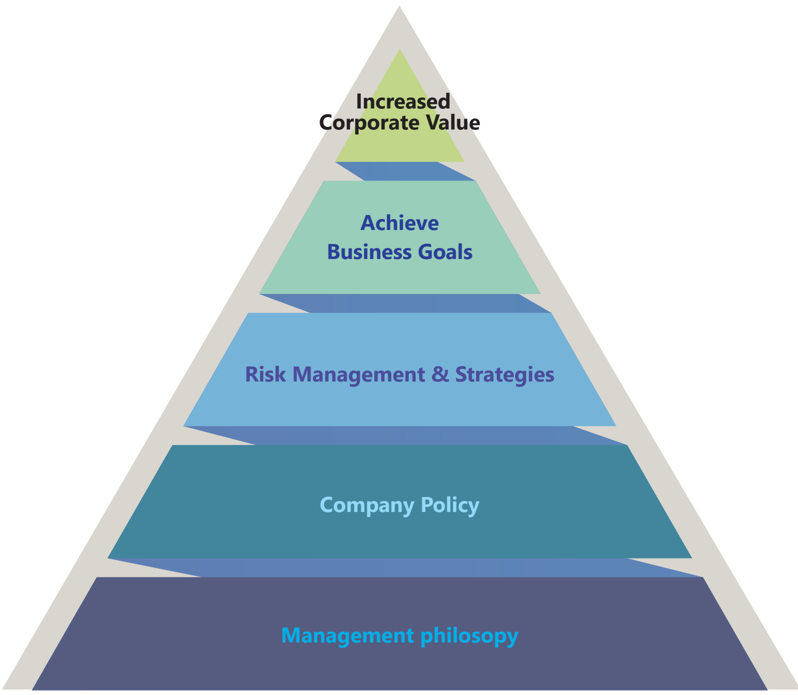
We ensure every Milux product is manufactured in accordance to the highest standard of quality. Our product quality is consistently well maintained. We ensure that work instructions and Standard Operating Procedures are adhered to by our manufacturing team based in our manufacturing and assembly factory in Perai, Pulau Pinang owned by our subsidiary, T.H. Hin Home Tech Sdn. Bhd. ("**Home Tech**").

Home Tech has obtained quality certification for our products that comply with ISO 9001:2015 and/or Sirim Certification.

Product Certificates:

Certificate	Award Body
Certificate of Approval to Import Gas Fitting/Gas Appliances/Gas Equipment	Energy Commission valid through 1 November 2021.
Certificate of Approval to Import electrical appliances	Energy Commission valid through 11 August 2021.
ISO 9001:2015	IQNet & SIRIM QAS International valid through 12 July 2022.
Product Certificate Licence to use the Certification Mark on Electric Rice Cookers	SIRIM QAS International valid through 16 November 2021.
Product Certificate Licence to use the Certification Mark on Gas Cookers	SIRIM QAS International valid through 13 July 2021.

Governance - Board engagement on strategy, internal control to enhance the sustainability initiative



In Milux, we are aware of the importance of good governance. The Board recognises the importance of a sound risk management framework and internal control system for good corporate governance. Disclosure of relevant information concerning sustainability will improve transparency of its Management which will provide its customers and other stakeholders as well as communities and the public as a whole, greater confidence in Milux.

We have a zero-tolerance policy towards fraud, bribery, corruption, money laundering and the financing of terrorism. Therefore, we have implemented Anti-Bribery and Corruption Policy and Whistleblowing policy to enhance the transparency of the Group and provide a better governance environment.

Please also refer to SUSTAINABILITY GOVERNANCE, STAKEHOLDER ENGAGEMENT TABLE & MATERIALITY MATRIX.

Sustainability Statement (cont'd)

Workplace - Creating a safe and supportive working environment.

Occupational Safety and Health

An Occupational Safety and Health ("**OSH**") Policy is in place to protect all employees against possible occupational risks and prevent accidents from happening in the workplace. Information on the OSH Policy is provided to all employees and new employees are informed of the policy during the OSH induction programme. For new employees, the First-Day OSH induction programme provides an overview of the OSH Policy implemented by the Group.

Injury Report

There was no staff complaint or dispute received during the financial year under review. However, similar to last year, there were five (5) cases of minor injuries reported in Home Tech.

Injury Case
1) Injury to last finger of right hand (cut by knife blade) – minor injury and given 1-day medical leave;
2) Injury to right thumb while loading gas cookers into container – minor injury and given 1-day medical leave;
3) Injury to right hand 4th finger while handling hand jack inside container – minor injury and given 1-day medical leave;
4) Injury to left hand 2nd finger (cut by metal plate) during assembly of gas cooker – minor injury and given 2-days medical leave;
5) Injury to right arm while arranging metal plates – minor injury and given 1-day medical leave.

The Company had reviewed the incidents and have advised workers to adhere to work instructions to prevent the occurrence of such injuries.

Covid-19 Health and Safety measures

In response to COVID-19 pandemic, the Group has taken measures to safeguard our employees and minimise the impact in the workplace. Several measures were put in place such as daily screening of employees' body temperature before entering the premises, declaration and taking body temperature of visitors, physical distancing of 1-meter distance in the workplace, and daily disinfection of defined spaces. Employees worked in rotation to work from home to enable the implementation of physical distancing.

In addition to organising swab tests for all employees, all employees were provided with free facemasks in an effort to safeguard our employees during this pandemic.

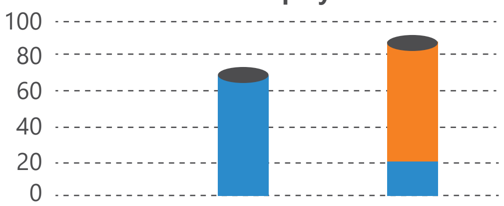
Sustainability Statement (cont'd)

Employment

In Milux, we are committed to providing our employees with a working environment free from unlawful discrimination, irrespective of race, colour, sex/gender, religion, national origin, age, disability, genetic information, marital status, or any other classification protected by law. We seek to support women, minorities, veterans and individuals with disabilities and strive to empower all our employees to reach their full potential.

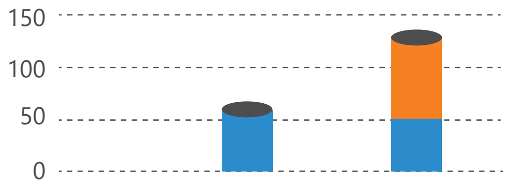
The Group had 162 employees as at 31 December 2020 compared to 194 employees as at 31 December 2019. The number of local executives has increased by 6 to 72 from 66 while the number of non-executives decreased by 38 to 90 from 128. The increase in local executives was due to the hiring of employees for the trading division's sales and service department. The lower number of non-executives was due to the downsizing of the manufacturing operation.

Number of Employees 2020



	Executive	Non executive
Foreigners	0	71
Local	72	19

Number of Employees 2019



	Executive	Non executive
Foreigners	0	76
Local	66	52

Diversity and Equal Opportunity

We strive to create a culture that promotes diversity and equality in the workplace. Having a diverse and inclusive workforce allows us to attract the best of the talent pool and, in turn, helps us to improve our bottom line. Improving diversity and equality is also crucial to the achievement of social and economic development goals.

All our employees are employed based on skills and experience through fair selection processes. Each year, our employees receive feedback on their performance through performance reviews, which are conducted in a fair and transparent manner.

Training and Development

In Milux, we provide various learning opportunities throughout an employee's career to ensure that he/she develop the skills needed to perform their responsibilities. We believe that our people play an important role in ensuring that we achieve operational and safety excellence. Therefore, we continue to invest in our human capital and support employee development to meet changing business needs.

Our employees receive training from both internal & external sources. These training includes those that are mandatory or on a voluntary basis to ensure they are equipped with relevant skills to perform their jobs. They are also encouraged to obtain certifications that allow them to perform specific tasks or to operate particular machines. In 2020, employees received a total of 25 hours of training compared to 92 hours in 2019 primarily due to the enforcement of the MCO by the Malaysian Government. During the year employees were provided with training by an external provider on Corporate Liability under the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and an employee attended a Safety & Health Conference.

Sustainability Statement (cont'd)

Environment - Improving our environment by utilising greener alternatives.

Energy Efficiency & CO2 Emission

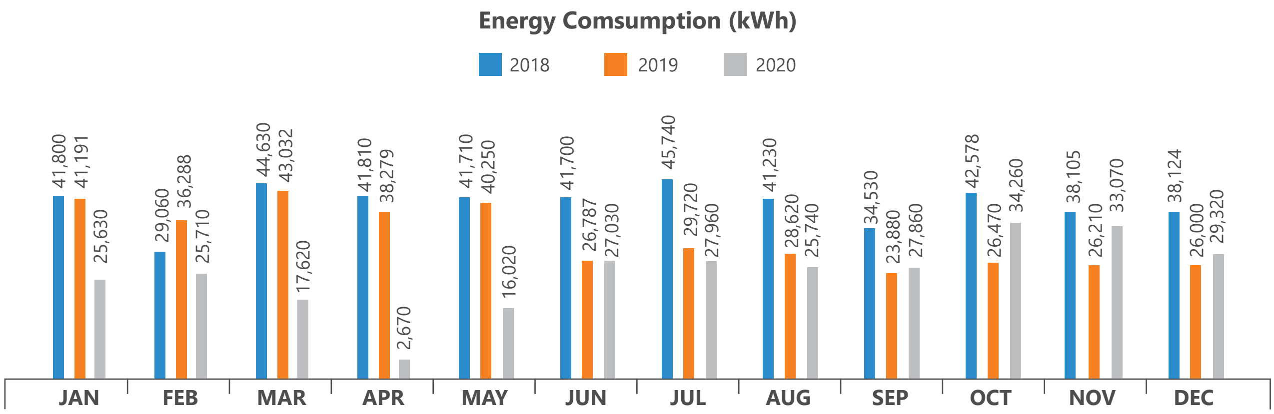
Year 2020 (Manufacturing division)	
Indicator	**Performance**
Energy Consumption (Electricity)	292,890 kWh of electricity Last year : 386,727 kWh
Energy Consumption (Diesel & Petrol)	1,888 litre of Diesel 1,378 litre of Petrol
GHG emissions	238.002 tCO2e from D&P*

Year 2019 (Manufacturing division)	
Indicator	**Performance**
Energy Consumption (Electricity)	386,727 kWh of electricity Last year : 481,017 kWh
Energy Consumption (Diesel & Petrol)	2,449 litre of Diesel 1,429 litre of Petrol
GHG emissions	8,921.082 tCO2e from D&P*

Diesel and electricity account for a large proportion of our total energy consumption, resulting in the production of greenhouse gas (GHG) emission such as carbon dioxide (CO_2) which can have a detrimental impact on the environment. Therefore, we strive to reduce our energy consumption and carbon footprint by promoting the use of renewable energy and improving our energy efficiency.

Home Tech (Manufacturing division) utilises two forklifts, a truck, a lorry and a van in its operation that contribute to GHG emissions. We take the initiative to monitor and reduce the CO_2 emissions. This is the second year we monitor this indicator. Total GHG emission is calculated by using the factor of 1 L of gasoline produces approximately 2.3 kg of CO_2.

Our electricity consumption was 292,890 kWh in 2020, a decrease of 24.3% from 386,727 kWh in 2019. The decrease was due to a change in the energy mix upon the installation of a solar power system, lower manufacturing activity during the year in particular during March and April 2020 where production activities came to a standstill due to implementation of the MCO by the Malaysian Government. We are pleased that we reached our goal to reduce the energy consumption.



Water

High level of water usage put significant strains on water resources and results in wastewater pollution that could lead to the degradation of water quality. Poor water quality and water stress can compromise important ecosystem services and affect the quality of the life of local communities.

In Milux, although there is no significant water usage, we are still committed to reduce our total water consumption by promoting water saving.

Effluent and Waste

Improper disposal of effluents, which contain substantial quantities of chemical and nutrients (principally nitrogen, phosphorous or potassium) affects water quality and has significant impact on the ocean's biodiversity and aquatic ecosystems. Similarly, poor waste management can lead to air, water and soil pollution, which poses a threat to the environment and human health. The generation of excessive waste from manufacturing activities can put strains on our natural resources and ultimately leads to environmental degradation.

Sustainability Statement (cont'd)

In compliance with the requirement outlined by Department of Environment (DOE) in the Environmental Quality (Scheduled Wastes) Regulation 2005, we manage our scheduled waste through record keeping, monitoring, proper storage and disposal by licensed contractors at designated landfills. Scheduled wastes generated from our operations are spent hydraulic oil (SW306) and non-halogenated organic solvents, which are sent for recycling or recovery facilities by our licensed contractors.

Financial Year 2020

Type of Waste	Total Amount of Waste	Method of Disposal
SW 306	209 kg x 3 drums = 627 kg	Recycled
SW 322	209 kg x 7 drums = 1,463 kg	Recovery

Financial Year 2019

Type of Waste	Total Amount of Waste	Method of Disposal
SW 306	209 kg x 2 drums = 418 kg	Recycled
SW 322	209 kg x 3 drums = 627 kg	Recovery

The increase in scheduled waste in 2020 was due to fulfilling of orders received for products from customers that require metal stamping and spraying of metal parts. These two operations require chemicals for cleaning and degreasing.

The Group advocates reducing, reusing and recycling especially in our office and production facilities towards efficient waste management practices

Community - Contributing to local community development

CUSTOMER SERVICES

Milux's management philosophy "Quality, Safety and Reliability", has been to contribute to society through its products and services while always putting the customer first. Based on this philosophy, the Company strives to improve customer satisfaction and offers products, solutions, and services that enrich the lives of people around the world.

Milux's fundamental stance is thus to provide customers with trusted products, hence contributing to peace of mind, and satisfaction.

Surveys are carried out to understand customer needs and levels of satisfaction. Based on analyses of the survey results, improvements are then undertaken.

For dedicated service, customers can choose to come to our service centres in Port Klang, Prai and Johor Bahru or reach out to us via various on-line media such as email customercare@milux.com.my and onlinecare@milux.com.my, leave messages on our webpage https://www.milux.com.my or our Facebook https://www.facebook.com/milux.my/.

To ease the process of registering for warranty by our customers, we provide E-Warranty registration through a user friendly platform.

In FY 2020, we are proud to announce that there are no recorded cases related to customer's dissatisfaction for our trading division.

COMMUNITY ENGAGEMENT

We recognise that our business success is also dependent on the support from the local community. Therefore, we are committed to giving back to the community via various programmes and channels such as on-line product demonstrations and talks, donations and sponsorship through charity bodies.

Due to the implementation of the MCO and CMCO and the need for social distancing, we were unable to carry out people-to-people community engagement programmes in 2020.

However, we will continue to build good relationships with the community and the public when situation allows including by sharing our experiences in industry events and forums.

Sustainability Statement (cont'd)

RELATIONSHIP WITH SDGs

SDGs	Main Activity	Detailed information
No Poverty	-	-
Zero Hunger	-	-
Good Health and Well-being	Milux provide safe working environment	-Governance Capital -Marketplace -Workplace
Quality Education	Training and development for staff	-Workplace
Gender Equality	No Employment policy discrimination	-Workplace
Clean Water and Sanitation	Promoting water saving	-Marketplace
Affordable and Clean Energy	Using LED & Solar power system	-Environment
Decent Work and Economic Growth	Quality control and management	-Marketplace
Industry, Innovation, and Infrastructure	Non-toxic Product innovation	-Marketplace
Reducing Inequality	Employment policy of no discrimination	-Workplace
Sustainable Cities and Communities	Community relationship and engagement	-Community
Responsible Consumption and Production	Promise to deliver Quality, Safe and Reliable product	-Marketplace -Community
Climate Action	Reduce CO_2 emission	-Governance -Environment
Life Below Water	-	-
Life On Land	-	-
Peace, Justice and Strong Institutions	-	-
Partnerships for the Goals	Sustainability report initiative	-Governance -Environment

Sustainability Statement (cont'd)

LOOKING FORWARD

This Sustainability Statement provides an alternative channel for us to communicate and disclose information to our stakeholders. We are committed to operate our business in an ethical and transparent manner as a public listed company. We have a zero-tolerance policy towards fraud, bribery, corruption, money laundering and the financing of terrorism and we have enhanced this policy by adopting Anti-Bribery and Corruption Policy and Whistleblowing Policy during the year.

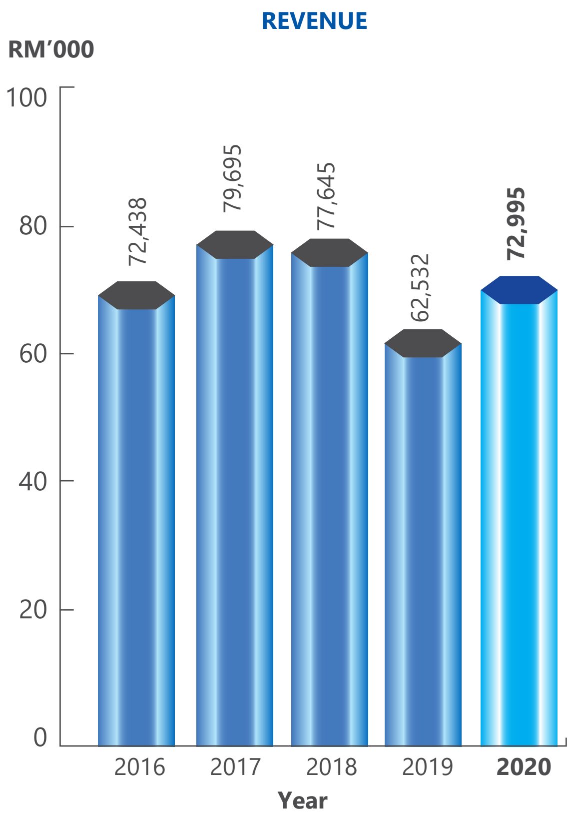
The Management will continue to monitor closely the development of the ongoing COVID-19 pandemic domestically and globally. We will continue to focus on the safety and health of our employees and customers alike. This is to ensure that the impact on the Group's business and financial performance are minimised so as not to affect the sustainability of our operations in the short- and long-term.

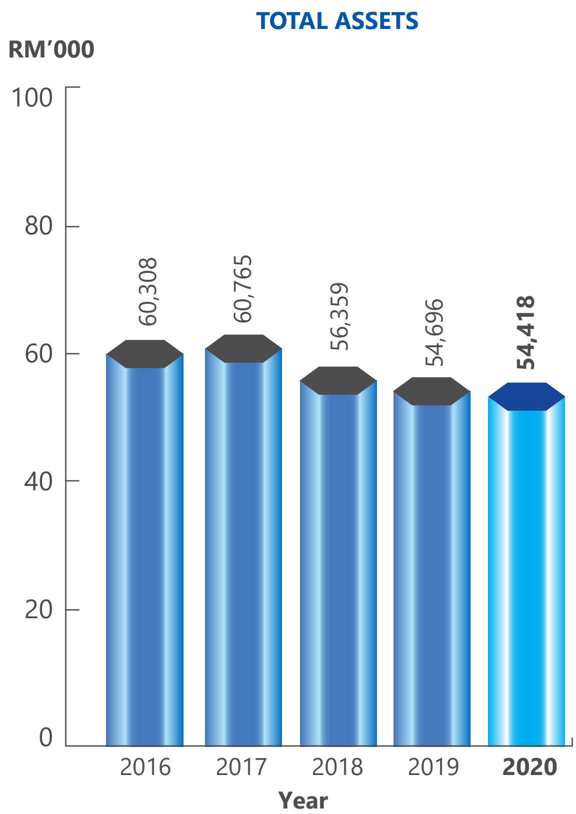
As at the date of this report, the impact of this COVID-19 pandemic that started in 2020 to the Group cannot be reasonably estimated due to the inherent unpredictable nature and its rapid development. The extent of the impact is dependent on the on-going precautionary measures introduced by each country to address this pandemic and the success of the vaccination programme worldwide. As such, the Management will continue to monitor closely the situation and take proactive actions to mitigate the impact on the Group.

Moving forward, Milux will strive to curtail any loss-making activities while exploring and undertaking sustainability initiatives.

5 - YEAR GROUP FINANCIAL HIGHLIGHTS

	2020 RM ' 000	2019 RM ' 000	2018 RM ' 000	2017 RM ' 000	2016 RM ' 000
Revenue	**72,995**	62,532	77,645	79,695	72,438
Loss Before Taxation	**(5,031)**	(4,767)	(2,138)	(616)	(1,540)
Loss After Taxation	**(5,047)**	(4,430)	(2,049)	(839)	(2,665)
Loss Per Share (sen)	**(8.59)**	(8.13)	(3.77)	(1.54)	(4.90)
Net Assets Per Share (RM)	**0.63**	0.71	0.78	0.82	0.83
Shareholders' Funds	**36,733**	41,548	42,496	44,551	45,386
Total Assets	**54,418**	54,696	56,359	60,765	60,308
Total Liabilities	**17,684**	13,148	13,862	16,214	14,922
Gross Dividend Per Ordinary Share (sen)	**-**	-	-	-	-





DIRECTORS' PROFILE

DATUK DR. WONG LAI SUM

Independent Non-Executive Chairman
Malaysian, Female, Aged 65

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	Member of Nomination and Remuneration Committee
Academic/ Professional Qualification(s)	:	• PhD Business, University Malaya • Master in Public Administration, University Malaya • Bachelor of Science (Hons) Biochemistry, University Malaya
Present Directorship(s)		
(i) Other Listed Entities	:	• Sam Engineering & Equipment (M) Berhad • Tasco Berhad
(ii) Other Public Companies	:	Nil

Working experience

Datuk Dr. Wong Lai Sum has a diversified background, both academically and professionally. Her areas of expertise include international business, taxation, financial and corporate management, and strategic planning.

Her illustrious career saw 36 years in civil service, of which 24 years was with the Malaysia External Trade Development Corporation (MATRADE). As its former Chief Executive Officer, she has invaluable insights on what it takes to advance businesses across borders.

Datuk Dr. Wong was also a Conjoint Professor of practice with the University of Newcastle, Australia.

Datuk Dr. Wong is presently the Independent Non-Executive Director of Sam Engineering & Equipment (M) Berhad and Tasco Berhad.

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

DATUK WIRA LING KAH CHOK
Executive Vice Chairman
Malaysian, Male, Aged 40

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification(s)	:	• Executive Diploma in Business Management, West College Scotland

Present Directorship(s)

(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Reunion Foundation

Working experience

Datuk Wira Ling Kah Chok is a successful, Johor – born entrepreneur who proudly owns a highly diversified portfolio of investments, including property development, construction, consultancy, education and skills development, and retail businesses.

Datuk Wira Ling has 6 years of experience in the property development industry. He acted as the advisor (whereby he was primarily involved in the area of project planning, marketing and sales) to Northstar Frontier Sdn. Bhd., a real estate developer in Southern of Johor.

Datuk Wira Ling is currently the sole shareholder and the Chief Executive Officer of Linbaq Holding Sdn. Bhd., a property developer with a mixed development project in Iskandar Malaysia. Whilst property development is his main business, he is also involved in other businesses in construction, trading and services industry. Linbaq Construction Sdn. Bhd., the construction arm for Linbaq Holding Sdn. Bhd. undertakes construction projects for the Linbaq group while Linbaq Trading Sdn. Bhd. supplies building materials to both external customers as well as the Linbaq group. His service line business, includes amongst others, the provision of pest control services for both household and industrial purposes through Pest React Sdn. Bhd., a 67% subsidiary of Linbaq Holding Sdn. Bhd.

Datuk Wira Ling is also a director and shareholder of several other private limited companies in Malaysia.

Board meeting attendance in 2020	:	5/6

Directors' Profile (cont'd)

DATUK KHOO TECK KEE
Group Managing Director
Malaysian, Male, Aged 46

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification(s)	:	• Fellow Member of the Association of Chartered Certified Accountants (FCCA) • Bachelor's Degree with Honours in Accounting Studies, University of Portsmouth, United Kingdom
Present Directorship(s)		
(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Datuk Khoo Teck Kee was previously involved with one of the 4 biggest auditing firms in the world. His auditing experience stretches to multinational companies including Nestle Group, ICI Paints Group, OYL Group, KUB Group and other listed corporations in Malaysia. He was able to extract and combine all the benefits and successes of those multinational companies as well as recommend them appropriate service channels.

Datuk Khoo is also very skilled in secretarial work, internal control, auditing, due diligence and investigative work, taxation, procedures, accounting policies and accounting standards.

Datuk Khoo leads and guides companies in becoming well-controlled, structured organisations.

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

TAN CHEE HOW
Executive Director
Malaysian, Male, Aged 40

Date of appointment as Director	:	30 May 2013
Length of service as director since appointment (as at 30 April 2021)	:	7 years 11 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification(s)	:	• Bachelor's Degree in Marketing and Management from Curtin University, Perth Australia • Chartered Institute of Marketing Certificate • ABE Diploma from Sunway College

Present Directorship(s)

(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Mr. Tan Chee How was appointed as Non-Independent Non-Executive Director on 30 May 2013 and subsequently on 12 October 2016, he was re-designated as an Executive Director.

Upon graduating in 2002, Mr. Tan joined Chin Huat Trading Sdn Bhd as a Sales & Marketing Executive and was promoted to Assistant General Manager in 2007. In February 2009, he joined T.H. Hin Sdn Bhd, a subsidiary of the Company, as a Sales & Marketing Executive and was promoted to General Affairs Manager, Service & Logistics in January 2010. In June 2010, Mr. Tan was transferred to Euro Uno Sales & Service Sdn Bhd, now known as Milux Sales & Service Sdn Bhd, another subsidiary of the Company, as General Manager, Sales. In November 2011, he was redesignated to General Manager, Operations to oversee the running of the Company's subsidiaries namely, T.H. Hin Sdn Bhd, Milux Sales & Service Sdn Bhd, Brightyield Sdn Bhd and Eurobay Industries Sdn Bhd.

Mr. Tan currently sits on the Board of the Company's subsidiaries. In addition, he also sits on the Board of several other family-owned private limited companies involved in the businesses of transportation, trading in foodstuffs, dealing in timber related services, provision of storage handling services, solar power generation and selling of solar power, palm oil cultivation and selling of fresh palm fruits and investment holding and property investment.

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

HO PUI HOLD
Independent Non-Executive Director
Malaysian, Male, Aged 38

Date of appointment as Director	:	25 August 2016
Length of service as director since appointment (as at 30 April 2021)	:	4 years 8 months
Board Committees Membership(s)	:	• Chairman of Audit and Risk Committee • Member of Nomination and Remuneration Committee
Academic/ Professional Qualification(s)	:	• Fellowship of the Association of Chartered Certified Accountants (FCCA) • Member of the Malaysian Institute of Accountants (MIA) • Member of the ASEAN Chartered Professional Accountant (ACPA)
Present Directorship(s)		
(i) Other Listed Entities	:	• HB Global Limited • Malaysia Pacific Corporation Berhad • Xidelang Holdings Limited • Permaju Industries Berhad
(ii) Other Public Companies	:	Nil

Working experience

Mr. Ho Pui Hold was appointed as Independent Non-Executive Director of the Company on 25 August 2016.

Mr. Ho has years of working experience in the accounting, auditing and banking industry. During the period of 2006 to 2009, he worked as Senior Audit Associate in Messrs Ernst & Young, responsible for auditing of public listed companies and privately owned companies of the firm. Thereafter, he joined Ambank (M) Berhad - Corporate and Institutional Banking as Senior Executive and promoted to Assistant Manager during the period from 2009 to 2011.

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

DATUK HAW CHIN TECK
Independent Non-Executive Director
Malaysian, Male, Aged 50

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	• Chairman of Nomination and Remuneration Committee • Member of Audit and Risk Committee
Academic/ Professional Qualification(s)	:	• Certificate in Legal Practice • Bachelor of Laws Honours Degree, University of London

Present Directorship(s)

(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Datuk Haw Chin Teck is an advocate and solicitors, who has been in practice for 21 consecutive years and is a managing partner of a legal firm since 2002 and currently, the firm has 2 offices.

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

DATUK YAP KHENG FAH
Independent Non-Executive Director
Malaysian, Male, Aged 46

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	• Member of Nomination and Remuneration Committee • Member of Audit and Risk Committee
Academic/ Professional Qualification(s)	:	• Master in Business Administration, Charles Sturt University • Bachelor's Degree in Commerce, University of Auckland, New Zealand
Present Directorship(s)		
(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Datuk Yap Kheng Fah is the founder and chairman of Censuria Capital, an advisory and investment firm based in Kuala Lumpur, Malaysia. He has extensive experience in entrepreneurship, strategic planning, corporate finance, venture capital and property investment.

Datuk Yap is a seasoned entrepreneur, investor and corporate advisor who has led, completed or been involved in reverse takeovers (RTO), mergers and acquisitions (M&A) and debt transactions. He currently sits on the board of publicly listed and private businesses in Malaysia.

Datuk Yap also manages his family's controlling interest in an established property group that owns and manages real estates totalling approximately 4.8 million square feet in Malaysia. He also spearheaded the reverse takeover of a Bursa listed company by the group in 2011.

Datuk Yap was conferred the Panglima Gemilang Darjah Kinabalu (PGDK) by the T.Y.T. Governor of Sabah in 2014 which carry the title "Datuk".

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

GAN BOON LAY
Non-Independent Non-Executive Director
Malaysian, Male, Aged 44

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification(s)	:	Secondary School

Present Directorship(s)

(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Mr. Gan Boon Lay is an entrepreneur with experience in the real estate industry. His career started as a consultant whereby he provided brokerage and consultancy service to his clients. He subsequently invested and owns shares in Zestino Marketing Sdn. Bhd. which supplies building materials, equipment and other services for the construction industry. He also ventured into the agriculture industry and hold shares in Wondrous Enterprise Sdn. Bhd., a company involved in the planting and cultivation of durian.

Mr. Gan is also a director and shareholder of several other private limited companies in Malaysia.

Board meeting attendance in 2020	:	5/6

Directors' Profile (cont'd)

YEE CARINE
Non-Independent Non-Executive Director
Malaysian, Female, Aged 31

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification(s)	:	• Master of Finance, The University of Melbourne • Bachelor of Commerce, Major in Accounting and Finance, Deakin University

Present Directorship(s)

(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Ms. Yee Carine started her career as administration assistant in Fira Pty Ltd whereby she was tasked with handling the daily operation of the company in 2015.

In 2016, she joined IAE Edu Pty Ltd as education consultant and she was involved in the administration of students' affair, student enrollment, marketing strategy, and handling students visa application in Australia.

Ms. Yee currently holds the position of administration manager in an education agent company, Avotrio Education Pty Ltd in Australia.

Ms. Yee is the sister-in-law of Ms. Teh Sok Hoon, a Non-Independent Non-Executive Director and a major shareholder of the Company.

Board meeting attendance in 2020	:	6/6

Directors' Profile (cont'd)

TEH SOK HOON
Non-Independent Non-Executive Director
Malaysian, Female, Aged 39

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 30 April 2021)	:	1 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification(s)	:	Bachelor in Information Technology, Asia Pacific Institute of Information Technology

Present Directorship(s)

(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Nil

Working experience

Ms. Teh Sok Hoon started her career in 2004 as a programmer with Bumi Intan Maju Sdn. Bhd. In 2017, she ventured into the property management business by setting up Chrisenbel Management Services.

Ms. Teh is the sister-in-law of Ms. Yee Carine, a Non-Independent Non-Executive Director and a major shareholder of the Company.

Board meeting attendance in 2020	:	6/6

Notes:-

(1) Family relationship
Save as disclosed above, none of the Directors have family relationship with any Directors and/or major shareholders of the Company.

(2) Conflict of Interests
Other than permitted related party transactions, none of the Directors have any conflict of interests with the Company.

(3) Conviction of offences, Public sanction or penalty imposed by relevant regulatory bodies
None of the Directors have been convicted of any offence within the past five (5) years other than traffic offences (if any), and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF SENIOR MANAGEMENT

DATUK WIRA LING KAH CHOK, 40
Executive Vice Chairman
Malaysian, Male

Datuk Wira Ling was appointed as the Executive Vice Chairman on 5 July 2019.

His profile is listed in the Profile of Directors set out in this Annual Report.

DATUK KHOO TECK KEE, 46
Group Managing Director
Malaysian, Male

Datuk Khoo was appointed as the Group Managing Director on 5 July 2019.

His profile is listed in the Profile of Directors set out in this Annual Report.

TAN CHEE HOW, 40
Executive Director
Malaysian, Male

Mr. Tan was re-designated from Non-Independent Non-Executive Director to Executive Director on 12 October 2016.

His profile is listed in the Profile of Directors set out in this Annual Report.

WONG WAI KEONG, 61
Chief Financial Officer
Malaysian, Male

Mr. Wong is an Associate Member of the Chartered Institute of Management Accountant and also a member of Malaysian Institute of Accountants.

Mr. Wong started his career in the financial services industry as a Credit and Marketing Officer/Branch Manager in Arab Malaysian Credit Berhad from 1982 to 1989. In 1989, he joined Sogelease (Malaysia) Berhad as an Assistant Manager. He left his position as Senior Manager in Sogelease (Malaysia) Berhad in 1993 to join Artwright Marketing Sdn. Bhd as Head of Finance and was subsequently appointed General Manager, Finance of Artwright Holdings Berhad. He left Artwright Holdings Berhad in 2000 to pursue his own interest. He joined Milux Corporation Berhad as General Manager, Finance and Administration in 2006 and was re-designated as Chief Financial Officer in 2008.

Profile of Senior Management (cont'd)

LIM HOCK SENG, 57
General Manager, T.H. Hin Home Tech Sdn. Bhd. & Enamel Products Sdn. Bhd
Malaysian, Male

Mr. Lim who completed his Standard 5 education has more than 30 years of experience in the manufacturing of gas appliances. He started his career in T.H. Hin Home Tech Sdn. Bhd. ("**Home Tech**"), a wholly owned subsidiary of the Company in 1984 as a Store cum Delivery personnel. In 1986, he was transferred to the Production Department as an operator and was promoted to the position of Production Supervisor in 1988. In 1996, Mr. Lim was transferred to the Project Department as a Project cum Quality Control Executive and was appointed as a Senior Project Executive in 1999. He was re-designated as Head of Project Department in 2001 and was appointed Project Assistant Manager in 2005 and became the Acting Head of Research & Development in the same year. He was appointed to his current position in 2006.

Mr. Lim resigned from the Company on 31 December 2020 to pursue his own interest.

CHONG KOK LEONG, 61
General Manager, Milux Sales & Service Sdn Bhd
Malaysian, Male

Mr Chong is a professional with years of sales and marketing experience. He first joined Khind Mistral (M) Sdn. Bhd. ("**Khind**") as the Penang Branch Manager in 1997. In 2000 he was transferred to Khind Head Office to become the National Sales Manager and subsequently was promoted to General Manager, Sales in 2009. Mr Chong retired from Khind in 2019 and joined Milux Sales & Service Sdn. Bhd. in September of the same year where he is currently the General Manager, Sales and Marketing.

Notes:-

Save as disclosed above, none of the Senior Management has:-

(a) Any other directorship in public companies and listed issuers;

(b) any family relationship with any Director/major shareholder of the Company;

(c) any conflict of interests with the Company; and

(d) been convicted of any offences within the past five (5) years other than traffic offences (if any) and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Milux Corporation Berhad ("**Board**") ("**Milux**" or "**the Company**") is committed to ensure high standard of corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("**the Group**"). The Board believes that a robust corporate governance ("**CG**") framework is a cornerstone of a successful and sustainable company as well as is a fundamental part of discharging its responsibilities to safeguard the long-term interest of its shareholders and other stakeholders.

This Corporate Governance Overview Statement ("**CG Statement**") provides an overview on how Milux has applied each Practice as set out in the Malaysian Code on Corporate Governance ("**MCCG**") during the financial year ended 31 December 2020 ("**FYE 2020**") as well as the key focus areas and future priorities in relation to the CG practices that are described under each CG principle, as below.

This CG Statement also serves to comply with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Main LR**") ("**Bursa Securities**") and is to be read together with the Corporate Governance Report ("**CG Report**") as published in the Company's website at www.milux.com.my/investor-relations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the overall corporate governance, strategic direction and corporate goals and therefore monitors the achievement of these goals. The Board provides effective leadership and manages overall control of the Group's affairs through the discharge of the following principal duties and responsibilities:-

- Reviewing and adopting a strategic plan for the Company/Group;
- Overseeing the conduct of the Company/Group's business;
- Identification of principal risks and implementation of appropriate internal controls and mitigation measures;
- Succession Planning;
- Overseeing the development and implementation of a shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems.

To ensure effectiveness in discharging its responsibilities, the Board has established a CG structure whereby specific powers of the Board are delegated to the relevant Board Committees and the Group Managing Director ("**Group MD**").

The Chairman provides leadership to the Board and ensures that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in Board's deliberations. The Group MD is responsible for the overall day-to-day business operations of the Group and to oversee the implementation of strategies directed by the Board.

The position of the Chairman of the Board and the Group MD are held by different individuals. Datuk Dr. Wong Lai Sum ("**Datuk Dr. Wong**") is the Independent Non-Executive Chairman of the Company while Datuk Khoo Teck Kee ("**Datuk Khoo**") is the Group MD of the Company. The roles of Chairman and Group MD are held by separate persons and this facilitates a clear segregation of roles and responsibilities between them and a balance of power and authority as intended in the Board Charter.

The Board members have full access to the two (2) Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries provide advisory services to the Board, particularly on corporate administrative and governance issues including compliance to the relevant rules/ procedures, laws and regulatory requirements.

All Board members are supplied with information on a timely manner, where possible. The agenda of the Board Meeting is set in consultation with the Chairman and the Group MD. Apart from the ad-hoc meetings, due notice of at least seven (7) days is given to the Directors. This will allow the Directors to plan ahead and to maximise their participation.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

Board papers are circulated at least three (3) days prior to Board meetings and the materials provided, amongst others, are financial and corporate information, significant financial and corporate issues, the Group's performance and any management proposals which require the approval of the Board. Technology and Information Technology are effectively used in Board Meetings and communications with the Board.

All Board members, in order to enable them to discharge their duties effectively, has full and unrestricted access to the Management and Company Secretaries for all information pertaining to the businesses and corporate affairs of the Group. If need arises, the Board may also seek appropriate external independent professional advice at the Group's expense.

In discharging its duties, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board, the Board Committees as well as those of Management. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of the Company.

The Board has adopted a Code of Ethics and Conduct ("**Code**") which sets forth the values, expectations and standards of business ethics and conduct to guide the Board, the Management and employees of the Group. The Code is adopted to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of Milux Group.

The Code is established to promote a corporate culture which engenders ethical conduct that permeates throughout the Company and Group.

The aforesaid Board Charter and the Code are available at the Company's corporate website at www.milux.com.my.

Whistleblowing Policy

Whistle-blowing is an act of voluntary disclosure/ reporting to Management of the Group for further action of any improper conduct committed or about to be committed by an employee, officer or Management of the Group. Milux has adopted the Whistleblowing Policy to set out the mechanism and framework by which employees and members of the public are able to raise their concerns about illegal and unethical conduct within the Group without the risk of reprisal.

The ARC is responsible for the supervision of the enforcement of Whistleblowing Policy. The ARC shall receive information on each report of concern and ensure that follow-up actions be taken accordingly. The Chairman of ARC, may direct the complaint to the division/department best placed to address it, or lead the investigation to ensure prompt and appropriate investigation and resolution.

All disclosures can be made in strict confidential manner, marked "Confidential" to:

The Chairman of ARC
Milux Corporation Berhad
No. 31, Lorong Jala 14/KS10
Off Jalan Telok Gong
42000 Port Klang
Selangor Darul Ehsan
ph.hbglobal@gmail.com

The aforesaid Whistleblowing Policy is available at the Company's corporate website at www.milux.com.my.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

Anti-Bribery and Corruption Policy

The Government of Malaysia had announced the implementation of the Corporate Liability Provision involving commercial organisations under Section 17A of the Malaysian Anti-Corruption Act 2009, effective 1 June 2020. This new provision encourages commercial organisations to take appropriate and parallel steps to ensure businesses are conducted with integrity and without corruption. The Board had on 28 May 2020 adopted an Anti-Bribery and Corruption Policy which provides principles, guidelines and requirements on how to deal with corrupt and bribery practices that may arise in the course of daily business and operation activities within the Group.

The Group conducts all its business in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. The Group is also committed in upholding all laws relevant to countering bribery and corruption in Malaysia and all other jurisdictions in which it operates.

The aforesaid Anti-Bribery and Corruption Policy is available at the Company's corporate website at www.milux.com.my.

II. Board Composition

For FYE 2020, the Board consists of ten (10) members comprising three (3) Executive Directors and seven (7) Non-Executive Directors. Out of the seven (7) Non-Executive Directors, four (4) are independent and therefore the prescribed requirement under the Main LR whereby at least 2 directors or one third (1/3) of the Board of Directors are independent directors is fulfilled. This independent element brings an objective and independent judgement to the decision-making process of the Board. The biographical details of the Board members are set out in the Directors' Profile of this Annual Report.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, if the Board wishes to retain an Independent Director who has served beyond the 9-year tenure, the Board shall provide justification, upon the recommendation of the Nomination and Remuneration Committee ("**NRC**") and thereafter to obtain shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board must seek shareholders' approval annually through a 2-tier voting process. There were no Independent Directors whose tenure exceeds a cumulative term of nine (9) years in the Company thus far.

For the FYE 2020, all the Independent Non-Executive Directors ("**INEDs**") of the Company have confirmed their own independence pursuant to the requirements of the Main LR of Bursa Securities and that they have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company.

The Board through the NRC have conducted the annual assessment on effectiveness of the Board, the Board Committees and the individual Directors of the Company for the FYE 2020.

Based on the outcome of the Directors' self-assessment and peer assessment evaluation; the evaluation on the effectiveness of the Board as a whole, as well as the additional assessment on the independence of the INEDs, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

All INEDs are independent of management and free from any relationship. The Board considers that its INEDs are able to provide an unbiased and independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders

The Board has delegated certain duties and responsibilities to its two (2) board committees, namely the Audit and Risk Committee ("**ARC**") and the NRC (collectively referred to as "**the Board Committees**"), to assist the Board in overseeing the Company's affairs and in deliberation of issues within their respective functions and terms of reference ("**TOR"**), which outline clearly their objectives, duties and powers.

The TOR of the ARC and the NRC are available at the Company's corporate website at www.milux.com.my.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Audit and Risk Committee

The composition of the ARC and a summary of its activities during the FYE 2020, including an evaluation of the independent audit process, are set out in the ARC Report of this Annual Report.

Nomination and Remuneration Committee

The NRC comprises exclusively of the following INEDs:-

Name	Designation	Directorship	Number of NRC Meetings attended / held in the FYE 2020
Datuk Haw Chin Teck	Chairman	Independent Non-Executive Director	2/2
Datuk Dr. Wong Lai Sum	Member	Independent Non-Executive Chairman	2/2
Ho Pui Hold	Member	Independent Non-Executive Chairman	2/2

The NRC met two (2) times during the FYE 2020.

The NRC is governed by its TOR and its principal objectives are:-

- to assist the Board of Directors in their responsibilities in nominating and selecting new nominees to the Board of Directors and to assess the Directors of the Company on an on-going basis; and
- to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive and non-executive directors.

For the FYE 2020, the NRC has undertaken the following activities:-

(i) Conducted the Peer-to-Peer Performance Evaluation in accordance with following four (4) major criteria:-
   - Contribution to Board Meeting(s);
   - Quality of input;
   - Understanding of role; and
   - Arising from the peer-to-peer review, reviewed the contribution of each Director.

(ii) Conducted the Effectiveness of the Board Evaluation to assess the effectiveness of the Board and the Board Committees;

(iii) Reviewed the Independence of the Independent Directors;

(iv) Reviewed and recommended to the Board, the re-election of the Directors who will be retiring at the forthcoming Annual General Meeting ("**AGM**") of the Company;

(v) Reviewed and recommended to the Board on the amount of directors' fees;

(vi) Reviewed and recommended to the Board on the amount of directors' benefit payable; and

(vii) Reviewed the remuneration packages of the Executive Vice Chairman, the Group MD and the Executive Director of the Company.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Nomination and Remuneration Committee (cont'd)

Re-election of Directors

Clause 117 of the Constitution of the Company state that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Pursuant to Clause 117, the following Directors are subject to retirement by rotation at the forthcoming Twenty-Sixth AGM of the Company:-

(a) Mr. Tan Chee How;
(b) Datuk Dr. Wong; and
(c) Datuk Wira Ling Kah Chok.

The NRC has conducted the following assessment for all the retiring Directors based on the criteria as prescribed by the Main LR of Bursa Securities:-

- Mix of skills;
- Character;
- Experience;
- Integrity;
- Competence; and
- Time commitment to discharge their roles.

Upon review, the NRC were satisfied with the performance of all the retiring Directors. The Board has then concurred the same and resolved that the retiring Directors be recommended to the shareholders for approval at the forthcoming Twenty-Sixth AGM.

The NRC conducted the following assessments annually:-

(i) Directors' self-assessment and Peer assessment evaluation

In conducting the evaluation, the following main criteria were adopted by the NRC:-

- Contribution to interaction;
- Quality of Input; and
- Understanding of role.

Based on the evaluation conducted for the FYE 2020, the NRC was satisfied with the performance of the individual members of the Board.

(ii) Evaluation on the effectiveness of the Board as a Whole and Board Committees

Based on the evaluation conducted for the FYE 2020, the NRC was satisfied with the performance of the Board as a whole as well as the Board Committees.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Nomination and Remuneration Committee (cont'd)

Board Diversity

Women representation on the Board as well as in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives. The Board Diversity Policy is available at the Company's website at www.milux.com.my.

For the FYE 2020, the diversity in the race/ethnicity of the existing Directors is as follows:-

Diversity	Race/Ethnicity				Gender		
	Malay	Chinese	Indian	Total	Male	Female	Total
Number of Directors	0	10	0	10	7	3	10

The existing Directors' age distribution falling within the respective age group is as follows:

Age Group (Years)	31 - 40	41 - 50	61 - 70	Total
Number of Directors	5	4	1	10

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavours to attend meetings.

For the FYE 2020, the Board had convened a total of six (6) Board Meetings for the purposes of deliberating on the Company's quarterly financial results and discussing important matters which demanded immediate attention and decision-making. During the Board Meetings, the Board reviewed the operation and performance of the Group and other strategic issues that may affect the Company's business. Relevant persons in-charge were invited to attend the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

The attendance record of each Director for all the Board of Directors' Meetings held for the FYE 2020 is as follows:-

Directors	Attendance	%
Datuk Dr. Wong Lai Sum	6 out of 6	100
Datuk Wira Ling Kah Chok	5 out of 6	83
Datuk Khoo Teck Kee	6 out of 6	100
Tan Chee How	6 out of 6	100
Ho Pui Hold	6 out of 6	100
Datuk Haw Chin Teck	6 out of 6	100
Datuk Yap Kheng Fah	6 out of 6	100
Gan Boon Lay	5 out of 6	83
Yee Carine	6 out of 6	100
Teh Sok Hoon	6 out of 6	100

Board members are expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairperson of the Board and/or Company Secretaries, where applicable.

The Board will also meet on an ad-hoc basis to deliberate urgent issues and matters that require expeditious Board direction or approval. In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approval are sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Nomination and Remuneration Committee (cont'd)

Board Diversity (cont'd)

In facilitating the schedule of the Directors, the Company Secretaries will prepare and circulate in advance an annual meeting schedule, which includes all the proposed meeting dates of the Board and the Board Committee Meetings for the next financial year, as well as the AGM. Upon the concurrence by all the Board members, the annual meeting schedule will be adopted for the applicable financial year.

Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company.

Prior to the acceptance of new Board appointment(s) in other companies, the Directors should notify the Chairperson of the Board and/or the Company Secretaries in writing.

For the FYE 2020 and up to the date of this Annual Report, the Company Secretaries have received one (1) such notification from an INED on his new appointment in other companies.

Directors' Training

The Board acknowledges the importance of continuous education and training to equip themselves for the effective discharge of its duties. New appointees to the Board undergo a familiarisation programme, which includes visits to the Group's business operations and meetings with key management to facilitate their understanding of the Group's operations and businesses.

All members of the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

The details of the trainings attended by the Directors during the FYE 2020 are as below:-

Name	Training(s) Attended
Datuk Dr Wong Lai Sum	• Training on Adequate Procedures – Section 17A of Malaysian Anti Corruption Commission Amendment Act 2018 • Sustainability Refresher Training
Datuk Wira Ling Kah Chok	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018
Datuk Khoo Teck Kee	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018 • National Tax Conference 2020 • Webinar Series – Section 117 Capital Reduction • Webinar Series – Complying with the Guideline for the Reporting Framework for Beneficial Ownership of Legal persons
Tan Chee How	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018
Ho Pui Hold	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018 • Overview – Section 17A Corporate Liability on Corruption • COVID-19 Impact on Financial Reporting and Internal Controls • Managing Your Fraud Risk – Are You Doing Enough • Awareness ISO 9001:2015 – Introduction on Implementation

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Nomination and Remuneration Committee (cont'd)

Directors' Training (cont'd)

Name	Training(s) Attended
Datuk Haw Chin Teck	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018
Datuk Yap Kheng Fah	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018
Gan Boon Lay	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018
Yee Carine	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018
Teh Sok Hoon	• Training on Adequate Procedures – Section 17A of Malaysian Anti-Corruption Commission Amendment Act 2018

III. Remuneration

Presently the Company does not have formalised remuneration policies and procedures for the Directors and Senior Management.

The objectives of the Group on Directors' remuneration are to attract and retain Directors of the calibre needed to manage the Group successfully. In the case of the Group MD and the Executive Directors, the component parts of their remuneration are structured to link rewards to corporate and individual performances. For Non-Executive Directors, their level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The details of the remuneration for Directors for the FYE 2020 are as follows:

Summary of total remuneration of Directors for the FYE 2020						
	Fee	**Salary**	**EPF & SOCSO**	**Benefit-In-Kind**	**Other Emoluments**	**Total**
	(RM)	**(RM)**	**(RM)**	**(RM)**	**(RM)**	**(RM)**
COMPANY						
Executive Director						
Datuk Wira Ling Kah Chok	30,000,00	-	-	-	3,750.00	**33,750.00**
Datuk Khoo Teck Kee	-	336,000.00	53,543.40	13,571.56	102,500.00	**505,614.96**
Tan Chee How	-	145,528.00	21,362.60	10,612.49	27,286.00	**204,789.09**
Subtotal	**30,000.00**	**481,528.00**	**74,906.00**	**24,184.05**	**133,536.00**	**744,154.05**
Non-Executive Directors						
Datuk Dr. Wong Lai Sum	50,000.00	-	-	-	5,500.00	**55,500.00**
Ho Pui Hold	35,000.00	-	-	-	8,000.00	**43,000.00**
Datuk Haw Chin Teck	35,000.00	-	-	-	8,000.00	**43,000.00**
Datuk Yap Kheng Fah	30,000.00	-	-	-	7,000.00	**37,000.00**
Gan Boon Lay	30,000.00	-	-	-	3,750.00	**33,750.00**
Yee Carine	30,000.00	-	-	-	4,500.00	**34,500.00**
Teh Sok Hoon	30,000.00	-	-	-	4,500.00	**34,500.00**
Subtotal	**240,000.00**	**-**	**-**	**-**	**41,250.00**	**281,250.00**
TOTAL	**270,000.00**	**481,528.00**	**74,906.00**	**24,184.05**	**174,786.00**	**1,025,404.05**

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration (cont'd)

Summary of total remuneration of Directors for the FYE 2020						
	Fee	**Salary**	**EPF & SOCSO**	**Benefit-In-Kind**	**Other Emoluments**	**Total**
	(RM)	**(RM)**	**(RM)**	**(RM)**	**(RM)**	**(RM)**
GROUP						
Executive Director						
Datuk Wira Ling Kah Chok	30,000,00	-	-	-	3,750.00	**33,750.00**
Datuk Khoo Teck Kee	-	336,000.00	53,543.40	13,571.56	102,500.00	**505,614.96**
Tan Chee How	-	218,292.00	30,404.40	14,312.49	27,286.00	**290,294.89**
Subtotal	**30,000.00**	**554,292.00**	**83,947.80**	**27,884.05**	**133,536.00**	**829,659.85**
Non-Executive Director						
Datuk Dr. Wong Lai Sum	50,000.00	-	-	-	5,500.00	**55,500.00**
Ho Pui Hold	35,000.00	-	-	-	8,000.00	**43,000.00**
Datuk Haw Chin Teck	35,000.00	-	-	-	8,000.00	**43,000.00**
Datuk Yap Kheng Fah	30,000.00	-	-	-	7,000.00	**37,000.00**
Gan Boon Lay	30,000.00	-	-	-	3,750.00	**33,750.00**
Yee Carine	30,000.00	-	-	-	4,500.00	**34,500.00**
Teh Sok Hoon	30,000.00	-	-	-	4,500.00	**34,500.00**
Subtotal	**240,000.00**	**-**	**-**	**-**	**41,250.00**	**281,250.00**
TOTAL	**270,000.00**	**554,292.00**	**83,947.80**	**27,884.05**	**174,786.00**	**1,110,909.85**

Note: Other emoluments consist of bonus and meeting/travelling allowance.

The remuneration of the top senior management (including salary, bonus, benefit-in kind and other remuneration) in each band of RM50,000 during the FYE 2020 is as follows:-

Remuneration Range (RM)	**Top Three Senior Management**
300,001 – 350,000	1
250,001 – 300,000	1
150,001 – 200,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Committee

The composition and details of activities carried out by the ARC during the FYE 2020 are set out in the ARC Report of this Annual Report.

For the FYE 2020, the ARC has assessed the suitability and independence of external auditors vide an annual assessment of the suitability and independence of the external auditors. The requirement for such assessment has also been encapsulated in the Board Charter by the Board.

Upon completion of its assessment of the external auditors of the Company, the ARC was satisfied with CAS Malaysia PLT's technical competency and audit independence during the financial year.

None of the members of the Board were former key audit partners and notwithstanding that, in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the Board.

The Board had adopted the Policy on the Provision of Non-Audit Services by External Auditors and the Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. Risk Management and Internal Control Framework

The Board affirms the importance of maintaining a sound system of internal controls and risk management practices to good corporate governance. The ARC has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The activities of the outsourced Internal Auditors are reported regularly to the ARC which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's internal control systems. It acknowledges its overall responsibility in this area and also the need to review its effectiveness regularly.

The Statement on Risk Management and Internal Control of the Group as set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

The outsourced Internal Auditors communicate regularly with and report directly to the ARC. The outsourced Internal Auditors' representatives met up four (4) times with the ARC for the FYE 2020.

The Internal Audit Review of the Group's operations encompasses an independent assessment of the Group's compliance with its internal controls and recommendations are made for improvement.

For the FYE 2020, the ARC has assessed the performance of internal auditors vide an annual assessment of the suitability of the internal auditors.

In its assessment, the ARC considered, inter alia, the following factors:-

- Understanding;
- Charter and structure;
- Skills and experiences;
- Communication; and
- Performance;

Upon completion of its assessment, the ARC was satisfied with the outsourced Internal Auditor, PKF Risk Management Sdn. Bhd.'s technical competency and audit independence during the financial year under review.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company is committed to ensuring that communications to the investing public regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

In line with that, the Board has adopted a Corporate Disclosure Policy to develop and maintain an established framework for making corporate disclosures.

A copy of this policy is available for viewing on the Company's corporate website at www.milux.com.my.

The Company recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations.

In line with that, the Board has adopted a Shareholders' Communication Policy to ensure that all shareholders have ready and timely access to all publicly available information of the Company, to fairly and accurately represent the Company so that investors and potential investors can make properly informed investment decisions and others can have a balanced understanding of the Company and its objectives.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders (cont'd)

The Board has adopted the following measures with regards to communication with the Company's shareholders:-

(i) Announcements to Bursa Securities

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.

Shareholders and Investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at http://www.bursamalaysia.com.my.

(ii) Corporate Website

The Company's corporate website (http://www.milux.com.my) provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company and annual reports. The Board discloses to the public all material information necessary for informed investment and takes reasonable steps to ensure that all shareholders enjoy equal access to such information.

(iii) Annual Reports

The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Group's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

(iv) AGMs/General Meetings

The AGM/General Meetings which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.

(v) Designated Contact Person for Investor Relations

Any enquiry regarding investor relations from the shareholders may be conveyed to the designated contact person, the information of which has been published on the Company's corporate website.

II. Conduct of General Meetings

The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

All Board members, Senior Management and the Group's External Auditors as well as the Company's advisers are available to respond to shareholders' questions during the general meetings of the Company as the case may be.

The notice of AGM together with the Annual Report is despatched to shareholders at least twenty-eight (28) days prior to the meeting date. Sufficient notice period is given to the shareholders in order for them to schedule their time to attend the Company's AGM.

In light of the COVID-19 pandemic, the 25th AGM of the Company were conducted fully virtual on 18 September 2020, the Chairperson, the Executive Vice Chairman and the Executive Directors were present at the broadcast venue of the meeting and the remaining Board members had participated remotely via remote participation and voting facilities to respond to the questions raised by the shareholders or proxies. The Chairperson of the Board chaired the 25th AGM in an orderly manner and allowed the shareholders or proxies the opportunity to speak at the meeting.

In line with Paragraph 8.29A of the Main LR of Bursa Securities on the requirement for poll voting for any resolution set out in the notice of general meetings, at the 25th AGM held last year, electronic poll voting was used to facilitate the voting process for resolutions tabled. An independent scrutineer was also appointed to scrutinise the polling process.

The Company has not adopted, but will continue to explore, the practice of using technology to enable voting in absentia and remote shareholder participation at shareholders' meetings.

Corporate Governance Overview Statement (cont'd)

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to financial year ending 2021 and 2022, the Board and its respective Board Committees will:-

- Focus on major strategic issues to ensure sustainability and growth;
- Continue to monitor succession planning for the senior leadership team, to ensure a healthy pipeline of talent is emerging for future senior executive management;
- Consider other variety of approaches and independent sources to identify suitable candidate for appointment of Directors, should the need arise; and
- Continue to review the balance, experience & skills of the Board.
- To work with and guide Management to ensure the safety and health of the Group's employees during this COVID-19 pandemic.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 30 March 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) of Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Board of Directors of Milux Corporation Berhad is pleased to provide the following Statement on Risk Management and Internal Control of the Group, which has been prepared in accordance with the Malaysian Code on Corporate Governance ("**MCCG**"), the Corporate Governance Guide and the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board recognises the importance of a sound risk management framework and internal control system for good corporate governance, and acknowledges its primary responsibility for the adequacy and integrity of the Group's systems of risk management and internal control including the identification of principal risks in the Group, measured and managed with appropriate internal control measures, as well as review of its effectiveness, particularly the financial, operational, and compliance aspects of the Group throughout the financial year.

However, the Board also acknowledges that such risk management and internal control system is designed to manage the Group's risks within an acceptable risk parameter, rather than eliminate the risk of failure to achieve the business objectives of the Group. Accordingly, they can only provide reasonable but not absolute mitigation against material misstatement of management and financial information, financial losses or fraud.

The Group has established an on-going process to identify, evaluate and manage significant risks faced by the Group and its achievement of objectives and strategies. The process involves, amongst others, updating the risk register and internal control documentation whenever there are changes to business environment or regulatory guidelines.

The Audit and Risk Committee ("**ARC**") has been established to assist the Board in their responsibilities to identify, assess and monitor key risks and implement adequate internal control system to safeguard shareholders' investments and the company's assets. ARC is supported by internal audit function which conduct periodical assessment on the efficiency and effectiveness of the internal control system of the Group in mitigating risk.

Another Board Committee that was established by the Board is the Nomination and Remuneration Committee ("**NRC**") which also have clearly defined accountabilities and responsibilities to oversee various key business activities within the Group.

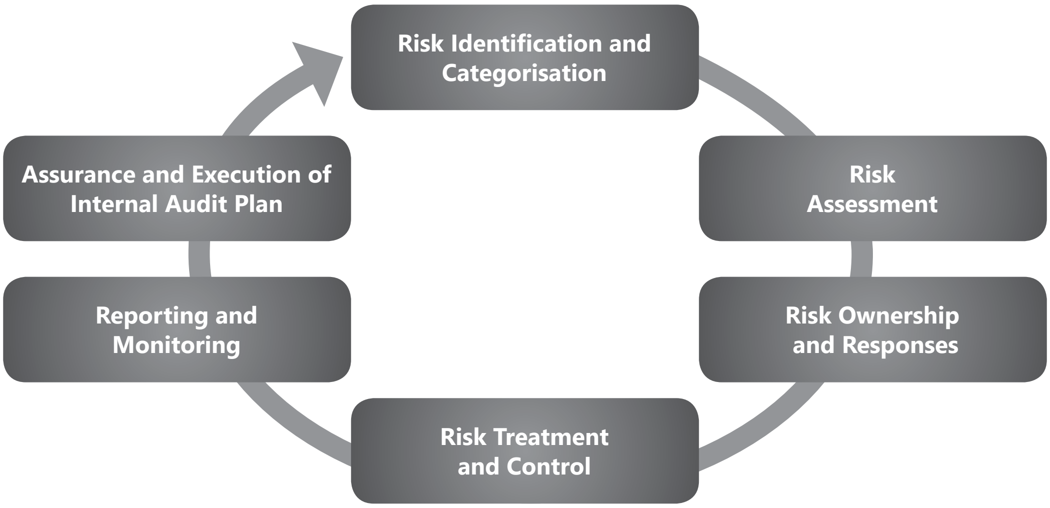
Risk Management

The risk management processes in identifying, evaluating and managing significant risks facing the organisation are embraced in the operating and business processes. The effectiveness of the risk management is monitored and evaluated by all levels of management on an ongoing basis.

The Group through its ARC reviews these processes on a periodical basis, along with progress updates on the mitigation measures implemented on the identified inherent risks. Adequacy and effectiveness of the mitigation measures will be assessed and further enhanced where necessary.

Statement On Risk Management And Internal Control (cont'd)

The key aspects of the risk management framework are:



1. <u>Risk Identification and Categorisation</u>

   Objectives, processes and the associated risks in relation to the key business activities for each division/ department are identified. Risks are then segregated into the respective defined categories, i.e. Financial, Information Technology, Operational, Regulatory, Strategic and Human Capital.

2. <u>Risk Assessment</u>

   Each risk is assessed in terms of its likelihood and the impact of the risk to the Group. Likelihood is expressed as either a probability for a single event, condition or a frequency of occurrences for repeated events; whilst impact is an estimate of the severity of adverse effects, either financial or non-financial, to the Group.

3. <u>Risk Ownership and Responses</u>

   Each risk is assigned to an accountable internal stakeholder, i.e. Risk Owner, who is responsible to manage and mitigate identified risk within the acceptable risk tolerance.

4. <u>Risk Treatment and Control</u>

   Decision about how to deal with risks, either in the external or internal environment, by means of risk reduction, risk avoidance, risk acceptance and risk transfer. Controls are put in place based on the risk treatments chosen for each risk.

5. <u>Reporting and Monitoring</u>

   Risks are compiled and recorded into the Risk Register, which is used for reporting and continuous monitoring purposes. The risk status is reviewed and updated on a periodical basis.

6. <u>Assurance and Execution of Internal Audit Plan</u>

   Annual Internal Audit Plan is prepared, and it outlines the risk areas which warrants audit review. Internal audit engagement is performed on periodical basis to provide reasonable assurance on the adequacy and effectiveness of the system of internal control and risk management practices.

Statement On Risk Management And Internal Control (cont'd)

Generally, the Board is accountable for the Group's overall risk profile and has delegated the oversight of the risk management function to the ARC comprising three (3) Independent Non-Executive Directors. There were five (5) meetings held for year 2020 with ARC members' attendance details as follows:

Members	Attendance
Mr. Ho Pui Hold	5 out of 5
Datuk Haw Chin Teck	5 out of 5
Datuk Yap Kheng Fah	5 out of 5

The ARC notes that the risk management and internal control practices are adequately implemented in the Group and effective in its execution. In addition, the ARC ensures the policies and framework in place are able to manage the risks to which the Group are exposed, especially in areas of high-risk concentration identified.

The likelihood of occurrence and magnitude of the impact of such risks are captured on an established risk matrix based on the risk assessment results. The exercise was facilitated by PKF Risk Management Sdn Bhd to enable a systematic identification of significant business risks, establishment of responsibilities for managing these risks and an objective assessment of key controls to manage the identified risks. The identified risks are segregated into Financial, Information Technology, Operational, Regulatory, Strategic and Human Capital.

All records of information about identified risks was incorporated into a Risk Register that was tabled to the Board. The risk register is updated on a periodical basis to ensure new risks are identified and assessed in terms of their likelihood and impact which are of significance to the Group. Arising from a risk profile update exercise conducted during the year, new risks such as pandemic, bribery and corruption are identified, assessed and incorporated into the Risk Register accordingly. Eventually, a risk-based annual internal audit plan was proposed and approved by the ARC prior to commencement.

Internal Control System

The Board recognises the criticality of a sound internal control system in ensuring effectiveness and efficiency when managing the Group's business, which it approaches in a top-down manner with internal control concepts cascaded right from the strategic management level down to the foundation operations level.

The Board meets at the minimum quarterly to discuss a schedule of matters that requires its attention, to ensure accountability for the conduct and performance within their assigned business units/support functions.

The Board also has established the ARC and the NRC as part of the Board Committees in accordance with the Bursa Securities' Main LR and Securities Commission Malaysia's MCCG.

The Group maintains a formal organisation structure with well-defined delegation of responsibilities and accountability. The internal control system of the company's various operating division is enhanced by implementing roles and responsibilities, appropriate limits of authority, continuous review and enhancement of policies and procedures.

Further, the Board has formalised an Anti-Bribery and Corruption Policy as a commitment to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

Internal Audit Function

The Board places importance on the Internal Audit function and has engaged an independent professional accounting and consulting firm, PKF Risk Management Sdn. Bhd., to provide professional assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The Internal Audit function reports directly to the ARC, conducts periodical audits to assess the effectiveness of the risk management and internal control procedures; recommends actions to Management for improvement and reports the status of management control procedures to the ARC.

Statement On Risk Management And Internal Control (cont'd)

Internal Audit Function (cont'd)

Since the adoption of the Enterprise Risk Management framework, the Internal Audit function has taken a risk-based approach when preparing its audit strategy and plans, after having considered the risk profiles of the operations of the Group.

The Internal Audit function reviews the internal controls of the key activities of the Group based on the annual audit plan approved by the ARC and carry out its function in accordance to the International Standards for the Professional Practice of Internal Auditing which covers the process of audit planning, execution, documentations, communication of findings and consultation with Senior Management and the Board on the audit concerns.

Follow up reviews were conducted to determine if agreed control measures highlighted in the previous internal audit reports were implemented. Outstanding management actions would be escalated to the ARC for attention and deliberation.

Review of Effectiveness

The Board is of the view that the systems of risk management and internal control are in place for the financial year under review and up to the date of approval of this statement. The risk management and internal control systems are sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets. Notwithstanding this, the Board is vigilant and continues to review the effectiveness and adequacy of the systems of risk management and internal control, in view of the dynamic and changing business environment.

Review of Statement on Internal Control by External Auditors

The External Auditors have reviewed the Statement on Risk Management and Internal Control and reported to the ARC that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process adopted by the ARC and the Board in reviewing the adequacy and integrity of the Group's internal controls.

Board Assessment

The Board has received assurances from the Group Managing Director, the Executive Director and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control systems of the Group.

The Board is of the view that the risk management and internal control system of the Group for the financial year under review and up to the date of issuance of the financial statements is adequate and effective. Nevertheless, the Board recognises the fact that the Group's risk management and internal control system must continuously evolve to meet the changing business environment. Therefore, the Board will when necessary put in place appropriate action plans to further enhance the system of internal controls and risk management practices.

This Statement is made in accordance with the approval and resolution of the Board of Directors dated 30 March 2021.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("**ARC**" or "**the Committee**") is pleased to present the report of the ARC for the financial year ended 31 December 2020 ("**FYE 2020**"). The Board has approved this report by a resolution dated 30 March 2021.

Constitution

The ARC of Milux Corporation Berhad ("**Milux**") has been established since 11 March 1997.

Composition

The Committee comprises of three (3) members, which consist of three (3) Independent Non-Executive Directors ("**INEDs**") and complied with the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Chairman of the ARC is Mr. Ho Pui Hold who is an INED of the Company and as such the requirement of Paragraph 15.10 of the Main LR of Bursa Securities has been complied with.

Meetings

The Committee held a total of five (5) meetings during the FYE 2020.

The attendance of the members at Committee Meetings held during the financial year under review are as below:-

Members	Number of meetings attended / held in the financial year under review	%
Ho Pui Hold – Chairman *Independent Non-Executive Director*	5/5	100
Datuk Haw Chin Teck - Member *Independent Non-Executive Director*	5/5	100
Datuk Yap Kheng Fah – Member *Independent Non-Executive Director*	5/5	100

Mr. Ho Pui Hold is a fellow member of the Association of Chartered Certified Accountants (FCCA), a member of the Malaysian Institute of Accountants (MIA) and a member of the ASEAN Chartered Professional Accountant (ACPA). In view thereof, the Company has met the minimum requirement as set forth under Paragraph 15.09(1)(c) of the Main LR of Bursa Securities.

For the FYE 2020, the ARC held five (5) meetings on the following dates:-

No.	AC Meeting	Date of Meeting	Meeting with the External Auditors without Presence of the Executive Board and Management
(1)	(1/2020) ARC Meeting	24 February 2020	
(2)	(2/2020) ARC Meeting	20 April 2020	√
(3)	(3/2020) ARC Meeting	19 June 2020	
(4)	(4/2020) ARC Meeting	21 August 2020	
(5)	(5/2020) ARC Meeting	27 November 2020	√

The External Auditors are encouraged to raise with the Committee any matters they considered important to bring to the Committee's attention. For the FYE 2020, two (2) meetings were held with the External Auditors without the presence of the Executive Board members and Management. The lead audit engagement partner of the External Auditors attended two (2) Committee meetings held in the FYE 2020.

The ARC Chairman also sought information on the communication flow between the External Auditors and the Management which is necessary to allow unrestricted access to information for the External Auditors to effectively perform their duties. For the FYE 2020, the External Auditors confirmed to the ARC that there were neither restrictive nor non-co-operative behaviour exhibited by the Management during the course of their audit.

Audit and Risk Committee Report (cont'd)

Meetings (cont'd)

Notices of ARC meetings were distributed to the Committee at least seven (7) days before the meeting while the meeting papers were disseminated to the Committee at least three (3) days in advance prior to the meeting to enable the Committee Members to peruse and provide their feedbacks/comments at the meeting.

All deliberations during the Committee meetings were duly minuted. Minutes of the ARC meetings were tabled for confirmation at every succeeding ARC meeting.

The ARC Chairman presented the Committee's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. The ARC Chairman would convey to the Board, those matters of significant concern raised by the Internal Auditors and/or External Auditors, as and when necessary. At every ARC quarterly meeting, the Committee also reviewed the significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters were addressed at the ARC quarterly meetings.

Terms of Reference

The Terms of Reference ("**TOR**") of the ARC is available on the Company's website at www.milux.com.my.

Summary of Works undertaken by the ARC

During the financial year under review, the works undertaken by the Committee included the discharged of the following five (5) main oversight roles:-

(a) Financial Reporting

(i) Reviewed the Audited Financial Statements of the Group before recommending them for the Board's approval.

(ii) Reviewed the quarterly financial results to ensure compliance with the Main LR of Bursa Securities before recommending them for Board's approval.

(iii) Reviewed any related party transactions entered into by the Company and the Group on a quarterly basis.

(iv) Reviewed, if any, the significant assumptions made in preparing the financial statements, including accounting estimates that have been identified as having high estimation uncertainty. The following significant matters in relation to the preparation of unaudited quarterly financial results were identified by the ARC during the FYE 2020:-

- Impairment of Asset;
- Impairment of Trade Receivables;
- Inventory obsolescence;
- Depreciation method or asset useful life;
- Provision against the carrying amount of an investment;
- Costs arising from litigation settlements and judgements; and
- Fair value accounting estimates.

(b) Corporate Reporting

(i) Reviewed the *draft* Annual Report of the Company before recommending for the Board's approval.

(ii) Reviewed the ARC Report and Statement on Risk Management and Internal Control before recommending the same to the Board for approval and for inclusion in the Company's Annual Report.

(c) External Audit

(i) Reviewed the Audit Planning Memorandum with CAS Malaysia PLT, the External Auditors of the Company.

(ii) Received written assurance from CAS Malaysia PLT confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Audit and Risk Committee Report (cont'd)

(c) External Audit (cont'd)

(iii) Reviewed and assessed the performance, suitability and independence of the External Auditors for the FYE 2020 before making recommendation for their re-appointment to the Board.

(iv) Reviewed the audit and non-audit fees payable to the External Auditors for the FYE 2020 to ensure the level of non-audit services rendered by the External Auditors would not impair their independence.

(v) Received updates on the Malaysian Financial Reporting Standards by the representative of CAS Malaysia PLT.

(vi) Met and discussed with the External Auditors two (2) times during the financial year without the presence of the Executive Board Members and Management of the Company.

(d) Internal Audit

(i) Reviewed the Internal Audit Reports tabled by PKF Risk Management Sdn. Bhd. ("**PKF**") at the quarterly Committee Meetings to ensure that all recommendations and corrective actions were taken by Management based on the audit findings and recommendations of the Internal Auditors.

(ii) Conducted an Internal Audit Assessment to review the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it has the necessary authority to carry out its work and to perform its function effectively in accordance with relevant professional standards.

(e) Risk Management

(i) Reviewed the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system vide the annual Internal Audit Assessment.

(ii) Assessed Milux Group's business strategies and plans from a risk-based perspective.

(iii) Systematic identification of significant business risks and objective assessment of key controls to manage the identified risks, with the assistance of the outsourced Internal Auditors.

Anti-Bribery and Corruption ("ABC") Compliance and Adequate Procedures

Effective 1 June 2020, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**") was amended to include the corporate liability of Malaysian commercial organisations ("**CO**") for corruption offences under the new provision.

During the FYE 2020, the Company, defined as a CO under the Guidelines on Adequate Procedures ("**GAP**") issued by the Prime Minister's Office in December 2018 (which set out adequate procedures a CO would need to put in place as a defence to a corporate liability charge under the MACC Act), has established the ABC Policy and the supporting programmes.

Internal Audit

(1) Internal Audit Function

Internal Auditing is an independent objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of Milux Corporation Berhad and its subsidiaries ("**Milux**" or "**the Group**"). It assists Milux in accomplishing Milux's vision and mission by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Company's risk management, control, and governance processes.

The Group has appointed PKF, an internal audit service provider to carry out the internal audit function. The outsourced Internal Auditors report directly to the Committee, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the Internal Audit function. The purpose of the Internal Audit function is to provide the Board, through the Committee, assurance of the effectiveness of the system of internal control in the Group.

The Internal Audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

Audit and Risk Committee Report (cont'd)

Internal Audit (cont'd)

(2) Internal audit activities:-

(a) Audit Conducted in FYE 2020

For the FYE 2020, PKF has conducted the following audits:-

Audit activities	Audit entity/ area
Review of Inventory Management	Milux Headquarters
Follow Up Review on Group Risk Profile	Milux Group
Follow Up Review on:-	
(i) Sales & Account Receivables Function	Milux Sales & Service Sdn. Bhd. ("**MSSSB**")
(ii) Forex Management	Milux Headquarters
(iii) Inventory Management	MSSSB
(iv) Service Management (Warranty & Repair)	MSSSB
(v) Procurement and Payment Management	Milux Headquarters
(vi) Sales, Credit Control & Account Receivables	T. H. Hin Home Tech Sdn. Bhd. ("**Home Tech**")
Review of Sales and Credit Control Management	MSSSB

(b) Adoption of Internal Audit Plan for year 2021 and 2022

At the ARC meeting held on 27 November 2020, PKF has presented the Internal Audit Plan for years 2020 and 2021 and the ARC has agreed to the proposed timing and areas to be audited as tabled.

(c) Internal Audit Review and assurance

During the course of its audit, PKF has reviewed compliance with regard to policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary.

The internal audits performed met the objective of highlighting to the Committee the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system is in place within the Group, as well as to rectify any weaknesses in the Group's internal control system. It ensured that those weaknesses were appropriately addressed and that recommendations from the Internal Audit Reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.

(d) Internal Audit Charter

The Committee has adopted an Internal Audit Charter in order to formalise the remit of the Internal Audit function and the process to review the adequacy of scope, functions, competency, and resources of the internal audit function.

The Internal Audit Charter comprises the following items:-
(i) Role;
(ii) Professionalism;
(iii) Authority;
(iv) Organisation;
(v) Independence and Objectivity;
(vi) Responsibility;
(vii) Internal Audit Plan;
(viii) Reporting and Monitoring;
(ix) Periodic Assessment;
(x) Oversight Functions of the ARC in relation to Internal Audit Functions; and
(xi) Review of Internal Audit Charter.

The Internal Audit Charter is available for viewing on the Company's website at www.milux.com.my.

Audit and Risk Committee Report (cont'd)

Internal Audit (cont'd)

(2) Internal audit activities:- (cont'd)

(e) Internal Audit Function Review

On a yearly basis, the ARC would conduct an Internal Audit function review in order to assess the adequacy and performance of the Internal Audit Function and its comprehensive coverage of the Group's activities ("**the IA Review**").

The IA Review has been conducted by the ARC on 24 February 2021. The Committee has conducted the IA Review based on the following criteria:-

- Understanding;
- Charter and Structure;
- Skills and experiences;
- Communication; and
- Performance.

Upon review, the Committee was satisfied with the performance and the conduct of PKF.

(3) Total costs incurred for FYE 2020

The total fees incurred for the outsourced internal audit function of the Group for the FYE 2020 amounted to RM64,000/- (FYE 2019: RM64,000/-).

ADDITIONAL COMPLIANCE INFORMATION

The information disclosed below is in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

During the financial year, no proceeds were raised by the Company from any corporate proposal.

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2020, CAS Malaysia PLT, the External Auditors has rendered audit and non-audit services to the Company and the Group as follows:-

	Group (RM)	**Company (RM)**
Audit services rendered	106,000	16,500
Non-audit services rendered (1) Non-Audit fees - fees for review of Statement on Risk Management and Internal Control	 5,000	 5,000
TOTAL	**111,000**	**21,500**

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries which involve directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Extraordinary General Meeting of the Company held on 4 November 2020, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for recurrent related party transactions ("**RRPTs**") of revenue and trading nature.

Additional Compliance Information (cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE – (cont'd)

The information on RRPTs for the financial year under review are as follows:-

Name of Company involved	Name of Related Party /Service Provider	Nature of Transaction	Interested Related Parties (Note)	Aggregate Value of the Transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2020
Milux Sales & Service Sdn. Bhd.	Pest React Sdn. Bhd.	Acquisition of pest control services	(a) Datuk Wira Ling Kah Chok (b) Gan Boon Lay (c) Topspike Holding Sdn. Bhd. (d) Datuk Dr. Wong Lai Sum (e) Datuk Khoo Teck Kee	RM13,200.00

Nature of relationship:

(a) Datuk Wira Ling Kah Chok ("**Datuk Wira Ling**") is the Executive Vice Chairman and a major shareholder of the Company through his interest in Topspike Holding Sdn. Bhd. ("**Topspike**"), a major shareholder of the Company. He is also the Chief Executive Officer and a major shareholder of Linbaq Holding Sdn. Bhd. ("**Linbaq**");

(b) Gan Boon Lay is a Non-Independent Non-Executive Director and a major shareholder of the Company (through his interest in Topspike). He is deemed a Person Connected to Datuk Wira Ling by virtue of their substantial interest in Topspike.

(c) Topspike is a major shareholder of the Company and a Person Connected to Datuk Wira Ling and Gan Boon Lay;

(d) Datuk Dr. Wong Lai Sum is the Independent Non-Executive Chairman of the Company as well as a Non-Executive Director of Linbaq; and

(e) Datuk Khoo Teck Kee is the Group Managing Director of the Company as well as an Executive Director of Pest React Sdn. Bhd., a subsidiary of Linbaq.

DIRECTORS' RESPONSIBILITY STATEMENT
IN RELATION TO PREPARATION OF FINANCIAL STATEMENT

This Statement is prepared as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare annual financial statements which are in accordance with applicable approved accounting standards; to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year; and of their results and their cash flows for the year then ended.

The Directors consider that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2020,

- the Group and the Company have adopted appropriate accounting policies and applied them consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable approved accounting standards in Malaysia, including but not limited to Malaysian Financial Reporting Standards and International Financial Reporting Standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to comply with the requirements of the Companies Act 2016 and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps as are reasonably open to them to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of an investment holding company and the provision of management services.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiary is as disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group 2020 RM	Company 2020 RM
Loss for the financial year	(5,046,953)	(1,207,925)
Attributable to:		
Owners of the Company	(5,045,654)	(1,207,925)
Non-controlling interest	(1,299)	-
	(5,046,953)	(1,207,925)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than those as disclosed in notes to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared during the financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

There were no changes in the issued and paid up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report (cont'd)

DIRECTORS

The names of the Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Dr. Wong Lai Sum
Datuk Wira Ling Kah Chok
Datuk Khoo Teck Kee
Datuk Haw Chin Teck
Datuk Yap Kheng Fah
Tan Chee How
Ho Pui Hold
Gan Boon Lay
Yee Carine
Teh Sok Hoon

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
Shareholdings in the name of directors	**As at 01.01.2020**	**Acquired**	**Sold**	**As at 31.12.2020**
Direct interest				
Tan Chee How	1,980,570	-	-	1,980,570
Indirect interest				
Datuk Wira Ling Kah Chok*	19,708,385	-	-	19,708,385
Gan Boon Lay*	19,708,385	-	-	19,708,385
Yee Carine **	17,828,254	-	-	17,828,254
Teh Sok Hoon **	17,828,254	-	-	17,828,254

* Deemed interested by virtue of his shareholdings in Topspike Holding Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

** Deemed interested by virtue of her shareholdings in Asia New Venture Capital Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

By virtue of their interest in the shares of the Company, Datuk Wira Ling Kah Chok, Gan Boon Lay, Yee Carine and Teh Sok Hoon are also deemed to have interests in the shares of the subsidiary companies to the extent the Company has an interest.

Other than disclosed above, the other Directors in office at the end of the financial year did not have any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 28 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the directors of the Group and of the Company during the financial year are disclosed in Note 28 to the financial statements.

No payment has been paid to or payable to any third party (other than a payment included in the aggregate amount of professional fees paid to a company which a director has substantial interest as shown in Note 31 to the financial statements) in respect of the services provided to the Group and the Company by the directors of the Group and of the Company during the financial year.

Directors' Report (cont'd)

INDEMNITY AND INSURANCE COSTS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 28 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in Note 31 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

Directors’ Report (cont’d)

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Significant events during and subsequent to the financial year is disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 28 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 March 2021.

DATUK KHOO TECK KEE
Director

TAN CHEE HOW
Director

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **DATUK KHOO TECK KEE** and **TAN CHEE HOW**, being two of the directors of **MILUX CORPORATION BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 74 to 138 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 March 2021.

DATUK KHOO TECK KEE
Director

TAN CHEE HOW
Director

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **DATUK KHOO TECK KEE**, being the director primarily responsible for the accounting records and financial management of **MILUX CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 74 to 138 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
DATUK KHOO TECK KEE)
at Puchong in the state of Selangor Darul Ehsan)
on 30 March 2021)

DATUK KHOO TECK KEE

Before me,

KHOR HAN GHEE
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MILUX CORPORATION BERHAD
(Registration No. 199401027937 (313619-W) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Milux Corporation Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 138 .

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
(a) Inventories valuation	
Refer to Note 3.8 – Significant Accounting Policies, Note 4.2.3 – Significant Accounting Judgements, Estimates and Assumptions and Note 12 – Inventories. Inventories are significant to the Group as these represent approximately 33% (2019: 34%) of the total assets. The key associated risk is the valuation of the inventories due to possible slow moving and obsolete inventories. Obsolete inventories may be due to phasing out of older models or inventories that are no longer saleable. The valuation of inventories is a key audit matter because management exercise their judgement in determining appropriateness of methods used. The Group's manufacturing segment uses standard costing in measuring its finished goods, which includes an element of estimation in the allocation of overhead costs.	Our audit procedures included, among others: i) obtained an understanding of: - the Group's inventory management process; - the Group's identification and assessment of inventory writedowns; - the Group's accounting estimates for inventory writedowns. ii) reviewed the consistency of the application of management's methodology in determining and estimating the provision from year to year; iii) attended year end stock count to observe the stock count procedures and identify damaged and obsolete inventories; iv) checked samples of individual stock items for appropriateness of allocation and calculation of direct attributable costs and to the invoice value;

Independent Auditors' Report
To The Members Of Milux Corporation Berhad (cont'd)
(Registration No. 199401027937 (313619-W)) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
(a) Inventories valuation (cont'd) Judgement is also required in determining the accuracy of provisions for slow moving and obsolete goods and in making an assessment of its adequacy, involving determination of appropriate provision percentage.	Our audit procedures included, among others: (cont'd) v) reviewed and tested the net realisable value of inventories on sampling basis; vi) made inquiries of management pertaining to their plans to clear the slow moving and obsolete inventories; vii) evaluated the reasonableness and adequacy of the inventories writedowns; and viii) discussed and reviewed the impact of the COVID-19 pandemic on the inventories management strategy of the Group. Based on the procedures performed above, we did not find any material exceptions to the directors' conclusion that no further impairment is required for inventories as at 31 December 2020.
(b) Impairment of trade receivables *Refer to Note 3.11 – Impairment of financial assets, Note 4.2.6 – Significant Accounting Judgements, Estimates and Assumptions and Note 13 – Trade Receivables.* Trade receivables are significant to the Group as these represent approximately 36% (2019: 26%) of the total assets. The key associated risk is the recoverability of the invoiced trade receivables as the recoverability of trade receivables required management judgment and estimation in determining the adequacy of the impairment loss associated with each individual trade receivables.	Our audit procedures included, among others: i) reviewed the receivables aging analysis and testing the reliability thereof; ii) evaluated subsequent year end receipts and recoverability of outstanding trade receivables; iii) made inquiries of management pertaining to the recoverability of significant and overdue debts; iv) evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; v) assessed the reasonableness of the Group's expected credit loss (ECL) model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group; vi) identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; vii) made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and viii) discussed and reviewed the impact of the COVID-19 pandemic on the credit control and collection approach of the Group. Based on the procedures performed above, we did not find any material exceptions to the directors' conclusion that no further impairment is required on trade receivables as at 31 December 2020.

Independent Auditors' Report

To The Members Of Milux Corporation Berhad (cont'd)

(Registration No. 199401027937 (313619-W) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements (cont'd)

Information other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, which we obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report

To The Members Of Milux Corporation Berhad (cont'd)

(Registration No. 199401027937 (313619-W) (Incorporated In Malaysia)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CAS MALAYSIA PLT
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN
[No. 02453/07/21(J)]
Chartered Accountant

Date: 30 March 2021
Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	3,751,307	4,897,911	693	863
Right-of-use assets	6	1,865,149	2,861,195	-	-
Investment properties	7	309,443	322,402	-	-
Investment in subsidiary companies	8	-	-	9,340,147	5,912,769
Investment in a joint venture	9	227,366	237,889	-	-
Other investments	10	1,263,574	46,560	6,600	8,214
Intangible assets	11	221,652	221,652	-	-
Other receivables	14	-	124,779	-	-
		7,638,491	8,712,388	9,347,440	5,921,846
CURRENT ASSETS					
Inventories	12	18,019,726	18,680,630	-	-
Trade receivables	13	19,821,287	14,485,299	-	-
Other receivables	14	1,567,693	927,696	11,739	12,051
Amount due from subsidiary companies	15	-	-	734,703	1,012,785
Amount due from a joint venture	16	-	40	-	-
Tax recoverable		466,765	440,395	10,916	10,916
Fixed deposits with licensed banks	17	2,159,657	3,004,205	-	582,447
Cash and bank balances		3,964,151	8,445,824	23,531	3,445,283
		45,999,279	45,984,089	780,889	5,063,482
Non-current assets held for sale	18	779,803	-	-	-
		46,779,082	45,984,089	780,889	5,063,482
TOTAL ASSETS		54,417,573	54,696,477	10,128,329	10,985,328

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 December 2020 (cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	59,066,701	59,066,701	59,066,701	59,066,701
Fair value adjustment reserve	19	232,481	415	(1,199)	415
Accumulated losses	20	(22,533,272)	(17,518,804)	(52,098,638)	(50,890,713)
Total equity attributable to owners of the Company		36,765,910	41,548,312	6,966,864	8,176,403
Non-controlling interest	8	(32,435)	1	-	-
TOTAL EQUITY		36,733,475	41,548,313	6,966,864	8,176,403
NON-CURRENT LIABILITIES					
Lease liabilities	6	457,606	798,231	-	-
Deferred taxation	22	-	-	-	-
		457,606	798,231	-	-
CURRENT LIABILITIES					
Trade payables	23	7,674,163	5,107,232	-	-
Other payables	23	2,653,174	1,613,721	143,332	304,553
Amount due to subsidiary companies	24	-	-	3,018,133	2,504,372
Provision	25	2,235,762	402,575	-	-
Loans and borrowings	21	3,861,000	4,235,471	-	-
Lease liabilities	6	788,187	989,934	-	-
Provision for taxation		14,206	1,000	-	-
		17,226,492	12,349,933	3,161,465	2,808,925
TOTAL LIABILITIES		17,684,098	13,148,164	3,161,465	2,808,925
TOTAL EQUITY AND LIABILITIES		54,417,573	54,696,477	10,128,329	10,985,328

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	26	72,994,971	62,532,499	526,574	526,574
Cost of sales		(58,410,309)	(50,324,796)	-	-
GROSS PROFIT		14,584,662	12,207,703	526,574	526,574
Other operating income		634,893	507,794	8,311	8,497
Selling and distribution expenses		(7,238,323)	(5,349,578)	-	-
Administrative expenses		(11,324,526)	(11,076,989)	(1,694,797)	(1,612,690)
Other operating expenses		(1,472,585)	(529,144)	(48,013)	25,273
Finance costs	27	(213,499)	(525,916)	-	-
Share of loss from a joint venture	9	(1,783)	(1,313)	-	-
LOSS BEFORE TAXATION	28	(5,031,161)	(4,767,443)	(1,207,925)	(1,052,346)
Taxation	29	(15,792)	337,067	-	-
LOSS AFTER TAXATION		(5,046,953)	(4,430,376)	(1,207,925)	(1,052,346)
Other comprehensive income/(expense) for the financial year, net of tax:					
Item that will not be reclassified subsequently to profit or loss:					
Equity instrument measured at fair value through other comprehensive income/(expense)		232,066	70	(1,614)	70
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		(4,814,887)	(4,430,306)	(1,209,539)	(1,052,276)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2020 (cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
LOSS AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		(5,045,654)	(4,430,376)	(1,207,925)	(1,052,346)
Non-controlling interest		(1,299)	-	-	-
		(5,046,953)	(4,430,376)	(1,207,925)	(1,052,346)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:					
Owners of the Company		(4,813,588)	(4,430,306)	(1,209,539)	(1,052,276)
Non-controlling interest		(1,299)	-	-	-
		(4,814,887)	(4,430,306)	(1,209,539)	(1,052,276)
Basic and diluted loss per share attributable to owners of the Company (sen)	30	(8.59)	(8.13)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Group

	← Attributable to owners of the Company →					
	← Non-distributable →					
2020	**Share capital RM**	**Fair value adjustment reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interest RM**	**Total equity RM**
Balance as at 1 January 2020	59,066,701	415	(17,518,804)	41,548,312	1	41,548,313
Loss for the financial year	-	-	(5,045,654)	(5,045,654)	(1,299)	(5,046,953)
Other comprehensive income	-	232,066	-	232,066	-	232,066
Total comprehensive expense for the financial year	-	232,066	(5,045,654)	(4,813,588)	(1,299)	(4,814,887)
Transaction with owners						
Changes in ownership interests in a subsidiary	-	-	31,186	31,186	(31,137)	49
Balance as at 31 December 2020	59,066,701	232,481	(22,533,272)	36,765,910	(32,435)	36,733,475

	← Attributable to owners of the Company →					
	← Non-distributable →					
2019	**Share capital RM**	**Fair value adjustment reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interest RM**	**Total equity RM**
Balance as at 1 January 2019	55,584,379	345	(13,088,428)	42,496,296	1	42,496,297
Loss for the financial year	-	-	(4,430,376)	(4,430,376)	-	(4,430,376)
Other comprehensive income	-	70	-	70	-	70
Total comprehensive expense for the financial year	-	70	(4,430,376)	(4,430,306)	-	(4,430,306)
Transaction with owners						
Issue of ordinary shares	3,482,322	-	-	3,482,322	-	3,482,322
Balance as at 31 December 2019	59,066,701	415	(17,518,804)	41,548,312	1	41,548,313

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes In Equity
For the Financial Year Ended 31 December 2020

Company

	Attributable to owners of the Company			
	Non-distributable			
2020	**Share capital RM**	**Fair value adjustment reserve RM**	**Accumulated losses RM**	**Total equity RM**
Balance as at 1 January 2020	59,066,701	415	(50,890,713)	8,176,403
Loss for the financial year	-	-	(1,207,925)	(1,207,925)
Other comprehensive expense	-	(1,614)	-	(1,614)
Total comprehensive expense for the financial year	-	(1,614)	(1,207,925)	(1,209,539)
Balance as at 31 December 2020	59,066,701	(1,199)	(52,098,638)	6,966,864

Company

	Attributable to owners of the Company			
	Non-distributable			
2019	**Share capital RM**	**Fair value adjustment reserve RM**	**Accumulated losses RM**	**Total equity RM**
Balance as at 1 January 2019	55,584,379	345	(49,838,367)	5,746,357
Loss for the financial year	-	-	(1,052,346)	(1,052,346)
Other comprehensive income	-	70	-	70
Total comprehensive expense for the financial year	-	70	(1,052,346)	(1,052,276)
Transaction with owners				
Issue of ordinary shares	3,482,322	-	-	3,482,322
Balance as at 31 December 2019	59,066,701	415	(50,890,713)	8,176,403

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(5,031,161)	(4,767,443)	(1,207,925)	(1,052,346)
Adjustments for:					
Depreciation					
Property, plant and equipment	5	696,550	729,633	170	170
Right-of-use assets	6	1,048,031	1,100,945	-	-
Investment properties	7	12,959	12,959	-	-
Dividend income		(17,745)	(100)	-	(100)
Gain on disposal of property, plant and equipment	28	(2,220)	-	-	-
Gain on disposal of right-of-use assets	28	(62,073)	(70,821)	-	-
Impairment loss					
Property, plant and equipment	5	531,242	145,736	-	-
Amount due from subsidiary companies	15	-	-	25,342	-
Investment in subsidiaries	8	-	-	22,671	-
Trade receivables	13	661,616	371,196	-	-
Other receivables	28	-	12,482	-	-
Interest expenses	27	213,499	525,916	-	-
Interest income	28	(80,683)	(95,068)	(8,311)	(8,397)
Property, plant and equipment written off	28	6,123	1	-	-
Bad debts written off	28	11,092	3,557	-	-
Investment in a joint venture written off	9	8,740	-	-	-
Payables written off		(240)	-	-	-
Provision for warranty	25	283,982	216,358	-	-
Provision for incentive	25	1,951,900	188,702	-	-
Reversal of impairment loss on					
Trade receivables	13	(228,538)	(99,051)	-	-
Amount due from subsidiary companies	15	-	-	-	(25,273)
Reversal of provision for warranty	25	(109,170)	(113,669)	-	-
Share of loss from a joint venture	9	1,783	1,313	-	-
Slow moving and obsolete inventories written down	12	4,546,277	819,550	-	-
Slow moving and obsolete inventories written back	12	(1,264,774)	(366,456)	-	-
Unrealised gain on foreign exchange	28	(4,003)	(46,603)	-	-
Unrealised loss on foreign exchange	28	20	24	-	-
Operating profit/(loss) before working capital changes		3,173,207	(1,430,839)	(1,168,053)	(1,085,946)
(Increase)/decrease in inventories		(2,620,599)	1,679,473	-	-
(Increase)/decrease in receivables		(6,338,753)	1,959,286	312	(7,904)
Increase/(decrease) in payables		3,601,009	(980,813)	(161,221)	102,314
Cash (used in)/generated from operations		(2,185,136)	1,227,107	(1,328,962)	(991,536)
Interest paid		(2,887)	(140,272)	-	-
Income tax refund		413	366,707	-	-
Income tax paid		(29,370)	(161,228)	-	-
Warranty paid	25	(104,823)	(128,096)	-	-
Incentives paid	25	(188,702)	-	-	-
Net cash (used in)/generated from operating activities		(2,510,505)	1,164,218	(1,328,962)	(991,536)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 December 2020 (cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in fixed deposits with maturity of more than 3 months		271,827	315,230	-	-
Interest received	28	80,683	95,068	8,311	8,397
Investment in subsidiary companies		-	-	(3,450,049)	-
Dividends received		17,745	100	-	100
Purchase of other investment		(984,949)	(1,167)	-	-
Purchase of property, plant and equipment	5	(395,739)	(976,004)	-	-
Purchase of right-of-use assets	6	(574,066)	-	-	-
Proceeds from disposal of property, plant and equipment		5,001	-	-	-
Proceeds from disposal of right-of-use assets	6	110,000	230,000	-	-
Net cash (used in)/generated from investing activities		(1,469,498)	(336,773)	(3,441,738)	8,497
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(220,682)	(367,924)	-	-
Net changes in bankers' acceptances		153,000	202,000	-	-
Repayment of lease liabilities	6	(1,048,372)	(1,177,198)	-	-
Drawdown of lease liabilities	6	506,000	-	-	-
Advance from subsidiary companies		-	-	766,501	913,741
Proceeds from issuance of share capital		49	3,482,322	-	3,482,322
Net cash (used in)/generated from financing activities		(610,005)	2,139,200	766,501	4,396,063
Net (decrease)/increase in cash and cash equivalents		(4,590,008)	2,966,645	(4,004,199)	3,413,024
Effect of exchange rate fluctuations on cash held		63,085	32,094	-	-
Cash and cash equivalents as at beginning of the financial year		8,982,956	5,984,217	4,027,730	614,706
Cash and cash equivalents as at end of the financial year		4,456,033	8,982,956	23,531	4,027,730
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks		2,159,657	3,004,205	-	582,447
Cash and bank balances		3,964,151	8,445,824	23,531	3,445,283
		6,123,808	11,450,029	23,531	4,027,730
Fixed deposits with maturity of more than 3 months		(1,667,775)	(1,939,602)	-	-
Bank overdraft		-	(527,471)	-	-
		4,456,033	8,982,956	23,531	4,027,730

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at No. 31, Lorong Jala 14/KS10, Off Jalan Telok Gong, 42000 Pelabuhan Klang, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in joint venture. The financial statements of the Company as at and for the financial year ended 31 December 2020 do not include other entities.

The principal activities of the Company are that of an investment holding company and the provision of management services.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiary is as disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 March 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement

Amendments to References to Conceptual Framework in IFRS Standards

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16	Leases

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements

Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the above pronouncements.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

All intercompany balances, income and expenses and unrealized gain or loss transactions between Group and subsidiary Companies are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

The accounting policies for business combination and goodwill are disclosed in Note 3.3.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Business combination and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Investment in joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

It involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity.

Investment in joint venture is accounted for in the consolidated financial statements using the equity method of accounting.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date.

The financial statements of the joint venture is prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss in profit or loss.

In the Company's separate financial statements, investments in joint ventures are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Depreciation on the property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Buildings	2 - 10%
Plant, machinery and moulds	10 - 20%
Furniture, fittings, office equipment and renovations	10 - 50%
Motor vehicles	10 - 20%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 Property, plant and equipment (Cont'd)

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.7 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Similarly, liabilities directly associated with the disposal groups are also presented separately from other liabilities in the statements of financial position.

Depreciation ceases when an asset is classified as an asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

3.6 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent to the initial recognition, investment properties are carried at cost less accumulated depreciation and impairment losses. Depreciation is charged to profit and loss on a straight-line basis over the estimated useful lives of the investment properties of 50 years. The useful lives and residual values of the investment properties are reassessed annually.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

3.7 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or CGUs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.7 Impairment of non-financial assets (Cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of raw materials, packing materials and consumables are determined on the weighted average basis. Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes raw materials, direct labour and appropriate proportion of production overheads based on normal operating capacity. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

3.10 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company has become a party to the contractual provisions of the financial instruments.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company have applied the practical expedient, the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Financial assets (Cont'd)

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.10.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade receivables, other receivables, amount due from subsidiary companies, amount due from a joint venture, fixed deposits with licensed banks and cash and bank balances.

3.10.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI in the current and previous financial year.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group's and the Company's financial assets at fair value through other comprehensive income includes investment in quoted shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Financial assets (Cont'd)

3.10.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separately embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets categorised as fair value through profit or loss are measured in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's and the Company's financial assets at fair value through profit or loss includes investment in joint venture.

Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to other party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.11 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

3.12 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

3.12.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

(c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.12 Financial liabilities (Cont'd)

3.12.1 Financial liabilities at FVTPL (Cont'd)

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL in the current and previous financial year.

3.12.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

3.12.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

(a) the amount of the loss allowance; and

(b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.13 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Leases

3.14.1 Leases in which the Group is a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use assets comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	43 - 51 years
Buildings	2 - 3 years
Motor vehicles	5 years

(b) Lease Liabilities

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Leases (Cont'd)

3.14.1 Leases in which the Group is a lessee (Cont'd)

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional one to two years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.16 Income tax

3.16.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Income tax (Cont'd)

3.16.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offsetted, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group and the Company typically provide warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.18 Revenue recognition and other income

Revenue is measured at the fair value of consideration received or receivable. The Group and the Company recognise revenue as follows:

3.18.1 Sale of goods and services

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue. Revenue from services is recognised upon services rendered.

3.18.2 Contract income

Revenue from contract income is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expects to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements because its typically controls the goods and services before transferring them to the customer.

3.18.3 Management fees

Management fee is recognised on an accrual basis when service is rendered.

3.18.4 Dividend income

Dividend income is recognised when the shareholders' rights to receive payment is established.

3.18.5 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

3.18.6 Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

3.19 Employee benefits

3.19.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.19.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.20 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the Statements of Financial Position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end.

3.21 Foreign currency

3.21.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

3.21.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.23 Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

3.24 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family or any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

3.25 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, there were no critical judgements made by management on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.2.1 Depreciation of property, plant and equipment and investment properties

The costs of property, plant and equipment and investment properties are depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and investment properties to be within a range of 2 to 50 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amounts of the Group's and the Company's property, plant and equipment and investment properties at the reporting date are disclosed in Note 5, Note 6 and Note 7 to the financial statements.

4.2.2 Determining the lease term of contracts with renewal options – the Group as lessee

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to two years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

4.2.3 Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Reviews are made periodically by management to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

4.2 Key sources of estimation uncertainty (Cont'd)

4.2.4 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and the Company are disclosed in Note 22.

4.2.5 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4.2.6 Provision for expected credit losses of trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 13.

4.2.7 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

5. **PROPERTY, PLANT AND EQUIPMENT**

Group

2020	**Buildings RM**	**Plant, machinery and moulds RM**	**Furniture, fittings, office equipment and renovations RM**	**Motor vehicles RM**	**Total RM**
At cost					
Balance as at 1 January 2020	6,064,218	12,607,637	3,452,622	750,585	22,875,062
Additions	-	45,296	350,443	-	395,739
Disposal/written off	-	(1,236,822)	(93,140)	-	(1,329,962)
Reclassified from right-of-use assets	-	-	-	217,970	217,970
Reclassified to assets held for sale	(723,326)	-	(23,240)	(15,000)	(761,566)
Balance as at 31 December 2020	5,340,892	11,416,111	3,686,685	953,555	21,397,243
Less: Accumulated depreciation					
Balance as at 1 January 2020	3,302,611	10,767,325	2,574,192	736,494	17,380,622
Charge for the financial year	107,706	342,359	236,776	9,709	696,550
Disposal/written off	-	(1,236,817)	(84,243)	-	(1,321,060)
Reclassified from right-of-use assets	-	-	-	189,139	189,139
Reclassified to assets held for sale	(388,848)	-	(23,239)	(14,999)	(427,086)
Balance as at 31 December 2020	3,021,469	9,872,867	2,703,486	920,343	16,518,165
Less: Accumulated impairment losses					
Balance as at 1 January 2020	44,148	549,566	2,815	-	596,529
Charge for the financial year	-	530,912	330	-	531,242
Balance as at 31 December 2020	44,148	1,080,478	3,145	-	1,127,771
Net carrying amount					
Balance as at 31 December 2020	2,275,275	462,766	980,054	33,212	3,751,307

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group

2019	Short term leasehold land RM	Buildings RM	Plant, machinery and moulds RM	Furniture, fittings, office equipment and renovations RM	Motor vehicles RM	Total RM
At cost						
Balance as at 1 January 2019, as previously stated	2,163,035	6,056,684	12,235,735	3,119,719	2,489,892	26,065,065
Adjustment on initial adoption of MFRS 16	(2,163,035)	-	-	-	(1,739,307)	(3,902,342)
Change in comparative figures	-	-	(262,465)	-	-	(262,465)
Balance as at 1 January 2019, as restated	-	6,056,684	11,973,270	3,119,719	750,585	21,900,258
Additions	-	7,534	635,567	332,903	-	976,004
Disposal/written off	-	-	(1,200)	-	-	(1,200)
Balance as at 31 December 2019	-	6,064,218	12,607,637	3,452,622	750,585	22,875,062
Less: Accumulated depreciation						
Balance as at 1 January 2019, as previously stated	1,025,778	3,188,984	10,633,709	2,330,448	1,468,922	18,647,841
Adjustment on initial adoption of MFRS 16	(1,025,778)	-	-	-	(743,189)	(1,768,967)
Change in comparative figures	-	-	(226,686)	-	-	(226,686)
Balance as at 1 January 2019, as restated	-	3,188,984	10,407,023	2,330,448	725,733	16,652,188
Charge for the financial year	-	113,627	361,501	243,744	10,761	729,633
Disposal/written off	-	-	(1,199)	-	-	(1,199)
Balance as at 31 December 2019	-	3,302,611	10,767,325	2,574,192	736,494	17,380,622
Less: Accumulated impairment losses						
Balance as at 1 January 2019, as previously stated	-	-	389,829	96,743	-	486,572
Change in comparative figures	-	-	60,964	(96,743)	-	(35,779)
Balance as at 1 January 2019, as restated	-	-	450,793	-	-	450,793
Charge for the financial year	-	44,148	98,773	2,815	-	145,736
Balance as at 31 December 2019	-	44,148	549,566	2,815	-	596,529
Net carrying amount						
Balance as at 31 December 2019	-	2,717,459	1,290,746	875,615	14,091	4,897,911

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company

2020	**Furniture, fittings and office equipment RM**
At cost	
Balance as at beginning and end of the financial year	1,699
Less: Accumulated depreciation	
Balance as at 1 January 2020	836
Charge for the financial year	170
Balance as at 31 December 2020	1,006
Net carrying amount	
Balance as at end of the financial year	693
2019	
At cost	
Balance as at beginning and end of the financial year	1,699
Less: Accumulated depreciation	
Balance as at 1 January 2019	666
Charge for the financial year	170
Balance as at 31 December 2019	836
Net carrying amount	
Balance as at end of the financial year	863

(i) The Group has pledged the following property, plant and equipment to licensed banks to secure banking facilities granted to a subsidiary company as referred to in Note 21:

	2020 RM	**2019 RM**
Net carrying amount		
Buildings	2,275,275	2,373,520

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(ii) Purchase of property, plant and equipment

	2020 RM	2019 RM
Cost of property, plant and equipment purchased	395,739	976,004
Cash disbursed for purchase of property, plant and equipment	395,739	976,004

(iii) Reclassified to assets held for sale

During the financial year, the Group reclassified one building that was previously held as property, plant and equipment to asset held for sale.

6. LEASES

The Group as lessee

Right-of-use assets

2020		Short term leasehold land RM	Buildings RM	Motor vehicles RM	Total RM
At cost					
Balance as at 1 January 2020		2,163,035	1,987,945	1,341,359	5,492,339
Additions		-	-	574,066	574,066
Disposal		-	-	(239,637)	(239,637)
Reclassified to property, plant and equipment		-	-	(217,970)	(217,970)
Reclassified to assets held for sale	(a)	(963,035)	-	-	(963,035)
Balance as at 31 December 2020		1,200,000	1,987,945	1,457,818	4,645,763
Less: Accumulated depreciation					
Balance as at 1 January 2020		1,072,568	732,264	826,312	2,631,144
Charge for the financial year		40,495	732,264	275,272	1,048,031
Disposal		-	-	(191,710)	(191,710)
Reclassified to property, plant and equipment		-	-	(189,139)	(189,139)
Reclassified to assets held for sale		(517,712)	-	-	(517,712)
Balance as at 31 December 2020		595,351	1,464,528	720,735	2,780,614
Net carrying amount					
Balance as at 31 December 2020		604,649	523,417	737,083	1,865,149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Right-of-use assets (Cont'd)

2019	Short term leasehold land RM	Buildings RM	Motor vehicles RM	Total RM
At cost				
Balance as at 1 January 2019	2,163,035	1,987,945	1,739,307	5,890,287
Disposal	-	-	(397,948)	(397,948)
Balance as at 31 December 2019	2,163,035	1,987,945	1,341,359	5,492,339
Less: Accumulated depreciation				
Balance as at 1 January 2019	1,025,778	-	743,189	1,768,967
Charge for the financial year	46,790	732,264	321,891	1,100,945
Disposal	-	-	(238,768)	(238,768)
Balance as at 31 December 2019	1,072,568	732,264	826,312	2,631,144
Net carrying amount				
Balance as at 31 December 2019	1,090,467	1,255,681	515,047	2,861,195

(a) Reclassified to asset held for sale

During the financial year, the Group reclassified a piece of land that was previously held as right-of-use asset to asset held for sale.

Lease liabilities

2020	Buildings RM	Motor vehicles RM	Total RM
Carrying amount			
Balance as at 1 January 2020	1,285,106	503,059	1,788,165
New lease entered into during the financial year	-	506,000	506,000
Disposal	-	(55,045)	(55,045)
Lease payments	(780,000)	(281,772)	(1,061,772)
Interest expense	43,355	25,090	68,445
Balance as at 31 December 2020	548,461	697,332	1,245,793
2019			
Carrying amount			
Balance as at 1 January 2019	1,987,945	977,418	2,965,363
Lease payments	(780,000)	(520,440)	(1,300,440)
Interest expense	77,161	46,081	123,242
Balance as at 31 December 2019	1,285,106	503,059	1,788,165

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

Represented by:

	2020 RM	2019 RM
Current liabilities		
Secured		
Lease liability	239,727	253,289
	239,727	253,289
Unsecured		
Lease liability	548,460	736,645
	788,187	989,934
Non-current liabilities		
Secured		
Lease liability	457,606	249,770
	457,606	249,770
Unsecured		
Lease liability	-	548,461
	457,606	798,231
Total lease liabilities		
Secured		
Lease liability	697,333	503,059
	697,333	503,059
Unsecured		
Lease liability	548,460	1,285,106
	1,245,793	1,788,165

Rates of interest charged per annum:

	2020 %	2019 %
Lease liabilities owing to financial institutions	3.96 - 7.06	3.96 - 7.06
Lease liabilities owing to non-financial institutions	8.07	8.07

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

Rates of interest charged per annum: (Cont'd)

	2020 RM	2019 RM
Minimum lease payment		
- Not later than one year	827,093	1,051,650
- Later than one year and not later than five years	508,209	817,469
	1,335,302	1,869,119
Future finance charges on lease liabilities	(89,509)	(80,954)
Present value of lease liabilities	1,245,793	1,788,165

Present value of lease liabilities is analysed as follows:

	2020 RM	2019 RM
Current liabilities		
- Not later than one year	788,187	989,934
Non-current liabilities		
- Later than one year and not later than five years	457,606	798,231
	1,245,793	1,788,165

(a) Included in right-of-use assets of the Group, certain leasehold land with a carrying amount of RM604,649 are subject to fixed charges created to secure certain banking facilities of the Group.

(b) The Group has certain low value leases of office equipment of RM20,000 and below. The Group applies the "lease of low-value assets" exemptions for these leases.

(c) The following are the amounts recognised in profit or loss:

	2020 RM	2019 RM
Depreciation of right-of-use assets (included in cost of goods sold and administrative expenses)	1,048,031	1,100,945
Interest on lease liabilities (included in finance cost)	68,445	123,242
Expense relating to lease of low-value assets (included in cost of goods sold and administrative expenses)	23,649	13,820
	1,140,125	1,238,007

(d) At the end of the financial year, the Group had total cash outflow for leases of RM1,048,372.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

7. INVESTMENT PROPERTIES

Group

	2020 RM	2019 RM
Freehold building, at cost		
Balance as at beginning and end of the financial year	609,040	609,040
Less: Accumulated depreciation		
Balance as at beginning of the financial year	286,638	273,679
Charge for the financial year	12,959	12,959
Balance as at end of the financial year	299,597	286,638
Net carrying amount		
Balance as at end of the financial year	309,443	322,402

The following are recognised in profit or loss in respect of investment properties:

	2020 RM	2019 RM
Rental income	24,000	24,000
Direct operating expenses		
Income generating investment properties	12,067	12,021
Non-income generating investment properties	4,192	4,459

The fair value of the investment properties was estimated at RM689,000 (2019: RM689,000) based on the directors' estimate by comparing the Group's investment properties with similar properties that were listed for sale within the same location. The fair value of investment property is within level 3 of the fair value hierarchy.

The directors estimated fair values for the leasehold buildings by taking into account sales price of comparable properties in close proximity adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties which was derived from limited market activity for comparable properties as at the reporting date.

At the reporting date, the carrying amount of the Group's investment properties amounting to RM27,778 (2019: RM30,556) has been pledged to a licensed financial institution for banking facilities granted to a subsidiary company as referred to in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2020 RM	Company 2019 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	38,347,827	38,347,827
Addition	3,450,049	-
Balance as at end of the financial year	41,797,876	38,347,827
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	32,435,058	32,435,058
Impairment losses recognised during the financial year	22,671	-
Balance as at end of the financial year	32,457,729	32,435,058
Net carrying amount		
Balance as at end of the financial year	9,340,147	5,912,769

The subsidiary companies, which are incorporated in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest 2020	Effective equity interest 2019	Principal activities
T.H. Hin Sdn. Bhd.	100%	100%	Dealer in gas cookers, electrical household appliances and their related products
T.H. Hin Home Tech Sdn. Bhd.	100%	100%	Manufacturing of gas cookers, electrical household appliances and their related products
Brightyield Sdn. Bhd.	100%	100%	Manufacturing of gas cookers component parts and their related products
Enamel Products Sdn. Bhd.	100%	100%	Manufacturing of enamel products (Inactive)
Milux Sales & Service Sdn. Bhd.	100%	100%	Dealer in gas cookers, electrical household appliances and their related products
Eurobay Industries Sdn. Bhd.	100%	100%	Manufacturing and supplying of home electrical appliances (Inactive)
Milux International Sdn. Bhd.	100%	100%	Investment holding
Milux Properties Sdn. Bhd.	100%	100%	Engage in the business of acquiring land and building and to undertake the business of property development and other management consultancy activity (Inactive)
Pansprint Consolidated Sdn. Bhd.	100%	100%	Construction of buildings (Inactive)
Milux Greentech Resources Sdn. Bhd.	51%	100%	Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantations and crops activities (Inactive)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The subsidiary companies, which are incorporated outside Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest 2020	2019	Principal activities
Milux Home Appliances (India) Private Limited *# (Incorporated in India)	99%	99%	Within process of striking off
Subsidiary company of T. H. Hin Sdn. Bhd.			
Milux Industry (Zhong Shan) Co. Ltd. *# (Incorporated in China)	100%	100%	Ceased operation

* Not audited as the subsidiary had ceased and discontinued operation prior to 1 September 2011. Consolidated based on management accounts where all the assets had been written off and all the liabilities had been settled.

\# Not audited by CAS Malaysia PLT.

During the financial year, the management performed an impairment test on the investment in certain subsidiaries as these subsidiaries have been persistently making losses. Impairment losses of RM22,671 (2019: Nil) was recognised for the financial year to write down the cost of investment in these subsidiaries to their recoverable amount. The recoverable amount of investment in these subsidiaries has been determined based on their net assets.

Group

Non-controlling interest

Proportion of equity interest held by non-controlling interests:

	2020 %	2019 %
Milux Greentech Resources Sdn. Bhd.	49	-
Milux Home Appliances (India) Private Limited	1	1

The non-controlling interests at the end of the reporting year comprise the following:

	2020 RM	2019 RM
Milux Greentech Resources Sdn. Bhd.	(32,436)	-
Milux Home Appliances (India) Private Limited	1	1
	(32,435)	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

9. INVESTMENT IN A JOINT VENTURE

Group

	2020 RM	2019 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	252,000	252,000
Written off	(8,740)	-
Balance as at end of the financial year	243,260	252,000
Less: Share of post-acquisition loss		
Balance as at beginning of the financial year	14,111	12,798
Share of loss during the financial year	1,783	1,313
Balance as at end of the financial year	15,894	14,111
Net carrying amount		
Balance as at end of the financial year	227,366	237,889

The details of the joint venture company, which is incorporated in Malaysia, is as follow:

Name of joint venture	Effective equity interest 2020	Effective equity interest 2019	Principal activities
Phoenix Pentagon Sdn. Bhd. *	60%	60%	Project management and advisory services (in the process of voluntary winding up)

* Not audited by CAS Malaysia PLT.

The Group's share of assets, liabilities, income and expenses are as follows:

	2020 RM	2019 RM
Assets and liabilities		
Total assets	239,674	240,991
Total liabilities	(3,568)	(3,102)
	236,106	237,889
Financial results		
Operating expenses	(4,269)	(5,359)
Loss for the financial year	(1,783)	(1,313)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

10. OTHER INVESTMENTS

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Non-current				
Fair value through profit or loss				
- Unit trust fund	39,394	38,346	-	-
Financial assets at fair value through other comprehensive income				
- quoted shares in Malaysia	1,224,180	8,214	6,600	8,214
	1,263,574	46,560	6,600	8,214

The average effective interest rates of the placement with an unit trust fund management company is 2.61% (2019: 3.05%) and is readily convertible to cash with insignificant risk of changes in value.

11. INTANGIBLE ASSETS

Group

2020	**Goodwill on consolidation RM**	**Total RM**
At cost		
Balance as at beginning and end of the financial year	221,652	221,652
Net carrying amount		
Balance as at beginning and end of the financial year	221,652	221,652

2019	**Goodwill on consolidation RM**	**Total RM**
At cost		
Balance as at beginning and end of the financial year	221,652	221,652
Net carrying amount		
Balance as at beginning and end of the financial year	221,652	221,652

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

11. INTANGIBLE ASSETS (Cont'd)

Goodwill on consolidation

The Group's goodwill on consolidation arises from its subsidiary, Enamel Products Sdn. Bhd.

The recoverable amounts of a CGU is determined based on the fair value to sell calculation. The fair value to sell is derived by the Directors based on indicative market value of the property.

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. The impairment loss provided was attributable to the subsidiaries that were suffering significant loss in current and previous year.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

12. INVENTORIES

	Group	
	2020	**2019**
	RM	**RM**
At cost		
Raw materials	124,278	4,054,394
Work-in-progress	1,832,261	64,723
Finished goods	14,567,537	11,932,539
Good in transit	1,173,600	1,273,987
Consumables	2,969	51,242
	17,700,645	17,376,885
At net realisable value		
Raw materials	-	877,330
Finished goods	319,081	398,937
Consumables	-	27,478
	319,081	1,303,745
	18,019,726	18,680,630
Recognised in profit or loss		
Inventories recognised as cost of sales	53,542,865	46,728,242
Slow moving and obsolete inventories written down	4,546,277	819,550
Slow moving and obsolete inventories written back*	(1,264,774)	(366,456)

Slow moving and obsolete inventories written down and written back are included in cost of sales.

* During the financial year, the Group managed to rework and sell some of the slow-moving inventories which have been written down in previous financial years. As a result, the inventories written down had been reversed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

13. TRADE RECEIVABLES

Group

	2020 RM	2019 RM
Trade receivables - gross	21,393,606	16,729,112
Less: Allowance for impairment losses	(1,572,319)	(2,243,813)
Trade receivables - net	19,821,287	14,485,299

Group

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

2020

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	170,029	2,073,784	2,243,813
Provision for impairment losses	120,930	540,686	661,616
Write off	-	(1,104,572)	(1,104,572)
Reversal of allowance for impairment losses	(155,550)	(72,988)	(228,538)
Balance as at end of the financial year	135,409	1,436,910	1,572,319

2019

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	176,706	1,794,962	1,971,668
Provision for impairment losses	70,292	303,987	374,279
Write off	-	(3,083)	(3,083)
Reversal of allowance for impairment losses	(76,969)	(22,082)	(99,051)
Balance as at end of the financial year	170,029	2,073,784	2,243,813

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

13. TRADE RECEIVABLES (Cont'd)

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Based on the Group's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

Group

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

2020

		Provision for impairment losses		
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	11,627,380	-	-	11,627,380
Past due 1 - 30 days	4,821,695	-	-	4,821,695
Past due 31 - 60 days	2,123,489	-	-	2,123,489
Past due 61 - 90 days	1,178,588	-	-	1,178,588
More than 90 days past due	205,544	(135,409)	-	70,135
	19,956,696	(135,409)	-	19,821,287
Credit Impaired				
More than 90 days past due	1,436,910	-	(1,436,910)	-
	21,393,606	(135,409)	(1,436,910)	19,821,287

2019

		Provision for impairment losses		
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	7,833,458	-	-	7,833,458
Past due 1 - 30 days	3,503,238	-	-	3,503,238
Past due 31 - 60 days	1,969,631	(450)	-	1,969,181
Past due 61 - 90 days	1,000,708	-	-	1,000,708
More than 90 days past due	348,293	(169,579)	-	178,714
	14,655,328	(170,029)	-	14,485,299
Credit Impaired				
More than 90 days past due	2,073,784	-	(2,073,784)	-
	16,729,112	(170,029)	(2,073,784)	14,485,299

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 30 to 120 days (2019: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

14. OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current				
Deposits	-	124,779	-	-
	-	124,779	-	-
Current				
Other receivables	32,714	133,972	-	100
Deposits	294,635	132,766	5,500	5,500
Prepayments	1,202,586	617,658	6,239	6,451
Interest receivables	37,758	43,300	-	-
	1,567,693	927,696	11,739	12,051
	1,567,693	1,052,475	11,739	12,051

15. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company

	2020 RM	2019 RM
Amount due from subsidiary companies	30,200,417	30,453,157
Less: Allowance for impairment losses	(29,465,714)	(29,440,372)
Amount due from subsidiary companies - net	734,703	1,012,785

The amount due from subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

	2020 RM	2019 RM
Balance as at beginning of the financial year	29,440,372	29,465,645
Impairment losses recognised during the financial year	25,342	-
Reversal of allowance for impairment losses	-	(25,273)
Balance as at end of the financial year	29,465,714	29,440,372

16. AMOUNT DUE FROM A JOINT VENTURE

The amount due from a joint venture represented non-trade transactions which are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

17. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fixed deposits				
With maturity of 1 to 3 months	491,882	1,064,603	-	582,447
With maturity of more than 3 months	1,667,775	1,939,602	-	-
	2,159,657	3,004,205	-	582,447

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

	Group	
	2020	2019
Effective interest rates	2.00% - 2.90%	2.80% - 3.10%
Maturity period	one month to one year	one month to one year

	Company	
	2020	2019
Effective interest rates	Nil	2.90%
Maturity period	Nil	one month

18. NON-CURRENT ASSETS HELD FOR SALE

Group

	2020 RM	2019 RM
At net book value:		
Property, plant and equipment (Note 5)	334,480	-
Right-of-use assets (Note 6)	445,323	-
	779,803	-

The non-current assets held for sale are for certain land and building for which potential buyer have been identified.

Leasehold land consists of land with unexpired leasehold period of 25 years.

The assets classified as held for sale at the end of the financial year comprise of land and building pursuant to a Sale and Purchase agreement ("SPA") signed with a third party on 10 September 2020 for a total consideration of RM3.85 million. The disposal is expected to be completed within twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

19. CAPITAL AND RESERVES

	Group and Company			
	2020	2019	2020	2019
	Number of shares		RM	RM
Issued and fully paid:				
Balance as at beginning of the financial year	58,764,197	54,411,294	59,066,701	55,584,379
Issued for cash under private placement	-	4,352,903	-	3,482,322
Balance as at end of the financial year	58,764,197	58,764,197	59,066,701	59,066,701

Fair value adjustment reserve

The fair value adjustment reserve comprises the cumulative net change in the fair value of financial assets through other comprehensive income until the investments are derecognised or impaired.

20. ACCUMULATED LOSSES

The Group and the Company are in an accumulated losses position as at reporting date.

21. LOANS AND BORROWINGS

Group

	2020 RM	2019 RM
Current liabilities		
Secured		
Bank overdraft	-	527,471
Bankers' acceptance	3,861,000	3,708,000
	3,861,000	4,235,471
Total borrowings		
Secured		
Bank overdraft	-	527,471
Bankers' acceptance	3,861,000	3,708,000
	3,861,000	4,235,471

Rates of interest charged per annum:

	2020 %	2019 %
Bank overdraft	-	BLR + 2.00
Bankers' acceptance	4.10 - 5.85	6.38 - 6.49

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

21. LOANS AND BORROWINGS (Cont'd)

(a) Bankers' acceptance and bank overdraft

The bankers' acceptances and bank overdraft are secured by the following:

(i) a first legal charge over certain land and buildings of subsidiaries as disclosed in Note 5, Note 6 and Note 7 to the financial statements;

(ii) corporate guarantee by the Company.

22. DEFERRED TAXATION

Group

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are offsetted when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The following amounts, determined before appropriate offsetting, are shown in the statements of financial position.

	2020 RM	**2019 RM**
Deferred tax assets, net	-	(493,768)
Deferred tax liabilities, net	-	493,768
	-	-

The following are the movements of deferred tax liabilities:

	2020 RM	**2019 RM**
Balance as at beginning of the financial year	-	263,178
Recognised in profit or loss (Note 29)	-	(263,178)
Balance as at end of the financial year	-	-

The components of the deferred tax at the end of the financial year comprise tax effects of:

	2020 RM	**2019 RM**
Deferred tax assets		
Provisions	-	493,768
Deferred tax assets (before offsetting)	-	493,768
Offsetting	-	(493,768)
Deferred tax assets (after offsetting)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

22. DEFERRED TAXATION (Cont'd)

	2020 RM	2019 RM
Deferred tax liabilities		
Excess of capital allowances over corresponding depreciation	-	464,913
Unrealised foreign exchange gain	-	28,855
Deferred tax liabilities (before offsetting)	-	493,768
Offsetting	-	(493,768)
Deferred tax liabilities (after offsetting)	-	-

Unrecognised deferred tax assets

Below are the unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences of the Group and the Company which have not been recognised in the financial statements as they are not probable to be used to offset against the taxable profits of the companies of the Group:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unutilised tax losses	38,667,649	37,720,170	2,132,576	1,617,406
Unabsorbed capital allowances	7,724,338	7,377,070	1,699	1,699
Other temporary differences	3,442,603	2,279,392	24,649	(864)
	49,834,590	47,376,632	2,158,924	1,618,241
Unrecognised deferred tax assets at 24% (2019: 24%)	11,960,302	11,370,392	518,142	388,378

The unabsorbed capital allowances can be carried forward indefinitely and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment effective from year 2019 and it can only be utilised against income from the same business source. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unabsorbed capital allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Utilisation period				
Indefinite	11,166,941	9,656,462	26,348	835
Expired by 31 December 2025	33,174,881	35,021,517	1,335,543	1,335,543
Expired by 31 December 2026	2,698,653	2,698,653	281,863	281,863
Expired by 31 December 2027	2,794,115	-	515,170	-
	49,834,590	47,376,632	2,158,924	1,618,241

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade payables	7,674,163	5,107,232	-	-
Add:				
Other payables	1,723,961	953,209	15,036	10,696
Accruals	898,686	625,950	128,296	293,857
Deposits received	30,527	34,562	-	-
	2,653,174	1,613,721	143,332	304,553
Total financial liabilities carried at amortised costs	10,327,337	6,720,953	143,332	304,553

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 90 days (2019: 30 to 90 days).

24. AMOUNT DUE TO SUBSIDIARY COMPANIES

The amount due to subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

25. PROVISION

Group

2020	Warranty RM	Incentives RM	Total RM
Balance as at beginning of the financial year	213,873	188,702	402,575
Charge for the financial year	283,982	1,951,900	2,235,882
Utilised during the financial year	(104,823)	(188,702)	(293,525)
Reversal of provision	(109,170)	-	(109,170)
Balance as at end of the financial year	283,862	1,951,900	2,235,762

2019	Warranty RM	Incentives RM	Total RM
Balance as at beginning of the financial year	239,280	-	239,280
Charge for the financial year	216,358	188,702	405,060
Utilised during the financial year	(128,096)	-	(128,096)
Reversal of provision	(113,669)	-	(113,669)
Balance as at end of the financial year	213,873	188,702	402,575

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

26. REVENUE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Sales of electrical home appliances	72,846,325	62,349,796	-	-
Management fee income	-	-	526,574	526,574
Others*	148,646	182,703	-	-
	72,994,971	62,532,499	526,574	526,574
Timing of revenue recognition:				
At point in time	72,994,971	62,532,499	526,574	526,574

* includes sales of scrap and service-type fees.

27. FINANCE COSTS

Group

	2020 RM	2019 RM
Interest expenses on		
Bank overdraft	2,887	140,272
Lease liabilities	68,445	123,242
Bankers' acceptances	152,237	244,682
Unwinding of discount on other receivables	(10,070)	17,720
	213,499	525,916

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

28. LOSS BEFORE TAXATION

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Loss before taxation is arrived at:				
after charging				
Auditors' remuneration:				
Statutory audit	106,000	110,500	16,500	16,500
Non-statutory audit	5,000	5,000	5,000	5,000
Depreciation:				
Property, plant and equipment	696,550	729,633	170	170
Right-of-use assets	1,048,031	1,100,945	-	-
Investment properties	12,959	12,959	-	-
Directors' remuneration:				
Fees	270,000	226,904	270,000	226,904
Salaries and other benefits	729,078	766,504	656,314	425,827
Employee's provident fund	82,101	62,973	77,087	31,638
Social security costs	1,847	1,220	1,539	-
Impairment loss:				
Amount due from subsidiary companies	-	-	25,342	-
Investment in subsidiaries	-	-	22,671	-
Trade receivables	661,616	371,196	-	-
Other receivables	-	12,482	-	-
Property, plant and equipment	531,242	145,736	-	-
Bad debts written off	11,092	3,557	-	-
Interest expenses	213,499	525,916	-	-
Property, plant and equipment written off	6,123	1	-	-
Provision for warranty	283,982	216,358	-	-
Provision for incentives	1,951,900	188,702	-	-
Rental of:				
Office equipment	18,840	17,420	-	-
Premises	4,809	4,875	-	-
Loss on foreign exchange:				
Realised	112,663	94,855	-	-
Unrealised	20	24	-	-
Slow moving and obsolete inventories written down	4,546,277	819,550	-	-
Staff costs:				
Salaries and other benefits	6,386,745	6,428,194	114,830	129,214
Employee's provident fund	763,521	695,541	14,899	17,883
Social security costs	91,455	78,204	2,147	3,223
after crediting				
Gain on disposal of property, plant and equipment	2,220	-	-	-
Gain on disposal of right-of-use assets	62,073	70,821	-	-
Gain on foreign exchange:				
Realised	156,203	67,205	-	-
Unrealised	4,003	46,603	-	-
Interest income	80,683	95,068	8,311	8,397
Reversal of provision for warranty	109,170	113,669	-	-
Rental income	24,000	24,000	-	-
Reversal of impairment loss on:				
Trade receivables	228,538	99,051	-	-
Amount due from a subsidiary company	-	-	-	25,273
Slow moving and obsolete inventories written back	1,264,774	366,456	-	-

The estimated monetary value of benefits-in-kind received by the directors of the Group amounted to RM27,884 (2019: RM32,937).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

29. TAXATION

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Income tax				
Provision for current financial year	16,205	3,000	-	-
Overprovision in previous financial year	(413)	(76,889)	-	-
	15,792	(73,889)	-	-
Deferred taxation (Note 22)				
Recognised in profit or loss	-	(117,389)	-	-
Overprovision in previous financial year	-	(145,789)	-	-
	-	(263,178)	-	-
Tax expenses/(credit) for current financial year	15,792	(337,067)	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Loss before taxation	(5,031,161)	(4,767,443)	(1,207,925)	(1,052,346)
Tax at the statutory tax rate of 24% (2019: 24%)	(1,207,479)	(1,144,186)	(289,902)	(252,563)
Non-deductible expenses	247,773	675,181	160,138	185,745
Non-taxable income	(108,559)	(44,685)	-	(6,065)
Deferred tax assets not recognised during the financial year	1,292,465	416,686	129,764	72,883
Utilisation of previously unrecognised deferred tax assets	(451,585)	(17,385)	-	-
Overprovision of taxation in previous financial year	(413)	(76,889)	-	-
Under/(Over) provision of deferred taxation in previous financial year	243,590	(145,789)	-	-
Tax expenses/(credit) for the current financial year	15,792	(337,067)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

30. LOSS PER SHARE

(a) Basic loss per ordinary share

The calculation of basic loss per ordinary share at 31 December 2020 is based on the loss attributable to owners of the Company and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2020	**2019**
Loss attributable to owners of the Company (RM)	(5,045,654)	(4,430,376)
Weighted average number of ordinary shares (units)	58,764,197	54,482,849
Basic loss per ordinary share attributable to owners of the Company (sen)	(8.59)	(8.13)

(b) Diluted loss per ordinary share

The diluted loss per ordinary share of the Company is similar to the basic loss per ordinary share as the Company has no potential dilutive ordinary shares for the current and previous financial year. The Company does not have outstanding warrant and option which may dilute its basic loss per ordinary share.

31. RELATED PARTY DISCLOSURES

(a) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
<u>Subsidiary companies</u>				
Management fee	-	-	526,574	526,574
<u>Other related parties</u>				
Rental expenses paid to a company in which a director has substantial interest	756,000	756,000	-	-
Salaries paid to persons connected to certain directors	-	68,816	-	-
Professional fees paid to a company in which a director has substantial interest	7,282	2,420	-	-

(b) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 28.

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into in the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

32. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

Group

	2020 RM	2019 RM
Unsecured		
Bank guarantee issued to third parties	103,050	143,050

Company

	2020 RM	2019 RM
Unsecured (Note 21)		
Corporate guarantee granted to subsidiary companies	3,964,050	4,378,521

33. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision maker. For management purposes, the segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Segment revenues, expenses and result included transfers between segments. The prices charged on intersegment transactions are at arm's length and not materially different for similar goods to parties outside of the economic entity. These transfers are eliminated on consolidation.

Segment assets and liabilities include items directly attributed to a segment as well as those that can be allocated on a reasonable basis.

(a) Geographical segments

Segmental reporting by geographical regions has only been prepared for revenue as the Group's assets are located in Malaysia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

	Group	
	2020 RM	2019 RM
Revenue		
Malaysia	66,370,083	52,119,324
Asian countries	6,624,888	10,413,175
	72,994,971	62,532,499

(b) Business segments

The Group comprises the following main business segments:

Home appliance - Manufacturer and dealer in household appliances and their related products.

Others - Investment holding and provision of management services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

33. SEGMENT INFORMATION (Cont'd)

Segment revenue, loss before taxation and the assets employed are as follows:

Group

2020	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
Revenue					
External revenue	72,994,971	-	72,994,971	-	72,994,971
Inter-segment revenue	1,565,174	526,574	2,091,748	(2,091,748)	-
Total revenue	74,560,145	526,574	75,086,719	(2,091,748)	72,994,971
Results					
Segment results	(3,738,178)	(1,264,053)	(5,002,231)	105,669	(4,896,562)
Finance income	72,371	8,312	80,683	-	80,683
Finance costs	(213,499)	-	(213,499)	-	(213,499)
Share of loss in joint venture	-	(1,783)	(1,783)	-	(1,783)
Loss before taxation	(3,879,306)	(1,257,524)	(5,136,830)	105,669	(5,031,161)
Income tax expenses	(13,205)	(2,587)	(15,792)	-	(15,792)
Loss after taxation	(3,892,511)	(1,260,111)	(5,152,622)	105,669	(5,046,953)
Assets					
Segment assets	58,645,528	11,300,144	69,945,672	(22,346,038)	47,599,634
Investment in a joint venture	-	227,366	227,366	-	227,366
Tax recoverable	455,849	10,916	466,765	-	466,765
Fixed deposits with licensed banks	2,159,657	-	2,159,657	-	2,159,657
Cash and bank balances	3,937,932	26,219	3,964,151	-	3,964,151
Total assets	65,198,966	11,564,645	76,763,611	(22,346,038)	54,417,573
Liabilities					
Segment liabilities	88,612,940	4,114,069	92,727,009	(80,163,910)	12,563,099
Tax payable	13,206	1,000	14,206	-	14,206
Borrowings	5,106,793	-	5,106,793	-	5,106,793
Total liabilities	93,732,939	4,115,069	97,848,008	(80,163,910)	17,684,098

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

33. SEGMENT INFORMATION (Cont'd)

Group

2020	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
Other information					
Capital expenditure	969,805	-	969,805	-	969,805
Depreciation	1,746,922	10,618	1,757,540	-	1,757,540
Impairment loss:					
Trade receivables	661,616	-	661,616	-	661,616
Property, plant and equipment written off	6,123	-	6,123	-	6,123
Bad debts written off	11,092	-	11,092	-	11,092
Provision for warranty	283,982	-	283,982	-	283,982
Provision for incentives	1,951,900	-	1,951,900	-	1,951,900
Reversal of impairment loss on:					
Trade receivables	228,538	-	228,538	-	228,538
Share of loss from a joint venture	-	1,783	1,783	-	1,783
Slow moving and obsolete inventories written down	4,546,277	-	4,546,277	-	4,546,277
Slow moving and obsolete inventories written back	1,264,774	-	1,264,774	-	1,264,774
Realised foreign exchange loss	112,663	-	112,663	-	112,663
Unrealised foreign exchange loss	20	-	20	-	20
Realised foreign exchange gain	156,203	-	156,203	-	156,203
Unrealised foreign exchange gain	4,003	-	4,003	-	4,003

2019	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
Revenue					
External revenue	62,532,499	-	62,532,499	-	62,532,499
Inter-segment revenue	2,561,930	526,574	3,088,504	(3,088,504)	-
Total revenue	65,094,429	526,574	65,621,003	(3,088,504)	62,532,499
Results					
Segment results	(3,064,525)	(1,100,278)	(4,164,803)	(170,479)	(4,335,282)
Finance income	86,671	8,397	95,068		95,068
Finance costs	(525,916)	-	(525,916)	-	(525,916)
Share of loss from a joint venture	-	(1,313)	(1,313)	-	(1,313)
Loss before taxation	(3,503,770)	(1,093,194)	(4,596,964)	(170,479)	(4,767,443)
Income tax expenses	340,022	(2,955)	337,067	-	337,067
Loss after taxation	(3,163,748)	(1,096,149)	(4,259,897)	(170,479)	(4,430,376)
Assets					
Segment assets	55,578,624	7,587,430	63,166,054	(20,597,890)	42,568,164
Investment in a joint venture	-	237,889	237,889	-	237,889
Tax recoverable	429,479	10,916	440,395	-	440,395
Fixed deposits with licensed banks	2,421,758	582,447	3,004,205	-	3,004,205
Cash and bank balances	4,965,713	3,447,900	8,413,613	32,211	8,445,824
Total assets	63,395,574	11,866,582	75,262,156	(20,565,679)	54,696,477

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

33. SEGMENT INFORMATION (Cont'd)

2019	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
Liabilities					
Segment liabilities	85,697,094	3,223,136	88,920,230	(81,796,702)	7,123,528
Tax payable	-	1,000	1,000	-	1,000
Borrowings	6,023,636	-	6,023,636	-	6,023,636
Total liabilities	91,720,730	3,224,136	94,944,866	(81,796,702)	13,148,164
Other information					
Capital expenditure	976,004	-	976,004	-	976,004
Depreciation	1,833,186	10,351	1,843,537	-	1,843,537
Impairment loss:					
Trade receivables	371,196	-	371,196	-	371,196
Property, plant and equipment written off	1	-	1	-	1
Bad debts written off	3,557	-	3,557	-	3,557
Provision for warranty	216,358	-	216,358	-	216,358
Provision for incentives	188,702	-	188,702	-	188,702
Reversal of impairment loss on:					
Trade receivables	99,051	-	99,051	-	99,051
Share of loss from a joint venture	-	1,313	1,313	-	1,313
Slow moving and obsolete inventories written down	819,550	-	819,550	-	819,550
Slow moving and obsolete inventories written back	366,456	-	366,456	-	366,456
Realised foreign exchange loss	94,855	-	94,855	-	94,855
Unrealised foreign exchange loss	24	-	24	-	24
Realised foreign exchange gain	67,205	-	67,205	-	67,205
Unrealised foreign exchange gain	46,603	-	46,603	-	46,603

(c) Major customer

During the financial year, major customer with revenue equal to or more than 10% of Group revenue are as follows:

	2020 RM	2019 RM
All common control companies of Customer A	8,835,075	13,834,336

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

34.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes lease liabilities and bankers' acceptance.

The bank overdraft at floating rates expose the Group to cash flow interest rate risk whilst finance lease liabilities and bankers' acceptance at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the lease liabilities and banker acceptance are disclosed in Note 6 and Note 21 respectively.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's loss before taxation would increase/decrease by approximately RM17,000 (2019: RM12,000) as a result of exposure to floating rate borrowings.

34.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables below. For bank balances, the Group and the Company minimises credit risk by dealing exclusively with reputable financial institution.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The Group has significant exposure to several customers and as such a concentration of credit risks. At the reporting date, approximately 24% (2019: 26%) of the Group's trade receivables were due from one (1) (2019: 1) major customer. The maximum exposure to credit risk is disclosed in Note 13 to the financial statements, representing the carrying amount of the trade receivables recognised on the statement of financial position.

(b) Advances to subsidiaries

The Company provides unsecured advances to its subsidiaries and monitors the results of the subsidiaries regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. As at 31 December 2020, the Company had made sufficient allowance for impairment loss on advances to its subsidiaries. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

(c) Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries and the default is remote. The maximum exposure to credit risk is disclosed in Note 32 and Note 34.4 to the financial statements, representing the outstanding banking facilities of the subsidiaries as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

34.3 Foreign currency risk

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group's and of the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar ("USD").

Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group has not entered into any derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

2020	**USD RM**	**EURO RM**	**Others RM**	**Total RM**
Cash and bank balances	53,197	23,575	27,001	103,773
Trade and other receivables	3,220,351	-	-	3,220,351
Trade and other payables	(3,159,895)	-	-	(3,159,895)
	113,653	23,575	27,001	164,229
2019				
Cash and bank balances	633,785	6,264	27,001	667,050
Trade and other receivables	2,562,643	-	-	2,562,643
Trade and other payables	(2,095,516)	-	-	(2,095,516)
	1,100,912	6,264	27,001	1,134,177

<u>Sensitivity analysis for foreign currency risk</u>

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's loss before taxation would increase/(decrease) by approximately RM16,000 (2019: RM113,000).

34.4 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

34.4 Liquidity and cash flow risk (Cont'd)

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

Group

2020	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
Trade and other payables	10,327,337	-	10,327,337	10,327,337	-	-
Bankers' acceptances	3,861,000	4.10 - 5.85	3,861,000	3,861,000	-	-
Lease liabilities	1,245,793	3.96 - 8.07	1,335,302	827,093	508,209	
	15,434,130		15,523,639	15,015,430	508,209	-
2019						
Trade and other payables	6,720,953	-	6,720,953	6,720,953	-	-
Bank overdraft	527,471	6.38 - 6.82	527,471	527,471	-	-
Bankers' acceptances	3,708,000	6.38 - 6.49	3,708,000	3,708,000	-	-
Lease liabilities	1,788,165	3.96 - 8.07	1,869,119	1,051,650	817,469	-
	12,744,589		12,825,543	12,008,074	817,469	-

Company

2020	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
Other payables	143,332	-	143,332	143,332	-	-
Amount due to subsidiary companies	3,018,133	-	3,018,133	3,018,133	-	-
Financial guarantee contract	3,964,050	-	3,964,050	3,964,050	-	-
	7,125,515		7,125,515	7,125,515	-	-
2019						
Other payables	304,553	-	304,553	304,553	-	-
Amount due to subsidiary companies	2,504,372	-	2,504,372	2,504,372	-	-
Financial guarantee contract	4,378,521	-	4,378,521	4,378,521	-	-
	7,187,446		7,187,446	7,187,446	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

34.5 Classification of financial instruments

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Financial assets				
Financial assets at fair value through profit or loss	39,394	38,346	-	-
Financial assets at fair value through other comprehensive income	1,224,180	8,214	6,600	8,214
	1,263,574	46,560	6,600	8,214
Amortised costs				
Trade receivables	19,821,287	14,485,299	-	-
Other receivables	365,107	434,817	5,500	5,600
Amount due from subsidiary companies	-	-	734,703	1,012,785
Amount due from a joint venture	-	40	-	-
Fixed deposits with licensed banks	2,159,657	3,004,205	-	582,447
Cash and bank balances	3,964,151	8,445,824	23,531	3,445,283
	26,310,202	26,370,185	763,734	5,046,115
	27,573,776	26,416,745	770,334	5,054,329
Financial liabilities				
Amortised costs				
Trade payables	7,674,163	5,107,232	-	-
Other payables	1,754,488	987,771	15,036	10,696
Amount due to subsidiary companies	-	-	3,018,133	2,504,372
Loans and borrowings	3,861,000	4,235,471	-	-
Lease liabilities	1,245,793	1,788,165	-	-
	14,535,444	12,118,639	3,033,169	2,515,068

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

34.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value.

	Financial instruments that are carried at fair value			
	Level 1	Level 2	Level 3	Total
Group	**RM**	**RM**	**RM**	**RM**
2020				
Financial assets				
Investments at FVTPL	-	39,394	-	39,394
Investments at FVOCI	1,224,180	-	-	1,224,180
	1,224,180	39,394	-	1,263,574
2019				
Financial assets				
Investments at FVTPL	-	38,346	-	38,346
Investments at FVOCI	8,214	-	-	8,214
	8,214	38,346	-	46,560
Company				
2020				
Financial asset				
Investments at FVOCI	6,600	-	-	6,600
2019				
Financial asset				
Investments at FVOCI	8,214	-	-	8,214

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

34.6 Fair value of financial instruments (Cont'd)

	Financial instruments that are carried at fair value and whose carrying amounts are reasonable approximation of fair value			
Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
2020				
Financial liabilities				
Loans and borrowings	-	-	3,861,000	3,861,000
Lease liabilities	-	-	1,245,793	1,245,793
	-	-	5,106,793	5,106,793
2019				
Financial asset				
Amount due from a joint venture	-	-	40	40
Financial liabilities				
Loans and borrowings	-	-	4,235,471	4,235,471
Lease liabilities	-	-	1,788,165	1,788,165
	-	-	6,023,636	6,023,636
Company				
2020				
Financial asset				
Amount due from subsidiary companies	-	-	734,703	734,703
Financial liability				
Amount due to subsidiary companies	-	-	3,018,133	3,018,133
2019				
Financial asset				
Amount due from subsidiary companies	-	-	1,012,785	1,012,785
Financial liability				
Amount due to subsidiary companies	-	-	2,504,372	2,504,372

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

34.6 Fair value of financial instruments (Cont'd)

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2019: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount due from/(to) subsidiary companies, amount due from a joint venture, lease liabilities, loans and borrowings

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is rested in the directors.

35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Malaysia and around the world. On 16 March 2020, the Malaysian Prime Minister announced Movement Control Order ("MCO") which includes closure of all government and private premises except those involved in essential services effective 18 March 2020 to 3 May 2020 and Conditional Movement Control Order ("CMCO") from 4 May to 9 June 2020 and Recovery Movement Control Order ("RMCO") from 10 June 2020 to 31 August 2020 and further extended RMCO to 31 December 2020. On 11 January 2021, the Malaysian Government announced the re-imposition the MCO for certain states of the Country effective from 13 January 2021 to 31 March 2021. Consequently, the COVID-19 outbreak had resulted in travel restrictions, lockdown and other precautionary measures which brought significant economic uncertainties in Malaysia and markets in which the Group operates. Hence, the Group's revenue, earnings, cash flow and financial condition maybe impacted by these economic uncertainties going forward.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken, and will take further measures if necessary:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (Cont'd)

(a) **(Cont'd)**

(i) Impact from Covid-19 Pandemic

Both the manufacturing and trading operations were affected when the Malaysian government implemented the initial stage of MCO on 18 March 2020. However, as the trading operation was a supplier to e-commerce platforms, it was allowed to operate with strict Standard Operating Procedures in place as it was deemed an essential service. The strong demand for gas and electrical home appliances as a result of the lockdown resulted in the trading operation reporting an increase in sales. The manufacturing operation was closed throughout the MCO and this affected its revenue in particular its export sales due to international border closures.

Prior to the MCO, the Group had restructured its trading operation's sales team whereby local sales personnel were recruited to cover major states in Peninsula Malaysia and East Malaysia. This move had allowed the trading operation to continue servicing its network of independent dealers despite the ban on inter-state travelling under the first MCO and CMCO in financial year 2020 and the second MCO in the first quarter of financial year 2021.

The COVID-19 pandemic has also spurred the trading operation to fast track the launching of its own e-commerce platform in the fourth quarter of financial year 2020 as an additional channel to market its products. It is also utilising social media as marketing tool to help create awareness as the traditional road shows and product demonstrations were not allowed under MCO and CMCO.

To diversify its business, the Board has proposed and the Shareholders have approved the Group's diversification into the Property related business and also support services for the Oil & Gas Industry. This diversification, if it materialise, should bode well and improved the Group's financial performance. The Board takes note of the fact that the Group will be exposed to the challenges and risks inherent in these two industries in which the Group has no prior experience.

(ii) Funding

The Company's Private Placement exercise was completed upon the subscription and listing of the 4,352,903 Placement Shares at RM0.80 per Placement Share on the Main Market of Bursa Malaysia Securities Berhad on 27 December 2019. The gross proceeds raised from the Private Placement exercise was RM3,482,322 and the proceeds were utilised to retire the bankers' acceptance and overdraft in the subsidiary company.

This has helped the Group and the Company to strengthen its cash position and liquidity.

(iii) Working capital management

The Group had studied the impact brought by the present global economic doldrums and had worked to restructure the manufacturing operation moving from in-house manufacturing to outsourcing.

As a result of the restructuring, the manufacturing operation incurred impairment losses for property, plant and equipment and inventories. It also incurred layoff expenses paid out to affected employees giving rise to a substantially higher loss before taxation during the financial year.

As at the date of this report, it is challenging for the management of the Group and the Company to quantify the potential financial impact of the COVID-19 outbreak as the situation is still evolving and the outcome of the event is still unpredictable. The Group and the Company are actively monitoring and taking appropriate and timely measures to minimise any impact of COVID-19 on its operations, if any will be reflected in the 2021's annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (Cont'd)

(b) On 10 September 2020, Enamel Products Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into a Sale and Purchase agreement ("SPA") with a third party for the disposal of a piece of leasehold land for a total consideration of RM3.85 million. The disposal is expected to be completed within twelve (12) months.

(c) On 10 March 2021, the Company has announced to undertake a bonus issue of 176,292,591 new ordinary shares on the basis of 3 bonus shares for every 1 existing Milux share held by entitled shareholders on 23 March 2021. The bonus shares was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 24 March 2021.

36. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2020.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by total capital. The Group's and the Company's net debts include total liabilities less provision for taxation and cash and cash equivalents. Total capital comprises share capital and reserves attributable to owners of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Net debt	13,213,859	3,636,737	3,137,934	(1,218,805)
Total equity attributable to owners of the Company	36,765,910	41,548,312	6,966,864	8,176,403
Net debt against equity ratio	0.36	0.09	0.45	*

* The Company is in net cash position.

ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2021

ISSUED SHARE CAPITAL

Total number of Issued Shares	:	235,056,788 ordinary shares
Voting right	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	116	5.79	2,912	0.00
100 - 1,000	121	6.04	60,096	0.03
1,001 - 10,000	894	44.66	5,150,040	2.19
10,001 - 100,000	782	39.06	24,010,600	10.21
100,001 to less than 5%	87	4.35	60,006,584	25.53
5% and above	2	0.10	145,826,556	62.04
TOTAL	**2,002**	**100.00**	**235,056,788**	**100.00**

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company as at 1 April 2021 are as follows:-

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Dr Wong Lai Sum	-	-	-	-
Datuk Wira Ling Kah Chok	-	-	78,833,540(1)	33.54
Datuk Khoo Teck Kee	-	-	-	-
Tan Chee How	7,922,280	3.37	-	-
Ho Pui Hold	-	-	-	-
Datuk Haw Chin Teck	-	-	-	-
Datuk Yap Kheng Fah	-	-	-	-
Gan Boon Lay	-	-	78,833,540(1)	33.54
Yee Carine	-	-	71,313,016(2)	30.34
Teh Sok Hoon	-	-	71,313,016(2)	30.34

Notes:

(1) Deemed interested by virtue of his shareholdings in Topspike Holding Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

(2) Deemed interested by virtue of her shareholdings in Asia New Venture Capital Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

Analysis of Shareholdings (cont'd)
As at 1 April 2021

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders' shareholdings based on the Register of Substantial Shareholders of the Company as at 1 April 2021 are as follows:-

Name	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Topspike Holding Sdn Bhd	78,833,540	33.54	-	-
Asia New Venture Capital Holdings Sdn Bhd	71,313,016	30.34	-	-
Datuk Wira Ling Kah Chok	-	-	78,833,540[(1)]	33.54
Gan Boon Lay	-	-	78,833,540[(1)]	33.54
Yee Carine	-	-	71,313,016[(2)]	30.34
Teh Sok Hoon	-	-	71,313,016[(2)]	30.34

Notes:
(1) Deemed interested by virtue of his shareholdings in Topspike Holding Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.
(2) Deemed interested by virtue of her shareholdings in Asia New Venture Capital Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2021

No.	Shareholders	Number of Shares	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Topspike Holding Sdn. Bhd.	74,513,540	31.70
2.	Asia New Venture Capital Holdings Sdn Bhd	71,313,016	30.34
3.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chee Meng	8,403,800	3.58
4.	Tan Chee How	7,922,280	3.37
5.	Tan Chee Siang	5,281,520	2.25
6.	Maybank Nominees (Tempatan) Sdn. Bhd. - Topspike Holding Sdn. Bhd.	4,320,000	1.84
7.	Vivatsurakit Mr. Tossavorn	2,800,000	1.19
8.	Wan Kin Kee	2,362,800	1.01
9.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Chee Meng	2,000,000	0.85
10.	See Chioh Lean	1,748,608	0.74
11.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Ai Ling	1,522,000	0.65
12.	Ng Wooi Ying	1,335,700	0.57

Analysis of Shareholdings (cont'd)
As at 1 April 2021

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2021 (Cont'd)

No.	Shareholders	Number of Shares	%
13.	Ang Joo Kang	1,335,200	0.57
14.	Zhao, XiaoDan	1,204,300	0.51
15.	Goh Ling Yau	1,160,000	0.49
16.	Voo Vun Lan	893,100	0.38
17.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Young Chuan Kim (E-KTU)	800,000	0.34
18.	Nurjannah Binti Ali	720,000	0.31
19.	Koh Low @ Koh Kim Toon	640,800	0.27
20.	Tan King Tai @ Tan Khoon Hai	631,200	0.27
21.	Salcon Berhad	600,000	0.26
22.	Khoo Yu Ching	519,600	0.22
23.	Chen Lai Peng	438,800	0.19
24.	Ng Meow San	429,000	0.18
25.	Goh Thing Chai	420,000	0.18
26. -	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Yow Kien (7004516)	410,400	0.17
27.	Goh Phaik Lynn	400,000	0.17
28.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan King Tai @ Tan Khoon Hai (E-BMM)	384,800	0.16
29.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Mei Cheng (E-BMM)	372,800	0.16
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Yoon Peck	372,012	0.16
	TOTAL	**195,255,276**	**83.08**

LIST OF GROUP PROPERTIES

Location	Description	Approximate size	Approximate age of building	Tenure	Existing use	Net Book Value as at 31.12.2020 RM' 000	Year of acquisition
T.H.HIN HOMETECH							
Plot 100(I), MK 1, Tingkat Perusahaan 2A, Prai Industrial Complex 13600 Prai, Penang	2-storey factory building/ office	Land 86,017 sq ft Built-up 4,125 sq ft	29 years	Leasehold (60 years expiring 15/12/2042)	Office cum Factory	1,666	1990
	3-storey factory building adjoining to above factory	Built-up 39,644 sq ft	26 years	Leasehold (60 years expiring 15/12/2042)	Factory cum warehouse	1,214	1993
Block C 4-1, 4-2, 4-3, 4-4 & 4-5 Mukim 6, District of Seberang Perai Tengah, Penang	Apartments						
	C4-1	65 sq metre	22 years	Freehold	Worker's hostel	-	1999
	C4-2	64 sq metre	22 years	Freehold		-	1999
	C4-3	64 sq metre	22 years	Freehold		-	1999
	C4-4	64 sq metre	22 years	Freehold		-	1999
	C4-5	64 sq metre	22 years	Freehold		-	1999
T.H.HIN SDN BHD							
Lot 5.31, 4th Floor, Imbi Plaza, Jalan Imbi Kuala Lumpur	one unit office lot	345 sq ft	40 years	Freehold	Vacant	28	1981
Brightyield Sdn Bhd							
Apartment Sri Semarak Jalan Semarak 3A, Section BB7 Bandar Bukit Beruntung, 48300 Rawang	Low cost flats						
	A4-10	650 sq. ft	21 years	Freehold	Vacant	-	2008
	C4-8	650 sq. ft	21 years				
	D4-15	650 sq. ft	21 years				
	D4-16	650 sq. ft	21 years				
	E4-9	650 sq. ft	21 years				
Milux International Sdn Bhd							
BG-1,Ground Floor, Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,128 sq ft	32 years	Leasehold (99 years expiring 19-01-2077)	Let out	148	1990
B1-4, First Floor Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,296 sq ft	32 years	Leasehold (99 years expiring 19-01-2077)	Let out	134	1990
Enamel Products Sdn Bhd							
2605 Tingkat Perusahaan 6, Prai Industrial Estate 13600 Prai, Penang	3-storey office block with single storey factory	Land 43,560 sq ft Built-up 15,240 sq ft	28 years	Leasehold (60 years expiring 23 Jan 2045)	Office cum factory	769	2003

MILUX®

MILUX CORPORATION BERHAD
(Registration No.199401027937 (313619-W))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	No. of Shares held

I/We ____
(Full Name in Block Letters and NRIC No./ Passport No./ Company No.)

of ____
(Full Address)

and *telephone no./ email address ______________________________
being a member of Milux Corporation Berhad ("**the Company**"), hereby appoint the following person(s)

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	**Contact No.:**			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	**Contact No.:**			

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Twenty-Sixth Annual General Meeting ("**26th AGM**") of the Company, to be conducted fully virtual at the broadcast venue at Meeting Room, Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 17 June 2021 at 3:00 p.m., or any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolution	For	Against
1.	To approve the payment of Directors' fees for the period from 1 July 2021 to 30 June 2022, to be payable on a monthly basis in arrears.		
2.	To approve the payment of benefits payable to the Directors from 1 July 2021 to 30 June 2022.		
3.	To re-elect Mr. Tan Chee How in accordance with Clause 117 of the Company's Constitution.		
4.	To re-elect Datuk Dr. Wong Lai Sum in accordance with Clause 117 of the Company's Constitution.		
5.	To re-elect Datuk Wira Ling Kah Chok in accordance with Clause 117 of the Company's Constitution.		
6.	To re-appoint CAS Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
As Special Business			
7.	Authority to Issue Shares pursuant to the Companies Act 2016		
8.	Proposed Renewal of Shareholders' Mandate		

* Strike out whichever is not desired.

Signed this .... day of ...., 2021.

....
Signature of Shareholder(s)/ Common Seal

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **10 June 2021** ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company and notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 26th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 26th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the 26th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for remote participation and voting
   The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Poll Administrator, SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via fax at 03-2094 9940 and/or 03-2095 0292 or emailed to info@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at **https://www.sshsb.net.my/**. All resolutions set out in this notice of meeting are to be voted by poll.
   Should you wish to personally participate at the 26th AGM remotely, please register electronically via Securities Services e-Portal at **https://www.sshsb.net.my/** by the registration cut-off date and time.
   Please refer to the **Administrative Guide** on the Conduct of a fully virtual general meeting available for download at **https://milux.com.my/investor-relations/** for further details.
   If you have submitted your proxy form(s) and subsequently decide to appoint another person or wish to participate in our electronic 26th AGM by yourself, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2021.

Please
Affix
Stamp

MILUX CORPORATION BERHAD
[Registration No.199401027937 (313619-W)]
c/o SS E Solutions Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur

MILUX CORPORATION BERHAD
[199401027937 (313619-W)]

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