

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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MILUX CORPORATION BERHAD
[Registration No.199401027937 (313619-W)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution in respect of the above Proposal will be tabled as Special Business at the Twenty-Sixth Annual General Meeting ("**26th AGM**") of the Company which 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 any adjournment thereof. The Notice of 26th AGM and Form of Proxy as set out in the Company's Annual Report 2020, together with this Circular, are available at the Company's website at <https://milux.com.my/investor-relations/>.

If you are not able to participate and vote at the AGM via live stream and online voting, you may complete the Form of Proxy and deposit it at the office of the Poll Administrator at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit it via fax at 03-2094 9940 and/or 03-2095 0292 or e-mail to info@sshsb.com.my, no later than forty-eight (48) hours before the time of holding the AGM or any adjournment thereof. Your proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx>. The lodging of the Form of Proxy does not preclude you from attending, participating, speaking, and voting in person at the AGM should you subsequently wish to do so.

Date and time of the AGM : Thursday, 17 June 2021 at 3:00 p.m.

Last date and time for lodging the Form of Proxy : Tuesday, 15 June 2021 at 3:00 p.m., or any adjournment thereof

This Circular is dated 30 April 2021

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply:-

- “Act”** : Companies Act 2016, as amended from time to time and any re-enactment thereof
- “AGM”** : Annual General Meeting
- “Annual Report 2020”** : Annual Report of Milux issued for the financial year ended 31 December 2020
- “Board” or “Directors”** : Board of Directors of Milux
- “Bursa Securities” or “the Exchange”** : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
- “Circular”** : Circular to Shareholders dated 30 April 2021
- “Director(s)”** : Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Renewal of Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or a chief executive officer of the Company or any other company which is its subsidiary or holding company of the Company, in accordance with the definition in Chapter 10 of the Listing Requirements
- “EPS”** : Earnings per share
- “Linbaq”** : Linbaq Holding Sdn Bhd [Registration No. 201701039303 (1253474-M)]
- “Linbaq Group”** : Linbaq and its subsidiaries, collectively
- “Listing Requirements”** : Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
- “LPD”** : 1 April 2021, being the latest practicable date prior to the printing of this Circular
- “Major Shareholder(s)”** : A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-
- a) 10% or more of the total number of voting shares in the Company; or
 - b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purposes of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. For the purpose of the Proposed Renewal of Shareholders’ Mandate, it includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Major Shareholder of the Company or any other corporation which is its subsidiary and holding company.
- “Market Day(s)”** : Any day on which the stock market of the Exchange is open for trading in securities

DEFINITIONS (Cont'd)

“Milux Group” or “Group”	Milux and its subsidiary companies as defined in Section 4 of the Act
“Milux” or “Company”	Milux Corporation Berhad [Registration No.199401027937 (313619-W)], a company incorporated in Malaysia
“Milux Share(s)” or “Share(s)”	Ordinary Share(s) in Milux
“NA”	Net assets attributable to ordinary equity holders of Milux
“Person(s) Connected”	: In relation to a Director or a Major Shareholder, means such person who falls under any one (1) of the following categories:- <ul style="list-style-type: none">(a) a family member of the Director or Major Shareholder (for the purpose of this definition, “family” means and includes spouse, parent, child including an adopted child and stepchild, brother or sister, spouse of child including an adopted child and step-child, and spouse of brother or sister);(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director and Major Shareholder, is the sole beneficiary;(c) a partner of the Director or Major Shareholder, or a partner of a person connected with that Director or Major Shareholder;(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;(e) a person, or where a person is a body corporate, the body corporate and its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;(f) a body corporate in which the Director or Major Shareholder, and/or persons connected with him are entitled to exercise or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or(g) a body corporate which is a related corporation (for the purpose of this definition, “related corporation” means a corporation which is the holding company of another corporation; a subsidiary of another corporation; or a subsidiary of the holding company of another corporation) of the Director or Major Shareholder.
“Proposed Renewal of Shareholders’ Mandate”	: Proposed renewal of shareholders’ mandate for RRPTs to be entered into by Milux Group from the date of the forthcoming AGM until the next AGM
“Recurrent Related Party Transaction(s)” or “RRPT(s)”	: Recurrent related party transactions of revenue or trading nature, which are necessary for day-to-day operations and are in the ordinary course of business of Milux Group which involves the interest, direct or indirect, of Related Parties
“Related Party(ies)”	: Director(s), Major Shareholder(s) and/or Person(s) Connected with such Director(s) or Major Shareholder(s) as defined herein

DEFINITIONS (Cont'd)

“RM” and “sen”	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
“Topspike”	:	Topspike Holding Sdn. Bhd. [Registration No. 201901002985 (1312311-D)]

All references to “you” in this Circular are to the shareholders of the Company.

Unless otherwise stated, the information set out above in relation to the Major Shareholder(s), Director(s) and Person(s) Connected is as at the LPD.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated.

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MILUX CORPORATION BERHAD
[Registration No.199401027937 (313619-W)]
(Incorporated in Malaysia)

Registered Office:
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur

30 April 2021

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)

TO: THE SHAREHOLDERS OF MILUX

Dear Sir / Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE

1.0 INTRODUCTION

At the Extraordinary General Meeting of the Company held on 4 November 2020, the Company obtained the shareholders' approval on the resolution pertaining to a general mandate from its shareholders for Milux Group to enter into RRPTs in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public. The said authority shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming AGM of the Company, unless authority for its renewal is obtained from the shareholders at the said AGM of the Company.

On 30 March 2021, the Board announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with the relevant details and information of the Proposed Renewal of Shareholders' Mandate and to seek your approval for the Ordinary Resolution in connection with the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM of the Company. The Notice of the 26th AGM together with the Form of Proxy are enclosed in the Annual Report 2020.

2.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek shareholders' mandate in respect of RRPTs which are necessary for the day-to-day operations of the Group subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year (based on the type of transactions, names of Related Parties involved in each type of transaction made and their relationship with the listed issuer), where the aggregate value is equal to or more than the thresholds below in relation to a listed issuer with an issued share capital less than RM60.0 million:-
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1.0 million or more; or
 - (ii) the percentage ratio of such aggregated transactions is 1% or more,whichever is the lower;
- (c) issuance of a circular to shareholders by the Company containing information as may be prescribed in the Listing Requirements;
- (d) in a meeting to obtain shareholders' mandate, where it involves the interest of the Interested Directors, Interested Major Shareholders or Persons Connected with them, such Director or Major Shareholders must not vote on the resolution approving the transactions. The Interested Directors and/or Interested Major Shareholders must ensure that Persons Connected with them will also abstain from voting on the resolution approving the transaction; and
- (e) the Company must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Company exceeds the estimated value of the RRPTs disclosed in the Circular by 10% or more, and must include the information as may be prescribed by the Exchange in its announcement.

The Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate. The Proposed Renewal of Shareholders' Mandate will allow Milux Group, in the ordinary course of business, to enter into the RRPTs referred to under Section 2.6 with the Related Parties, provided that such transactions are made at arm's length, on Milux Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Milux.

2.2 Validity Period of the Proposed Renewal of Shareholders' Mandate

The authority to be conferred pursuant to the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company, shall be effective upon passing of the Ordinary Resolution for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM of the Company and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

2.3 Principal activities of Milux Group

The Company is principally engaged in investment holding. As at LPD, the principal activities of the subsidiaries are as follows:-

Name of Company	Effective equity interest (%)	Principal activities
T.H. Hin Sdn. Bhd. [Registration No. 197701003521 (34573-X)]	100	Dealer in gas cookers, electrical household appliances and their related products
T.H. Hin Home Tech Sdn. Bhd. [Registration No. 198301016863 (112272-K)]	100	Manufacturing of gas cookers, electrical household appliances and their related products
Brightyield Sdn. Bhd. Registration No. 199101000399 (210709-P)]	100	Manufacturing of gas cookers component parts and their related products
Enamel Products Sdn. Bhd. [Registration No. 199201008698 (240201-H)]	100	Manufacturing of enamel products (Inactive)
Milux Sales & Service Sdn. Bhd. [Registration No. 199401016583 (302263-X)]	100	Dealer in gas cookers, electrical household appliances and their related products
Eurobay Industries Sdn. Bhd. [Registration No. 199501022757 (351960-P)]	100	Manufacturing and supplying of home electrical appliances (Inactive)
Milux International Sdn. Bhd. [Registration No. 198401008521 (121039-D)]	100	Investment holding
Milux Properties Sdn. Bhd. [Registration No. 201201019461 (989606-V)]	100	Engage in the business of acquiring land and building and to undertake the business of property development and other management consultancy activities (Inactive)
Pansprint Consolidated Sdn. Bhd. [Registration No. 199801016840 (472969-A)]	100	Construction of buildings (Inactive)
Milux Greentech Resources Sdn. Bhd. [Registration No. 201201019462 (989607-D)]	51	Carry out business of agriculture farming, poultry farming, animal husbandry and related plantations and crops activities (Inactive)
Milux Home Appliances (India) Private Limited (Registration No. 062641)	99	Within process of striking off

Name of Company	Effective equity interest (%)	Principal activities
<u>Subsidiary company of T. H. Hin Sdn. Bhd.</u>		
Milux Industry (Zhong Shan) Co. Ltd. (Registration No. 442000400020534)	100	Ceased operation

It is envisaged that, in the normal course of Milux Group's businesses, transactions of a revenue or trading nature between companies in Milux Group and the Related Parties are likely to occur, which are necessary for its day-to-day operations.

2.4 Principal activities of Linbaq Group

Linbaq was incorporated in Malaysia on 30 October 2017.

As at LPD, Linbaq is wholly-owned by Datuk Wira Ling. The Directors of Linbaq as at LPD are Tan Sri Lau Yin Pin @ Lau Yen Beng, Mohamad Jaifuddin Bin Bujang Mohidin and Datuk Dr. Wong Lai Sum.

Linbaq's principal activities consist of investment holding. Its subsidiaries are principally involved in property development, construction, real estate, wholesale of goods, and provision of pest control services. As at LPD, the principal activities of its subsidiaries are as follows:-

Name of Company	Effective equity interest (%)	Principal activities
Far East (Ulu Tiram) Sdn Bhd (Registration No. 201701046059 (1260235-X))	100	Construction of buildings
Far East Central Sdn Bhd (Registration No. 201701047136 (1261312-V))	100	Activities of holding companies, construction of buildings and wholesale of goods
Linbaq Construction Sdn Bhd (Registration No. 201801001038 (1263051-M))	100	Construction of buildings and wholesale of goods
Linbaq Project Management Sdn Bhd (Registration No. 201901027339 (1336666-W))	100	Provision of consultancy services
Linbaq Realty Sdn Bhd (Registration No. 201801002311 (1264324-V))	100	Real estate activities with own or leased property
Linbaq Trading Sdn Bhd (Registration No. 201701047134 (1261310-K))	95	Wholesale of construction materials
Pest React Sdn Bhd (Registration No. 201801017402 (1279418-K))	77	Renting and operational leasing of passenger cars, cleaning and pest control services and wholesale of goods

Name of Company	Effective equity interest (%)	Principal activities
Vistana Tropika Sdn Bhd (Registration No. 200901021195 (864292-X))	100	Property and housing, mixed and integrated development

For the purpose of this Circular, Linbaq Group shall also include all future subsidiaries of Linbaq.

2.5 Classes of RRPTs for the Proposed Renewal of Shareholders' Mandate

Pursuant to the Proposed Property Diversification, Milux Group intends to venture into the Property Related Business, comprising property development, property management and construction business. Milux Group will in its normal course of business:-

- (i) invite tenders for amongst others, construction works, supply of building materials and/or other related activities, for its property development projects;
- (ii) bid for construction contracts from property development and/or construction companies.

Amongst others, Milux Group (including future subsidiaries of Milux) intends to invite tenders and/or bid for contracts from the Linbaq Group (including future subsidiaries of Linbaq).

The Proposed Renewal of Shareholders' Mandate applies to the following classes of Related Parties:-

Transacting Party	Principal Activities	Nature of relationship
Linbaq Group	Linbaq's principal activities consist of investment holding. Its subsidiaries are principally involved in property development, construction, real estate, wholesale of goods and provision of pest control services.	Datuk Wira Ling is the Executive Vice Chairman and a major shareholder of Milux. He is also the major shareholder and Chief Executive Officer of Linbaq Holding Sdn Bhd.

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2.6 Details of the RRPTs

Details of the RRPT, including the classes of Related Parties with whom the transactions will be carried out and the nature of such transactions contemplated are set out below:-

Transacting party within Milux Group	Transacting Related Party	Nature of transaction	Interested Directors/ Major Shareholders/ Persons Connected to Director or Major Shareholder (Interested Parties)	Estimated Aggregate Value as disclosed in the Circular dated 14 October 2020	Actual value transacted from the date of the Extraordinary General Meeting on 4 November 2020 to LPD	Estimated Aggregate Value from the forthcoming Twenty-Sixth AGM until the next AGM
Milux Group (Buyer)	Linbaq Group (Seller)	Provision of construction works	(a) Datuk Wira Ling Kah Chok (b) Gan Boon Lay (c) Topspike (d) Datuk Dr. Wong Lai Sum (e) Datuk Khoo Teck Kee	Up to RM100.0 million	Nil	Up to RM500.0 million
Milux Group (Seller)	Linbaq Group (Buyer)	Award of construction works	(a) Datuk Wira Ling Kah Chok (b) Gan Boon Lay (c) Topspike (d) Datuk Dr. Wong Lai Sum (e) Datuk Khoo Teck Kee	Up to RM100.0 million	Nil	Up to RM500.0 million
Milux Group (Buyer)	Linbaq Group (Seller)	Purchase of building materials	(a) Datuk Wira Ling Kah Chok (b) Gan Boon Lay (c) Topspike (d) Datuk Dr. Wong Lai Sum (e) Datuk Khoo Teck Kee	Up to RM50.0 million	Nil	Up to RM100.0 million
Milux Group (Buyer)	Pest React Sdn. Bhd. (Seller)	Acquisition of pest control services	(a) Datuk Wira Ling Kah Chok (b) Gan Boon Lay (c) Topspike (d) Datuk Dr. Wong Lai Sum (e) Datuk Khoo Teck Kee	Up to RM0.1 million	RM16,200.00	Up to RM0.1 million

Notes:-

- (a) Milux Group may bid for construction contracts from the Linbaq Group as and when the opportunity arises. Due to the uncertainty of the number and size of construction contracts which Milux Group may be able to successfully bid from Linbaq Group, the Company is only able to ascribe an estimated value for the year. Instead of stating their respective transacting subsidiaries, Milux Group and Linbaq Group are used here, as often project companies are set up to undertake development / construction business.
- (b) Milux Group may invite tenders for construction works for its development projects as and when such opportunity arises. Due to the uncertainty of the number and size of construction contracts which Milux Group may grant out, the Company is only able to ascribe an estimated value for the year. Instead of stating their respective transacting subsidiaries, Milux Group and Linbaq Group are used here as often project companies are set up to undertake development / construction business.
- (c) Milux Group may invite for tenders to purchase building materials for its development projects as and when such opportunity arises. Due to the uncertainty of the number and size of development projects, the Company is only able to ascribe an estimated value for building materials to be purchased for the year. Instead of stating their respective transacting subsidiaries, Milux Group and Linbaq Group are used here as often project companies are set up to undertake development / construction business.

The above estimated values are based on Management's best estimation of the value of the RRPT.

Save as disclosed above, the actual value of the above transactions that were transacted from the date on which the existing mandate was obtained at the Extraordinary General Meeting of the Company on 4 November 2020, up to LPD did not exceed the estimated value by 10% or more.

2.7 Amount Due and Owing to Milux Group by Related Parties

As at LPD, there is no amount due and owing to Milux Group by its Related Parties which exceeded the credit term. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

2.8 Guideline and Review Procedures for RRPTs

The Group has established the following procedures to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms and transactions prices consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those extended to the public and are not to the detriment of the minority shareholders.

The review and approval procedures established by the Group for the RRPTs are as follows:-

- (i) The identity of the Related Parties will be disclosed/circulated within the Group and at the same time, the Related Parties will be notified that all RRPTs are required to be taken on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public;
- (ii) The thresholds for approvals of RRPTs will be consistent with those transactions entered into with unrelated parties. The Group has in place internal levels of authority governing all business transactions. As the RRPTs are conducted in the ordinary course of business, the transactions will be covered under the same levels of authority;
- (iii) Any tender, quotation or contract received from or proposed to be entered with a Related Party will be reviewed by Milux's senior management who will ascertain if it is an approved RRPT. Such tender, quotation or contract will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions. The RRPTs with a Related Party will only be entered into after taking into account the pricing, quality, deliverables, level of service and other related facts including competitor's prices of similar products and services in the open market;
- (iv) All RRPTs to be entered into will be reviewed by the Audit and Risk Committee at every quarter or from time to time, as needed and subsequently reported to the Board to ensure that the transactions are not more favourable to the Related Party and will not be detrimental to the minority shareholders;
- (v) The Directors having interest in any RRPT shall abstain from voting on any matter relating to decisions to be taken by the Board and deliberations as well as shall ensure that the Major Shareholders and Persons Connected with them abstain from voting on the resolution approving the transactions;
- (vi) Records will be maintained by the Group to capture all RRPTs entered into pursuant to any Proposed New Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (vii) At least two other contemporaneous transactions with unrelated third parties for similar products/ services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/ services and/or quantities.

Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on the usual business practices of the Group to ensure the RRPTs are not detrimental to the Group;

- (viii) The Audit and Risk Committee shall review the Internal Audit reports on an annual basis to ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with;
- (ix) Immediate announcement will be made when the actual amount of a RRPT exceeds the estimated value disclosed in the Circular by 10% or more;
- (x) The Audit and Risk Committee will review the cumulative value of all RRPTs on a quarterly basis;
- (xi) Disclosure will be made in the following year's annual report of the Company of the aggregate value of transactions conducted pursuant the shareholders' mandate;
- (xii) In respect of any new RRPT not covered under a shareholders' mandate, it will be subject to review and approval by a Director and one senior management who has no interest in the transaction. The Audit and Risk Committee and Board will be notified for any transaction which requires announcement to Bursa Securities pursuant to Paragraph 10.09(1) of the Listing Requirements; and
- (xiii) Our Board and the Audit and Risk Committee will have overall responsibility for the determination of the review procedures, including addition of new review procedures, as and when necessary. The Board and the Audit and Risk Committee may also appoint individuals and committees to examine the RRPTs, as they deem appropriate. If a member of the Board or the Audit and Risk Committee has an interest, direct or indirect, in any particular transactions, he or she will abstain from any deliberation and voting on the matter at the Board or the Audit and Risk Committee meetings in respect of such transactions.

2.9 Thresholds for Approval of RRPTs

The threshold for RRPT will be determined by Audit and Risk Committee on a yearly basis, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT, such Director shall abstain from deliberation and voting on the matter. All RRPTs will be monitored by the management and reviewed by the Audit and Risk Committee on a quarterly basis and approved by the Board. Where the RRPT has not obtained the shareholders' mandate or has exceeded the shareholders' mandate, an announcement shall be made to Bursa Securities.

2.10 Statement by the Audit and Risk Committee

The Audit and Risk Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit and Risk Committee also has the authority to delegate this responsibility to such individuals within the Company as it shall deem fit.

The Audit and Risk Committee is satisfied that the review procedures for RRPTs as set out in Section 2.8 above are sufficient and appropriate to ensure that such RRPTs will be undertaken at arm's length and are on normal commercial terms consistent with the industry norms not more favourable to the Related Parties than those generally available to the public and that such terms will not be detrimental to the interests of the minority shareholders or disadvantageous to the Group.

The Audit and Risk Committee will ensure that the Group has in place adequate procedures and processes to monitor, track and identify the RRPTs in a timely and orderly manner. The Audit and Risk Committee will review these procedures and processes on a yearly basis.

If during its periodic reviews, the Audit and Risk Committee views that such procedures and processes are no longer appropriate or adequate to monitor, track and identify RRPTs, the Audit and Risk Committee will draw it to the attention of the Board and, if necessary, Milux will establish new guidelines and procedures.

2.11 Rationale for and Benefits of the Proposed Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate will allow the Group to enter into transactions within the ordinary course of its proposed diversification into Property Related Businesses with Linbaq Group.

The Proposed Renewal of Shareholders' Mandate will also enable the Group to undertake RRPTs necessary for day-to-day operations and pursue business opportunities which are time-sensitive in nature in a more expeditious manner.

The Proposed Renewal of Shareholders' Mandate will eliminate the need to announce and convene separate general meetings of Milux from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Paragraph 10.09(2) of the Listing Requirements, as and when potential transactions with the specified classes of Related Party arise. This will also substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency, and allow human resources and time to be channeled towards attaining other corporate objectives and opportunities.

The Proposed Renewal of Shareholders' Mandate is expected to contribute positively to the Group's overall earnings moving forward.

3.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

3.1 Share capital and shareholdings of substantial shareholders

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued share capital and substantial shareholders' shareholdings of Milux.

3.2 NA, NA per share and gearing

The Proposed Renewal of Shareholders' Mandate is not expected to have any material effect on the NA, NA per share and gearing of the Group for the financial year ending 31 December 2021.

3.3 Earnings and EPS

The Proposed Renewal of Shareholders' Mandate is not expected to have any material effect on the Group's earnings and EPS for the financial year ending 31 December 2021 but is expected to contribute positively to the Group's future earnings and the Company's EPS.

4.0 APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval being obtained from the shareholders of Milux at the forthcoming Twenty-Sixth AGM to be convened or at any adjournment thereof.

5.0 INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate as at the LPD:-

- (i) Datuk Wira Ling Kah Chok is the Executive Vice Chairman and a major shareholder of Milux through his interest in Topspike, a major shareholder of Milux. He is also the Chief Executive Officer and a major shareholder of Linbaq;
- (ii) Gan Boon Lay is a Non-Independent Non-Executive Director and a major shareholder of Milux (through his interest in Topspike). He is deemed a Person Connected to Datuk Wira Ling Kah Chok by virtue of their substantial interest in Topspike;
- (iii) Topspike is a major shareholder of Milux and a Person Connected to Datuk Wira Ling Kah Chok and Gan Boon Lay;
- (iv) Datuk Dr. Wong Lai Sum is the Independent Non-Executive Chairman of Milux as well as a Non-Executive Director of Linbaq; and
- (v) Datuk Khoo Teck Kee is the Group Managing Director of Milux as well as an Executive Director of Pest React Sdn. Bhd., a subsidiary of Linbaq.

(Datuk Wira Ling Kah Chok, Gan Boon Lay, Datuk Dr. Wong Lai Sum and Datuk Khoo Teck Kee shall hereinafter be referred to as the "**Interested Directors**".)

(Topspike, Datuk Wira Ling Kah Chok and Gan Boon Lay shall hereinafter be referred to as the "**Interested Major Shareholders**".)

As at LPD, the direct and/or indirect shareholdings of the interested parties in Milux are as follows:-

Interested Directors/ Interested Major Shareholders/ Persons Connected	Direct No. of Shares	%	Indirect No. of Shares	%
Topspike	78,833,540	33.54	-	-
Datuk Wira Ling	-	-	(a) 78,833,540	33.54
Gan Boon Lay	-	-	(a) 78,833,540	33.54
Datuk Dr. Wong Lai Sum	-	-	-	-
Datuk Khoo Teck Kee	-	-	-	-

Note:-

(a) *Deemed interested by virtue of his shareholdings in Topspike pursuant to Section 8(4) of the Act.*

The Interested Directors have abstained from and will continue to abstain from all deliberations and voting at the Board meetings of the Company pertaining to the Proposed Renewal of Shareholders' Mandate.

The Interested Directors and Interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in Milux, if any, on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM. The Interested Directors and Interested Major Shareholders have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Milux, if any, on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

6.0 DIRECTORS' RECOMMENDATION

The Board, save for the Interested Directors, having considered all aspects of the Proposed Renewal of Shareholders' Mandate, including the rationale and review procedures, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders of the Company.

The Board, save for the Interested Directors, recommends that shareholders vote in favour of the resolution for the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

7.0 AGM

The AGM 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 any adjournment thereof, for the purpose of considering and if thought fit, passing the Ordinary Resolution on the Proposed Renewal of Shareholders' Mandate under the Notice of AGM.

If you are not able to participate and vote at the AGM via live stream and online voting, you may complete the Form of Proxy and deposit it at the office of the Poll Administrator at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit it via fax at 03-2094 9940 and/or 03-2095 0292 or e-mail to info@sshshb.com.my, no later than forty-eight (48) hours before the time of holding the AGM or any adjournment thereof. Your proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshshb.net.my/login.aspx>. The lodging of the Form of Proxy does not preclude you from attending, participating, speaking, and voting in person at the AGM should you subsequently wish to do so.

8.0 FURTHER INFORMATION

Shareholders are requested to refer to the enclosed Appendix I of this Circular for further information.

Yours faithfully,

For and on behalf of the Board of Directors of
MILUX CORPORATION BERHAD

TAN CHEE HOW
Executive Director

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATIONS

As at LPD, neither the Company nor its subsidiary companies is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board is not aware of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

3. MATERIAL CONTRACTS

On 10 September 2020, Enamel Products Sdn. Bhd., a wholly-owned subsidiary of Milux, had entered into a sale and purchase agreement with Euro Chemo-Pharma Sdn. Bhd. for the disposal of a piece of leasehold land held under Hakmilik Sementara No. H.S.(D) 42102, No. PT 1457, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang measuring 4,046.724 square metres together with industrial building(s) erected thereon bearing assessment address at No. 2605, Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Perai, Penang for a total cash consideration of RM3,850,000.

Save as disclosed above, as at LPD, there are no other material contracts, not being contracts in the ordinary course of business which have been entered into by the Group within two years preceding the date of this Circular.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours (except public holidays) from the date of this Circular up to and including the date of the AGM:-

- (a) Constitution of Milux;
- (b) The audited consolidated financial statements of Milux for the past two (2) financial years ended 31 December 2019 and 31 December 2020;
- (c) The latest unaudited consolidated financial results of Milux for the period ended 31 December 2020; and
- (d) The material contract referred to in Section 3 of this Appendix I.

