MILUX®

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MILUX CORPORATION BERHAD

[Registration No. 199401027937 (313619-W)]

ANNUAL REPORT 2021

CONTENTS

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh ("**27th**") Annual General Meeting ("**AGM**") of the Company will be conducted virtually 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, 23 June 2022 at 2:30 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 2021 together with the Reports of the Directors and the Auditors thereon. *(refer to Note B)*

2. To approve the payment of Directors' fees of RM292,950.00 for the period from 1 July 2022 to 30 June 2023, 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 RM90,000.00 from 1 July 2022 to 30 June 2023. *(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. Ho Pui Hold; *(Resolution 3)*
   (b) Datuk Khoo Teck Kee; and *(Resolution 4)*
   (c) Datuk Haw Chin Teck; *(Resolution 5)*

5. To re-elect Dato' Sri Ir. Ts. Dr. Liew Mun Hon, a Director of the Company, who retires in accordance with Clause 116 of the Company's Constitution and being eligible, has offered himself for re-election. *(Resolution 6)*

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. *(Resolution 7)*

As Special Business

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

7. **ORDINARY RESOLUTION NO. 1** *(Resolution 8)*
   - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

   "**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 (excluding treasury shares) for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to its letter dated 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) 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-Seventh Annual General Meeting (cont'd)

8. **ORDINARY RESOLUTION NO. 2** *(Resolution 9)*
 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"**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 29 April 2022, 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 ("**AGM**") 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 ("**the Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); 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."

9. 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: 29 April 2022

Notes:-

(A) Information for Shareholders/ Proxies

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **16 June 2022** ("**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-Seventh 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 27th 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 27th 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 27th 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 **eservices@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://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 27th AGM remotely, please register electronically via Securities Services e-Portal at **https://sshsb.net.my/** by the registration cut-off date and time.

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

7. Shareholders are advised to check the Company's website at **https://milux.com.my/** for announcements from time to time for any changes to the administration of this AGM that may be necessitated by the changes to safety protocols and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysia National Security Council, Securities Commission Malaysia and/or other relevant authorities.

(B) Audited Financial Statements for the financial year ended 31 December 2021

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 ("**the Act**") 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 27th AGM on the Directors' fees for the period from 1 July 2022 to 30 June 2023, i.e. until the next AGM in 2023 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-Seventh 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.

Clause 116 of the Constitution of the Company states that any Director who is appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 27th 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 Clauses 116 and 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 2022. 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 27th AGM of the Company under Resolution 7.

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 Act at the 27th 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-Sixth AGM of the Company held on 22 September 2021 (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 Malaysia Securities Berhad ("**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 23 December 2021 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 ("**Main LR**") 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 2022 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-Seventh 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 9, 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 LR of Bursa Securities. 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 29 April 2022 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 27th 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 CORE BUSINESS

Milux Corporation Berhad ("**Milux** or the **Company**"), through wholly-owned subsidiaries ("**Group**"), is principally engaged in the trading of gas and electrical home appliances in financial year ended 31 December 2021 ("**FY 2021**"). Prior to FY 2021, the Group in addition to carrying out the trading business, was also engaged in the manufacturing of gas appliances and assembly of instant water heaters. The Group ceased these activities during the end of financial year 2020 ("**FY 2020**").

For FY 2021, the Group's trading activities encompasses three (3) main operations under Milux's wholly-owned subsidiaries as follows:

- Milux Sales & Service Sdn. Bhd. ("**the Trading operation**") – distributor of gas and home electrical appliances under its core brand, "MILUX" throughout Peninsular and East Malaysia;
- T.H. Hin Home Tech Sdn. Bhd. ("**Home Tech**") ("**the OEM trading operation**") – importer and distributor of gas and home electrical appliances under Original Equipment Manufacturer ("**OEM**") brands to both local and overseas customers; and
- T5 Digital Sdn. Bhd. ("**the E-commerce operation**") – marketing and selling of gas and electrical appliances on online platforms under the "Euro Uno" brand.

During FY 2021, our operations were carried out at three (3) locations including a sales and service center cum warehouse in Prai, Penang, Headquarters cum warehouses in Port Klang, Selangor Darul Ehsan and a sales and service center 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.

OVERVIEW OF THE GROUP'S BUSINESS IN FY 2021

Trading operation

The Group's Trading operation is involved in the distribution of gas and home electrical appliances to the local market under the MILUX brand, and to a limited extend, MILLE brand. This operation contributed 89.9% to the Group's revenue in FY 2021. Among the gas products distributed by this operation are cast iron stove, gas canister, gas cooker, gas cooker hob, and cooker hood, gas rice cooker and gas regulator. The home electrical appliances include amongst others electric oven, blender, multi cooker, food steamer, thermo pot, stand mixer, induction cooker, food processor, rice cooker, hair dryer, air cooler, electric iron, washing machine and chest freezer. This operation also carries a range of fans which includes ceiling fan, table fan, stand fan, wall fan, floor fan, industrial fan, exhaust and ventilation fan. During FY 2021, fifteen (15) new models were introduced to the market.

For FY 2021, gas products contributed 45% (FY 2020 - 45%) to this operation's revenue while electrical appliances contributed 36% (FY 2020 - 44%). Fan contributed 19% (FY 2020 - 10%) and others at 0.0% (FY 2020 - 1%).

This Trading operation's sales were directly impacted by the two (2) months' lock-down between June and early August 2021 where non-essential business activities were not permitted during this period due to Coronavirus ("**Covid-19**"). Despite this, for FY 2021, this operation managed to increase its revenue albeit by a marginal 0.7% to RM56.74 million from RM56.35 million in FY 2020.

Despite the marginal increase in revenue, profit before tax ("**PBT**") increased by 57.3% to RM3.02 million from a PBT of RM1.92 million in the preceding year due to higher gross profit and lower selling expenses. The gross profit margin for FY 2021 was 2.45 percentage points higher compared to FY 2020

OEM Trading operation

This OEM Trading operation was the Group's manufacturing operation in FY 2020 and prior to it. Up to FY 2020, this operation acts as an OEM and trader of gas cookers and related appliances for both local and overseas customers. Due to the dim prospect and continued losses incurred as a result of lack of economy of scale, the Group decided to wind down the manufacturing activity in FY 2020 which was completed the same year. This operation, henceforth continued with the trading of OEM gas and home electrical appliances.

For FY 2021, this operation contributed RM6.30 million revenue to the Group compared to RM16.64 million in FY 2020. This 62.1% year-on-year ("**Y-o-Y**") revenue decreased was due to zero revenue contribution from manufacturing operation commencing the second quarter of FY 2021.

Management Discussion and Analysis (cont'd)

OEM Trading operation (cont'd)

It registered a PBT of RM4.26 million for FY 2021 compared to a loss before tax ("**LBT**") of RM5.71 million in FY 2020. The turnaround despite a sharp drop in revenue was due to higher other income arising from the disposal of the enameling factory coupled with lower administration and other expenses as a result of the cessation of manufacturing activities. The substantial LBT recorded in FY 2020 was due to impairments of inventories and plant and equipment and the payment of termination benefits to employees affected by the winding down of manufacturing activity.

E-commerce operation

The Group's E-commerce operation began operation only in November 2021. This operation is to supplement the Group's existing online business undertaken by the Trading operation via our own official website **www.milux.com.my** which markets MILUX brand of gas and home electrical appliances.

This new operation commenced operation with the marketing of home electrical appliances under the "Euro Uno" brand. For FY 2021, it recorded a revenue of RM0.042 million and registered a LBT of RM0.016 million for the two (2) months in operation.

Others

This segment consists of Milux 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 RM1.23 million for FY 2021 compared to a LBT of RM1.26 million in FY 2020.

REVIEW OF FINANCIAL RESULTS

The financial year under review was a challenging year for the Group in the wake of Covid-19. For a major part of the year, the Group encountered business disruptions brought about by the pandemic-induced lockdowns and the implementation of standard operating procedures ("**SOPs**") by the government.

Revenue

Amidst the backdrop of the Covid-19 pandemic, the Group recorded a revenue of RM63.08 million, a decrease of RM9.91 million or 13.6 % compared to FY 2020's revenue of RM72.99. million. The decrease was due to lower contribution from the OEM Trading operation due to zero contribution from manufacturing operation commencing the second quarter of FY 2021 as a result of the cessation of the manufacturing activities as at end of FY 2020. However, the Trading operation managed to increase its revenue by a marginal 0.7% or RM0.39 million during the year compared to FY 2020.

Gross profit and gross profit margin

Gross profit ("**GP**") for FY 2021 amounted to RM18.88 million, an increase of RM4.3 million or 29.5% as compared to RM14.58 million for FY 2020. Gross profit margin ("**GPM**") increased by 9.9 percentage points to 29.9% from 20.0%. The increase in GPM was due to the Trading operation's more favourable product mix and the OEM Trading operation returning to gross profit from a gross loss position in FY 2020 due to impairment of inventories as a result of the cessation of the manufacturing operation.

Profit before taxation

PBT for FY 2021 was RM5.76 million compared to a LBT of RM5.03 million in FY 2020, an increase of 214.5% due to higher other operating income and lower operating expenses as explained below.

Other operating income

The increase in other operating income of RM4.34 million to RM4.97 from RM0.63 million in FY 2020, was mainly due to gain on disposal of assets amounting to RM3.88 million and write back of trade receivables previously impaired that was no longer required.

Management Discussion and Analysis (cont'd)

REVIEW OF FINANCIAL RESULTS (CONT'D)

Selling and distribution expenses

Selling and distribution expenses amounted to RM5.82 million compared to RM7.24 million in FY 2020, a decrease of RM1.42 million or 19.6%. This decrease was due to lower promotion activities carried out by the Trading operation due to changing movement control orders and SOPs while the OEM Trading operation incurred lower distribution expenses in tandem with the lower revenue.

Administrative expenses

Administration expenses which consisted mainly of staff compensation, office administration and operational expenses decreased marginally by RM0.09 million or 0.8% to RM11.23 million for FY 2021 from RM11.32 million for FY 2020. While the Trading operation saw an increase in administrative expenses due to higher staff costs and recurring operating expenses, the OEM Trading operation saw a reduction in administrative expenses arising from the cessation of manufacturing activities at the end of FY 2020.

Other operating expenses

Other operating expenses decreased by RM0.74 million or 50.3% to RM0.73 million from RM1.47 million. The higher other operating expenses in FY 2020 was due to impairment of trade receivables and plant and equipment arising from the cessation of manufacturing activities during the year. During FY 2021, goodwill on consolidation which amounted to RM0.22 million was impaired.

Finance costs

Finance costs increased by RM0.10 million or 47.6% to RM0.31 million from RM0.21 million mainly due to increase utilization of bankers' acceptance facilities and lease liabilities arising from acquisition of right-of-use assets.

Profit after taxation

Profit after taxation ("**PAT**") for FY 2021 was RM5.53 million compared to a loss after taxation ("**LAT**") of RM5.05 million in FY 2020. Taxation at RM0.24 million for FY 2021 was RM0.22 million higher than that for FY 2020 due to payment of real property gains tax on disposal of a property by a subsidiary of the Company.

WORKING CAPITAL

As at end of FY 2021, the Group have current assets of RM52.77 million with a working capital ratio of 2.86 times. This was better than the 2.67 times as at end FY 2020. The Group had and will continue to be prudent in its working capital management.

Total liquid assets in fixed deposits and cash and bank balances as at end of FY 2021 stood at RM14.34 million. The significant increase in cash position was due to the disposal of property during FY 2021. Other significant components of working capital include inventories and trade receivables which amounted to RM21.18 million and RM15.36 million as at end of FY 2021 compared to RM18.02 million and RM19.82 million respectively as at end of FY 2020.

The Group has long-term borrowings in the form of lease liabilities of RM1.47 million as at end FY 2021 while its short-term bank borrowings and lease liabilities for the same period was RM3.98 million and RM0.51 million respectively.

CAPITAL INVESTMENT

There were no major capital investments incurred during FY 2021.

The gearing ratio (total borrowing/equity) stood at 14.0% as at end of FY 2021 compared to RM13.9% as at end of FY 2020. The slightly higher gearing ratio is due to the increase in lease liabilities arising from the acquisition of right-of-use assets during the year and which is compensated by an increase in equity by 15.6% or RM5.74 million.

Management Discussion and Analysis (cont'd)

CORPORATE DEVELOPMENT

During FY 2021, the Company has increased its issued share capital from 58,764,197 ordinary shares to 235,056,788 ordinary shares by way of bonus issue of 176,292,591 new ordinary shares on the basis of three (3) bonus shares for every one (1) existing ordinary share held.

During FY 2021, the Group through its wholly-owned subsidiaries, Enamel Products Sdn. Bhd. ("**Enamel**") and Home Tech have each disposed of a piece of leasehold land together with building erected thereon. The disposal by Enamel was completed on 2 April 2021 while that by Home Tech was pending completion as at end of FY 2021. In addition, the disposal by Home Tech of five (5) units of apartment used as workers' hostel was also completed during the year.

There was no further development on 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 which was approved at the Extraordinary General Meeting held on 4 November 2020 due to the current uncertain and volatile economic environment.

OUTLOOK AND PROSPECTS IN FY 2022

The World Bank, in its Jan 2022 Global Prospect published in December 2021 had projected an economic growth of 5.8% for Malaysia in 2022 due mainly to the acceleration in private consumption. However, Malaysia's sustained economic growth remains uncertain.

Nevertheless, the Group is hopeful for a recovery in the domestic market following the relaxation of movement restrictions and the imminent opening of Malaysia's borders on 1 April 2022 as announced by the Malaysian government.

The Trading operation where revenue is generated wholly from domestic sales is looking forward to another profitable year in the financial year ending 31 December 2022 ("**FY 2022**") although uncertainties caused by the Covid-19 pandemic still prevail. This operation will continue to revamp its product range by introducing new models and products to meet market needs. It will continue to serve its existing customers by maintaining a high standard of quality for its products complemented by an efficient after-sales service.

The OEM trading operation which completed its restructuring in FY 2020 will work closely with its existing OEM customers to increase the off-take for the existing products and to expand the current product range in its effort to drive revenue. In addition to this, action will be taken to increase its customer base both locally and abroad.

The Group's new E-Commerce platform commenced operation in November 2021. This would enable the Group to capture new opportunities especially in the digital customer segments. This operation will continue utilizing social media as a marketing tool to market our products and to help create awareness among our existing and potential retail consumers so as to enhance its revenue.

The Group remain optimistic that it will remain profitable in FY 2022.

RISK FACTORS

Covid-19 Pandemic

This global pandemic which started in March 2020 still pose a risk to the Group's operations. However, due to the country's high vaccination rate and its preparation to enter into the endemic phase, we anticipate a lower risk for FY 2022. The Group will continue to adhere to the SOPs issued by the Ministry of Health to mitigate the impact of this pandemic. The Group's employees have all taken the two (2) doses of vaccine with a good majority having taken their booster dose.

Business risk

The Trading and OEM trading operations are exposed to various business risks such as intense competition over pricing and costing, as well as contraction in demand, under the current unfavourable economic environment brought about by the pandemic. The disruption to the supply chain due to the pandemic has caused the Trading operation to carry additional inventories. Amidst the pandemic, geopolitical tensions, supply chain disruption and inflationary trend, the Group will constantly monitor and take appropriate measures to minimize the impact arising from these risks.

Management Discussion and Analysis (cont'd)

RISK FACTORS (CONT'D)

Foreign exchange risk

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

Credit risk

The Group's trade receivables as at end of FY 2021 stood at RM15.36 million compared to RM19.82 million as at end of FY 2020. The average trade receivables turnover days for FY 2021 was 102 days compared to 86 days for FY 2020. The Group will minimize this risk by actively monitoring the financial standing of its customers (debtors) on an ongoing basis.

Interest rate risk

The Group is exposed to interest rate risk arising from changes in market interest rates as it has interest bearing financial assets in fixed deposits with licensed banks and financial liabilities in bank borrowings at fixed and floating rates. To mitigate this risk, the Group adopts a strategy of mixing fixed and floating rate borrowing to minimize exposure to this risk.

DIVIDEND POLICY

The Board is mindful of the need to conserve cash for expansion of the Group's business to ensure the Group's sustainability.

As the Group had just returned to profitability in FY 2021 after five (5) years of losses, a dividend payout policy has not been established.

Dated : 30 March 2022

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

Dato' Sri Ir. Ts. Dr. Liew Mun Hon
Independent Non-Executive Director
(Appointed on 31 December 2021)

Gan Boon Lay
Non-Independent Non-Executive Director

Yee Carine
Non-Independent Non-Executive Director

Teh Sok Hoon
Non-Independent Non-Executive Director

Datuk Yap Kheng Fah
Independent Non-Executive Director
(Resigned on 31 December 2021)

AUDIT AND RISK COMMITTEE

Ho Pui Hold - Chairman
Independent Non-Executive Director

Datuk Haw Chin Teck - Member
Independent Non-Executive Director

Dato' Sri Ir. Ts. Dr. Liew Mun Hon - Member
Independent Non-Executive Director
(Appointed on 31 December 2021)

Datuk Yap Kheng Fah
Independent Non-Executive Director
(Resigned on 31 December 2021)

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 and trading of gas cookers, built-in hobs, rice cookers, roasted ovens, 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, to undertake the business of property development and other management consultant activities (Inactive)
- **100%** **T5 Digital Sdn. Bhd.**
  Carry out the business of retail sale for all kinds of product over the internet
- **100%** **Milux GreenTech Resources Sdn. Bhd.**
  Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantation and crop activities (Inactive)

SUSTAINABILITY STATEMENT

BOARD STATEMENT & ASSURANCE

Dear Shareholders,

The Board is pleased to present Milux Corporation Berhad ("**Milux**")'s 2021 Sustainability Statement. With more than forty (40) years of experience behind us, 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 all our stakeholders.

With the disruptions brought about by the Coronavirus ("**Covid-19**") pandemic since year 2020 and more frequent natural disasters like the recent flood in Selangor, Klang Valley and other parts of Peninsular Malaysia, the Board believes that a good governance structure together with sound business continuity management is critical to the Group's success in delivering a brighter and sustainable future.

In this period of economic stress, the Group will continue 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 and ourselves.

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

Reporting Standards

This Report is prepared with reference to the internationally recognised Global Reporting Initiative (GRI) Standards (2016), Integrated Reporting <IR>. and it adheres to Bursa Malaysia Sustainability Reporting Guide 2nd Edition.

Sustainability Initiatives

The uncertainties caused by the Covid-19 pandemic running into its second year have brought about changes to the Group's operations during the financial year under review. The Group has put in place more stringent operational procedures in its premises to comply with the government pandemic-induced regulations implemented to ensure businesses can continue with their activities in the new normal environment.

Due to various restriction implemented by the Malaysian government to try to curb the new virus variant, the Group was not able to carry out its corporate social responsibility in-person activities. However, during the recent flood disaster in Selangor, the Group in collaboration with Pest React Sdn. Bhd., Cosmos, the Fresh Grocer and Balai Polis Putra Heights carried out a joint programme whereby the Group donated Milux double gas cookers, Milux gas regulators and Milux jug kettles to the folks of Putra Heights and Sri Muda Community.

Under such trying conditions, the Group has placed priority to safeguard the well-being of its customers (dealers), employees and other business associates who are in close contact with us.

To save guard the well-being of our customers (dealers), the Group's trading operation had during the financial year under review embarked on a campaign with our dealers on a disinfection programme. This campaign entails the engagement of a Disinfection Service Provider to provide Airmist Disinfection Treatment with Nano Collodial Silver to some of our dealers' retail outlets so as to safeguard the well-being of retail customers who shop at their retail outlets.

For our employees, the Group provided unrecorded leave to enable them to have their Covid-19 vaccinations. All employees are encouraged to do RTK self-test regularly with test-kits provided for those who need it. Our outdoor service team and sales force in particular, conducts RTK self-test regularly as our role in helping the country curb the pandemic.

We strive to integrate sustainability into our business operations to ensure business continuity. This report details how we identify and manage EESG issues that are important to our stakeholders and us.

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

Sustainability Statement (cont'd)

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 impact on the local economy, society, environment and governance.

Period and Reporting Scope

The reporting period aligns with our financial year from 1 January 2021 to 31 December 2021 and focuses on the activities of our Trading and OEM Trading operations involved in the distribution of gas and electrical home appliances which together contributed 100% to the Group's revenue in financial year 2021 ("**FY 2021**").

Reporting Framework

The Group prepared its Sustainability Statement in accordance with Bursa Malaysia Securities Berhad's 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 also 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 mentioned 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.

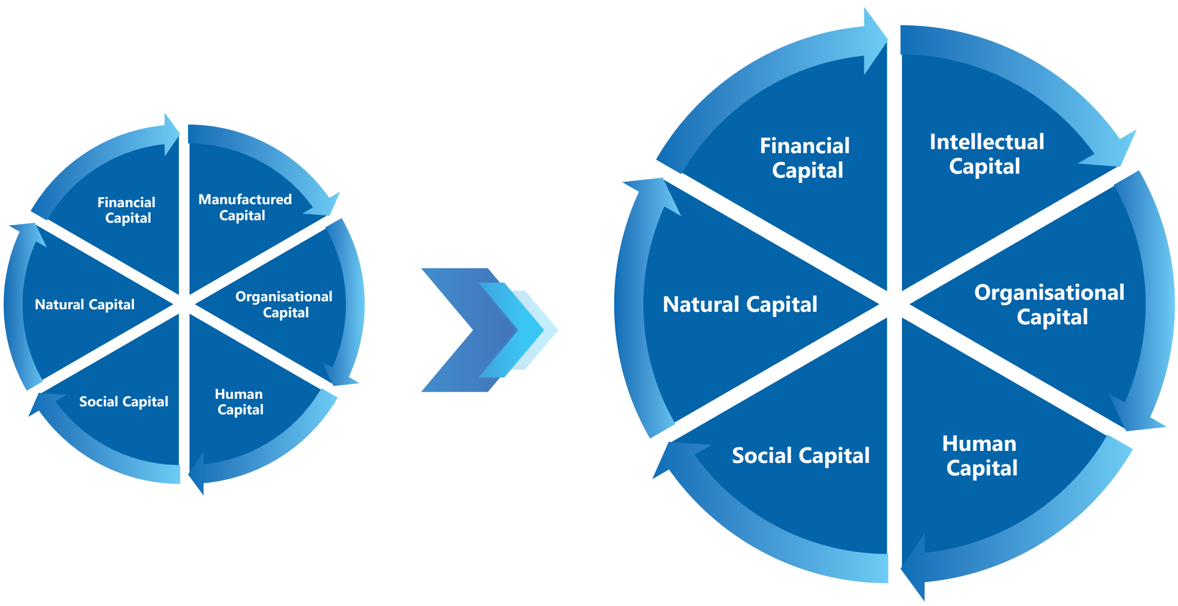
COMMUNITY
Contributing to local community development

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 environmental 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 the year 2019. This model has reinforced our sustainability strategy, policies, and practices and is aligned to best global standards including the UN SDGs. The shift from the 4 Pillars' interaction model to the Six Capitals model will allow us to create sustained value for our business and stakeholders.

For financial FY 2021, the Group has ceased all manufacturing activities in line with its rationalisation plan to put the Group in a stronger financial footing. Thus, for FY 2021 reporting, the manufactured capital has been revised to Intellectual capital as per below:



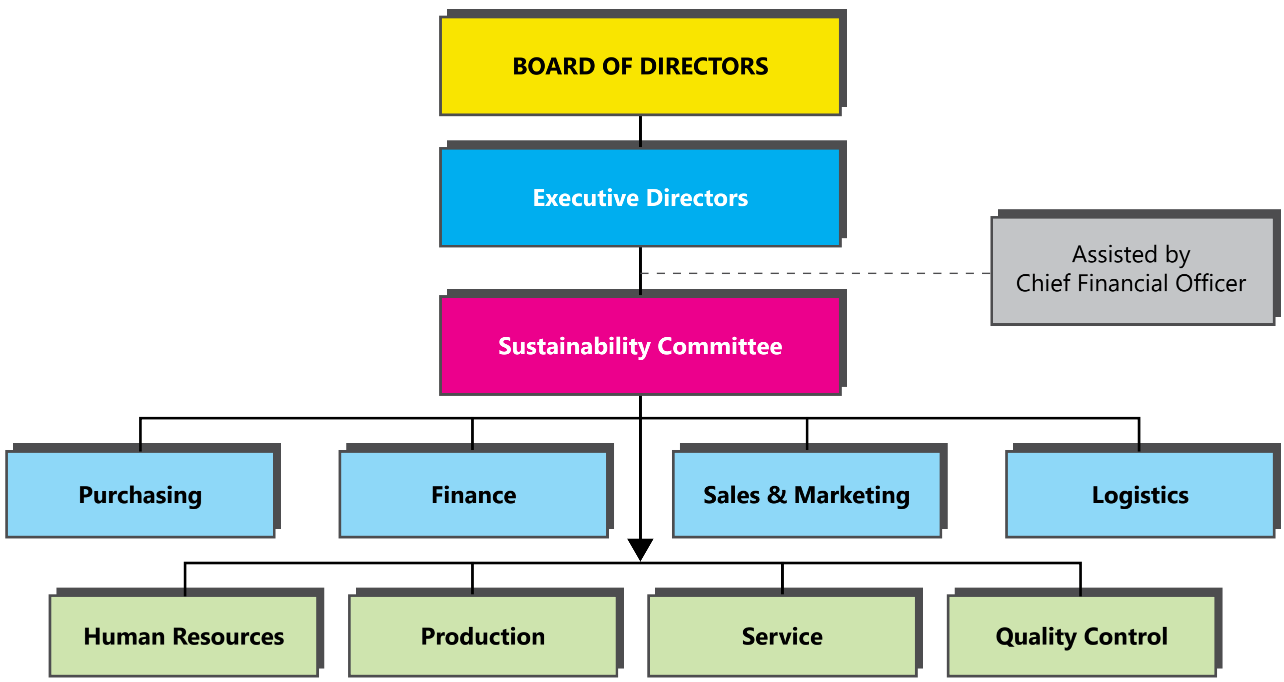
2020 2021

Sustainability Statement (cont'd)

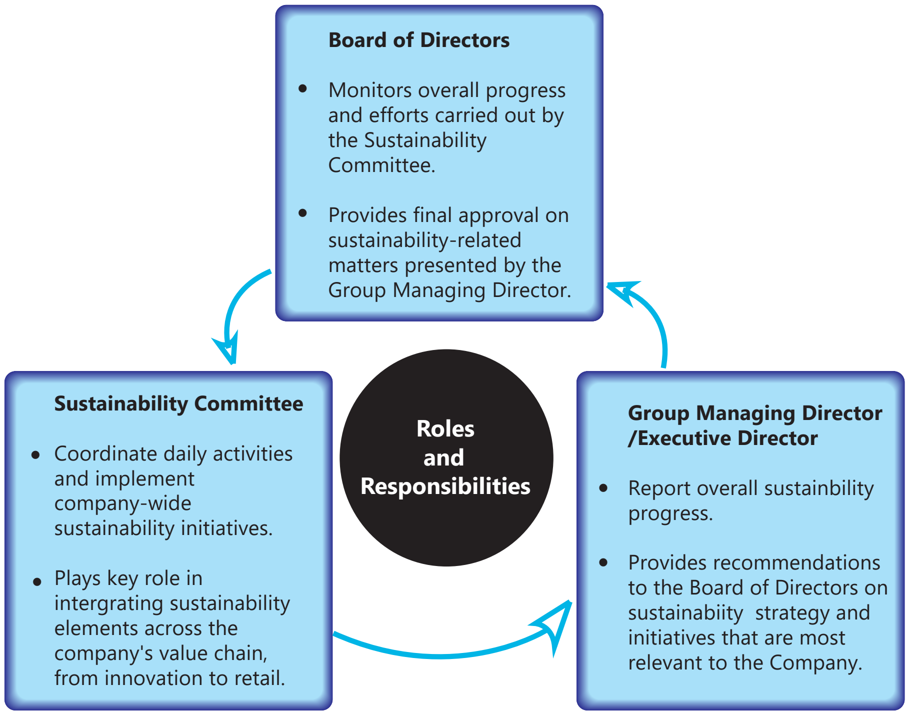
Financial	Intellectual	Organisational
Funds available to firm from operations and financing	Trade Mark, Patent, Research and Development, innovation, human resources and external relationships, which can determine the organisation's competitive advantage.	Governance, Internal control system and procedures
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 a systematic and comprehensive governance structure to ensure successful attainment of all our sustainability targets and goals



Sustainability Statement (cont'd)



Milux has 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 year

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)
Shareholders and Investors	• Financial performance • Corporate governance • Corporate developments	- Annual general meetings (Annually) - Annual reports (Annually) - Quarterly interim financial reports (Quarterly) - Corporate website
Consumers (End users)	• Best practices in product pricing • Quality products • Prompt after sales service • Efficient complaints resolution	- Roadshows and product demo (when circumstances allow) - Social media (Facebook, Instagram etc) (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)

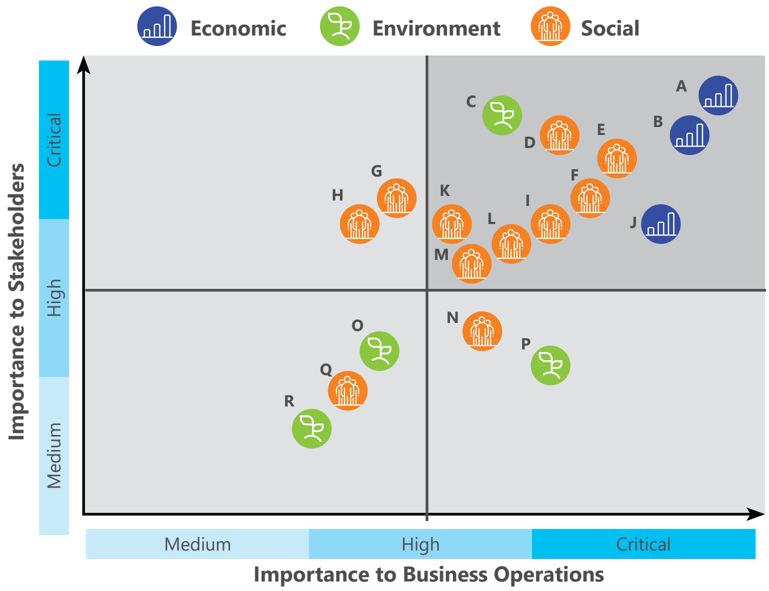
Stakeholder	Interest/Expectation	Engagement methods (Frequency)
Consumers (Dealers)	• Efficient complaints resolution • Customer-Company relationship management • Timely product delivery	- Regular client meetings through sales team (Monthly visit) - Feedback channel through sales team (In-person meeting on monthly visit) - Community and networking events -attend state association electrical and electronics annual dinners to build rapport (Annually) - Dealers have direct access to our logistic team during the delivery process to ensure prompt and seamless delivery (daily update of delivery details for outstation customers to sales personnel to communicate to dealers)
Local Communities and public	• Reaching out to communities • Transparent and quality products and services	- Donations (Ad-hoc) - Corporate Social Responsibility programmes (Annually or when circumstances permit)
Regulatory and Statutory Agencies	• Compliance • Fair labour practices • Policy matters concerning public, health and safety • 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 products • Anti-Bribery	- 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) - Anti-Bribery commitment - Meetings to enable both parties to obtain each other's feedback (Ad hoc)
Employees	• Work-life balance • Career development • Training • Value diversity and equal opportunity	- Training (on going) - Employee appraisal for mutual feedback (Annually) - Employee appreciation awards (Annually) - Monetary and company products to support employees affected by occurrence of natural disasters (Ad hoc) - Whistleblowing policy

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 topic in 2021 remain unchanged from those identified since 2017 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- 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 FY 2021, the Group achieved a revenue of RM63.08 million, a decrease of 13.6% against the previous corresponding period (FY 2020: RM72.99 million). This was due to the cessation of the manufacturing operation. However, the Group returned to profitability with a net profit of RM5.53 million (FY 2020: loss RM5.05 million) due to the higher other income and gross profit during the year and substantially lower impairments compared to FY 2020.

Please refer to Milux's Annual Report 2021 for our full Financial Performance Report.

Sustainability Statement (cont'd)

Marketplace – A trusted brand with 40 years of experience

Milux is one of the leading gas and electrical home appliances distributor in the South East Asia region. We have garnered a reputation for quality and customer service with over 40 years of experience in the industry.

Quality, you can trust

At Milux, we are proud of what we do, and it shows. We are among one of Malaysia's most trusted brands in the gas and electrical home appliances segment because of our dedication to product quality and customer service.

Innovative design for maximum comfort

We do not just offer products – we create them. Milux has worked hard to introduce products with innovative design that maximizes your comfort in the kitchen or living room.

Wide variety to meet all needs

We offer a wide range of gas and electrical home appliances that will meet your needs at affordable prices.

We have registered our trademark with Intellectual Property Corporation of Malaysia (MYIPO) – a trusted brand for more than 40 years.

MILUX®

Product Quality and Safety Management

With the cessation of the manufacturing operation, the Group has outsourced the manufacturing of its products to third parties. Prior to engaging a Supplier, the Group's product team lead by an engineer will evaluate the quality and safety of the product/(s) from the technical aspects based on the sample supplied by the potential manufacturer. Visits to potential Supplier's premises will also be undertaken as part of the evaluation process.

The Group's Quality Control team will carry out quality control inspection based on set Standard Operating Procedures upon the arrival of the products in our premises.

We have also engaged Standard and Industrial Research Institute of Malaysia ("**SIRIM**") to conduct factory audit on certain selected Suppliers.

We would also ensure that all products that we sell and that requires SIRIM and Energy Commission (Suruhanjaya Tenaga)'s approval, are approved by the two (2) bodies.

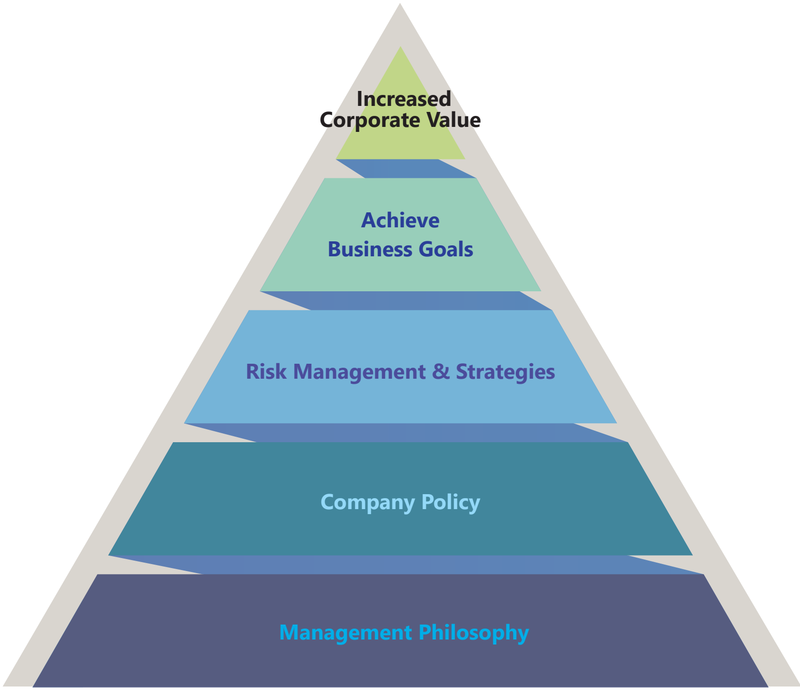
In addition to written usage guide that comes together with our products, we also provide visual versions via video of proper product use. Customers can check how to use our products safely and efficiently through video demonstrations via Milux official YouTube Channel at: **https://www.youtube.com/channel/UCU_mv2QKbp9GPPa6soAct0Q**. From these demonstrations, our customers can also learn the full functions and features of our appliances.

Product Certificate:

Certificate	Award Body
Certificate of Approval to Import Gas Fitting/Gas Appliances/Gas Equipment	Energy Commission – Valid till 3 January 2023
Certificate of Approval to Import electrical appliances	Energy Commission – Valid till 12 October 2023
Product certificate License to use the Certification Mark on Electric Rice Cookers	SIRIM QAS international- Valid till 16 November 2022

Sustainability Statement (cont'd)

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 an Anti-Bribery and Corruption Policy and a Whistle blowing 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.

Workplace - Creating a safe and supportive working environment

Health and safety

The Group always place health and safety of our employees as top priority. During the pandemic, the Group provided daily pandemic related essentials like face masks and Covid self-test kits to all employees who need it. The Group also invested in a Biodefence tunnel in its Headquarters cum warehouse to enable all employees to disinfect themselves before entering the premise. Strict standard operating procedures in accordance with the guidelines set by the authorities were also implemented. These actions are necessary to keep our employees on the job and protect shareholders' interest.

All store workers in our warehouses are provided with safety boots.

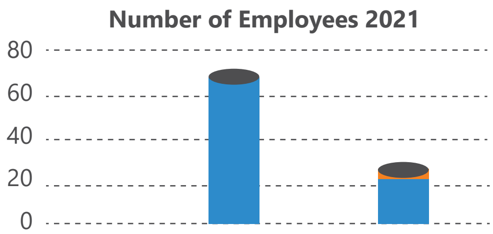
Sustainability Statement (cont'd)

Employment

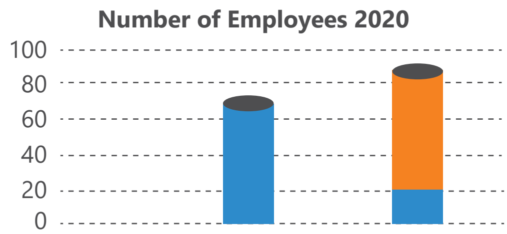
In Milux, we are committed to providing our employees with a working environment free from unlawful discrimination, irrespective of race, colour, sex/gender, religion, national origin, age, disability, genetic information, marital status, or any other classification protected by law. We seek to support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

The Group had ninety-seven (97) employees as at 31st December 2021, compared to one hundred and sixty-two (162) employees as at 31st December 2020. The number of local executives has increased by three (3) to seventy-five (75) from seventy-two (72) while the number of non-executives decreased by sixty-eight (68) to twenty-two (22) from ninety (90) in year 2020. The lower number of non-executives was due to the cessation of the manufacturing operation.

During the year, nine (9) executives and three (3) non executives were hired while there were five (5) resignations. Of the nine (9) hired, six (6) new hires were for the Service Department, Sales Department, Purchasing Department and E-commerce Department to further enhance these departments' performance while the remainder three (3) hires were hired to fill vacancies arising from resignations. Two (2) non executives were hired to replace those who have resigned. All hires during the year were Malaysians.



	Executive	Non executive
Foreigners	0	1
Local	75	21



	Executive	Non executive
Foreigners	0	71
Local	72	19

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 about their performance through performance reviews, which are conducted in a fair and transparent manner. Currently the gender ratio is 40:60 (Female: Male).

Training and Development

In Milux, we provide various learning opportunities throughout our employees' careers to ensure that they 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. In 2021, employees received a total of 234 hours of training compared to a total of 25 hours in year 2020.

Sustainability Statement (cont'd)

Environment - Improving our environment by utilising greener alternatives

Energy Efficiency & CO2 Emission

Year 2021 (with cessation of manufacturing activities)	
Indicator	**Performance**
Energy Consumption (Electricity)	55,430 kWh of electricity Last year: 292,890 kWh
Energy Consumption (Diesel & Petrol)	0 litre of Diesel 0 litre of Petrol
GHG emissions	0[2] tCO_{2e} from D&P*

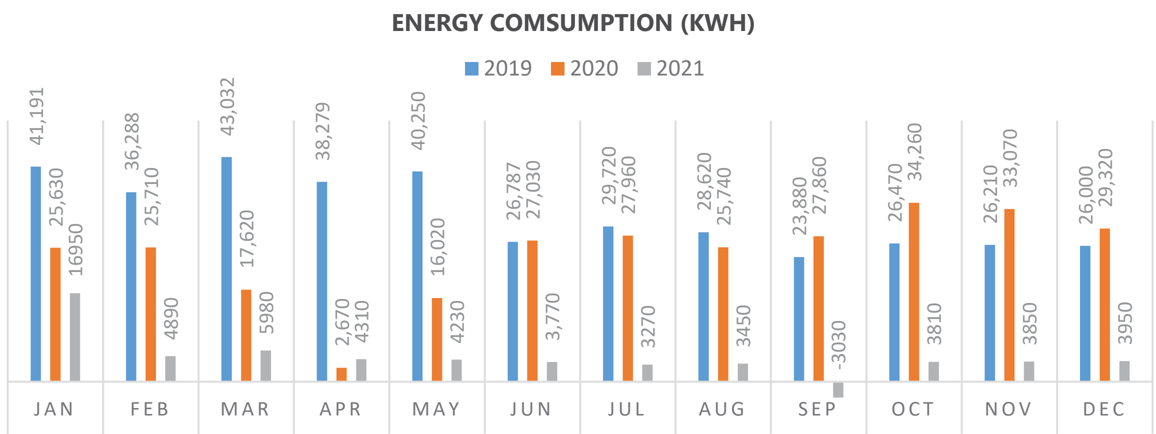
Year 2020 (with manufacturing activities)	
Indicator	**Performance**
Energy Consumption (Electricity)	292,890 kWh of electricity Last year: 386,727 kWh
Energy Consumption (Diesel & Petrol)	1,888 litre of Diesel 1,378 litre of Petrol
GHG emissions	238.00[2] tCO_{2e} from D&P*

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.

In year 2020, the manufacturing operation utilised two (2) forklifts, one (1) truck, one (1) lorry and one(1) van in its operation that contribute to GHG emissions. We took the initiative to monitor and reduce the CO_2 emissions. Year 2020 marks the second year we monitor this indicator. Total GHG emission are using the factor of 1 L of gasoline produces approximately 2.3 kg of CO_2, With the cessation of manufacturing activities during the year we have reduced the GHG emissions to zero in FY 2021.

Our electricity consumption was 55,430kWh in 2021, a decrease of 81.1 % from 292,890kWh in 2020. This was due to the cessation of the manufacturing operation and the benefits derived from the solar power system installed in the factory.

For the Trading operation's logistic management, the department ensures that all our delivery routes are planned to achieve logistic optimization to minimise carbon footprint. In addition, whenever possible, corrugated boxes in warehouse are reused.



Water

High level of water usage put significant strains on water resources and result 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 the water saving.

Sustainability Statement (cont'd)

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.

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. With the cessation of the manufacturing operation, the SW 322 in Year 2021 would be the last batch of waste generated that was disposed.

YE 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

YE 2021

Type of Waste	Total Amount of Waste	Method of Disposal
SW 306	209 kg x 0 drums = 0 kg	Not applicable
SW 322	209 kg x 6 drums = 1,254 kg	Recovery

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

Community - Contributing to local community development

CUSTOMER SERVICE

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.

For dedicated service, customers can choose to come to our service centres located in Port Klang, Selangor, Prai in Penang and Johor Bahru, Johor 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 page: https://www.facebook.com/milux.my/.

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

Sustainability Statement (cont'd)

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 sponsorships to charity bodies.

Due to the implementation of the movement control order ("**MCO**") and conditional MCO ("**CMCO**") for the better part of Year 2021 and the need for social distancing, we were unable to carry out much of our people-to-people community engagement programmes. However, during the worst floods Malaysia experienced in decades that happened in December 2021, the Group in collaboration with Pest React Sdn. Bhd., Cosmos, the Fresh Grocer and Balai Polis Putra Heights carried out a joint programme whereby the Group donated Milux double gas cookers, Milux gas regulators and Milux jug kettles to the folks of Putra Heights and Sri Muda Community affected by the floods. The Group hopes this donation will help those affected by the floods to rebuild their lives as part of our social responsibility towards the community we operate in.

Despite the uncertainties brought about by the pandemic, we will still continue to build good relationships with the community and the public when situation allows including by sharing our experiences at industry events and forums.

Milux in collaboration with Pest React Sdn. Bhd. and Cosmos, the Fresh Grocer donated Milux gas cookers, Milux gas regulators and Milux jug kettles to flood victims at Balai Polis Putra Heights on 28 December 2021.

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	-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 products	-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 and effective channel for us to communicate, disclose information and connect with our stakeholders. We are committed to operate our business in an ethical and transparent manner as a public listed company. Having adopted an Anti-Bribery and Corruption Policy and a Whistleblowing Policy in year 2020, we have zero-tolerance towards fraud, bribery, corruption, money laundering and the financing of terrorism.

As in year 2020 and year 2021, 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 health and safety 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-term and long-term.

The ongoing geopolitical tensions and its effect on supply-chain disruptions and the current inflationary trend is also a cause for concern to the Group. The Management will continue to closely monitor the situation and take proactive actions to mitigate the impact on the Group.

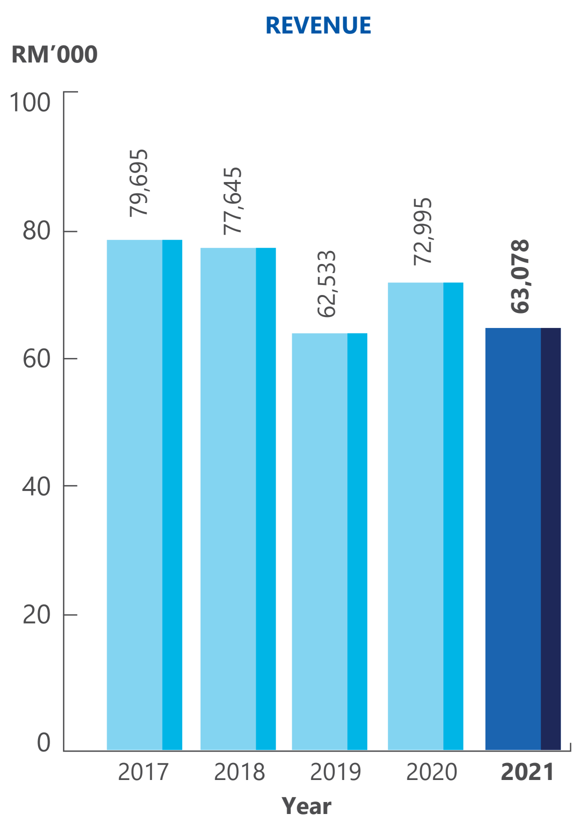
Amidst the current highly debated and publicized "Climate crisis" and growing global interests in social issues particularly those related to the environment and energy and our Malaysian government's declaration to achieve a carbon-neutral society by reducing net CO_2 emissions to zero by Year 2050, we recognize that we have to take the necessary measures to contribute our part in assisting the government to fulfil the country's target of achieving zero CO_2 emissions.

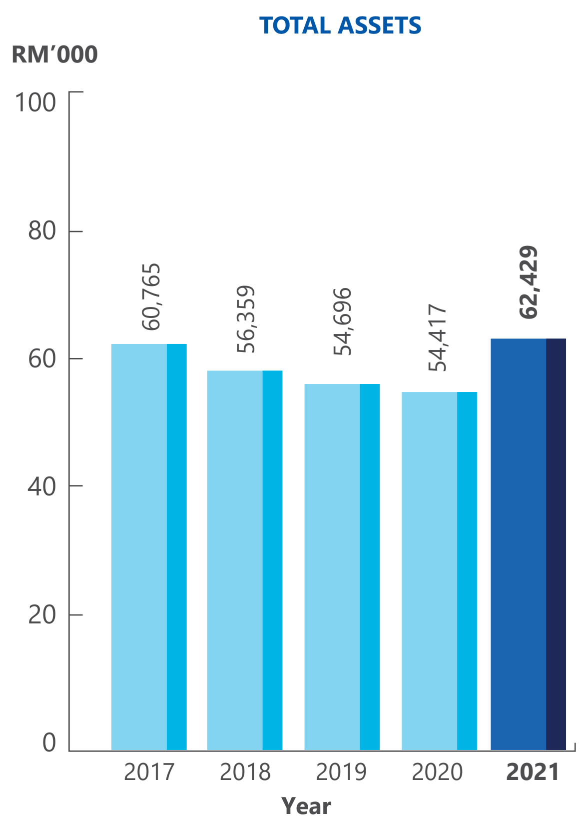
As a start, lightings in our offices and high voltage lights in our warehouses are being progressively converted to LED lights of longer lifespan and lesser electrical power consumption to reduce power usage. To reduce power usage further, we have encouraged our staff, where possible to turn off all lights during lunch break and to turn off their computers and laptops when they are not in use.

In the longer term, to tie with net CO_2 emissions to zero by year 2050, we will work closely with our suppliers to improve the energy-saving performance of our electrical appliances as much as possible through new technologies that may be available from time to time.

5 - YEAR GROUP FINANCIAL HIGHLIGHTS

	2021 RM ' 000	2020 RM ' 000	2019 RM ' 000	2018 RM ' 000	2017 RM ' 000
Revenue	**63,078**	72,995	62,533	77,645	79,695
Profit/(loss) before taxation	**5,764**	(5,031)	(4,767)	(2,138)	(616)
Profit/(loss) after taxation	**5,527**	(5,047)	(4,430)	(2,049)	(839)
Basic earnings/(loss) per ordinary share (sen)	**2.83**	(8.59)	(8.13)	(3.77)	(1.54)
Net assets per share (RM)	**0.18**	0.63	0.71	0.78	0.82
Shareholders' funds	**42,502**	36,733	41,548	42,496	44,551
Total Assets	**62,429**	54,417	54,696	56,359	60,765
Total Liabilities	**19,927**	17,684	13,148	13,862	16,214
Gross dividend per Ordinary Share (sen)	**-**	-	-	-	-





DIRECTORS' PROFILE

DATUK DR. WONG LAI SUM

Independent Non-Executive Chairman
Malaysian, Female, Aged 66

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 Directors of Sam Engineering & Equipment (M) Berhad and Tasco Berhad.

Board meeting attendance in 2021	:	5/5

Directors' Profile (cont'd)

DATUK WIRA LING KAH CHOK
Executive Vice Chairman
Malaysian, Male, Aged 41

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 7 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 77% 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 2021	:	5/5

Directors' Profile (cont'd)

DATUK KHOO TECK KEE
Group Managing Director
Malaysian, Male, Aged 47

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 is a Fellow of the Association of Certified Chartered Accountants and a Chartered Accountant with the Malaysia Institute of Accountants. He has more than 20 years of working experience in the accounting profession.

Datuk Khoo attached to a Big 4 firm previously, he is rich in practice experience involving secretarial work, audit, tax planning, due diligence work, investigative work and management consultancy assignments for a wide array of industries. He is able to extract and combine all the benefits and success of those multinational companies and to recommend the company whichever services needed.

Datuk Khoo is also able to lead and guide the company in becoming a well-controlled company so as to detect the weaknesses of the company from time to time and being alert if and things goes wrong or does not seem right in the organisation.

Board meeting attendance in 2021	:	5/5

Directors' Profile (cont'd)

TAN CHEE HOW
Executive Director
Malaysian, Male, Aged 41

Date of appointment as Director	:	30 May 2013
Length of service as director since appointment (as at 29 April 2022)	:	8 years 10 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 and 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 2021	:	5/5

Directors' Profile (cont'd)

HO PUI HOLD
Independent Non-Executive Director
Malaysian, Male, Aged 39

Date of appointment as Director	:	25 August 2016
Length of service as director since appointment (as at 29 April 2022)	:	5 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 • Xidelang Holdings Ltd • Permaju Industries Berhad • China Automobile Parts Holdings Limited
(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 2021	:	5/5

Directors' Profile (cont'd)

DATUK HAW CHIN TECK
Independent Non-Executive Director
Malaysian, Male, Aged 51

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 22 consecutive years and is a managing partner of a legal firm since 2002 and currently, the firm has 2 offices.

Board meeting attendance in 2021	:	5/5

Directors' Profile (cont'd)

DATO' SRI IR. TS. DR. LIEW MUN HON
Independent Non-Executive Director
Malaysian, Male, Aged 46

Date of appointment as Director	:	31 December 2021
Length of service as director since appointment (as at 29 April 2022)	:	3 months
Board Committees Membership(s)	:	Member of Audit and Risk Committee
Academic/ Professional Qualification(s)	:	• Professional Engineer in Civil & Structural Engineer, Board of Engineers Malaysia • Chartered Professional Engineer in Civil College Structural College, the Institution of Engineers, Australia • Professional in Technologist, Malaysia Board of Technologist • ASEAN Chartered Professional Engineer in Civil Engineer, ASEAN Engineering Register • ASEAN Engineer in Civil Engineer, ASEAN Engineering Register • International Professional Engineer in Civil Engineer, Engineer Mobility Forum (EMF) International Professional Register • APEC Engineer in Civil Engineer, APEC Engineer Coordinating Committee • Fellow of the Institution of Engineers, Australia • Fellow of the Institution of Engineers, Malaysia • Member of the American Society of Civil Engineers • Member of the Chartered Institution of Highways & Transportation, United Kingdom • Doctor of Philosophy in Operation Research, American University of Hawaii • Master of Engineering Management, RMIT University • Bachelor of Engineering with Honours, the University of Melbourne
Present Directorship(s)		
(i) Other Listed Entities	:	Nil
(ii) Other Public Companies	:	Liew Yin Yin Group Berhad

Working experience

Dato' Sri Ir. Ts. Dr. Liew is the Group Chairman of Liew Yin Yin Group Berhad, an enterprise based in Perak, Malaysia. He has extensive experience in structural analysis and design, which includes design of high-rise structure, prestressed, precast, water-retaining structure, and structural modelling. He was also involved from the project procurement, construction until handover in his recent projects.

Dato' Sri Ir. Ts. Dr. Liew also has experience in Civil Works design and construction, which includes detention pond, earthwork, road and drainage.

Dato' Sri Ir. Ts. Dr. Liew is currently elected as the Perak Branch Chairman of the Institution of Engineers, Malaysia.

Board meeting attendance in 2021	:	N/A

Directors' Profile (cont'd)

GAN BOON LAY
Non-Independent Non-Executive Director
Malaysian, Male, Aged 45

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 2021	:	4/5

Directors' Profile (cont'd)

YEE CARINE
Non-Independent Non-Executive Director
Malaysian, Female, Aged 32

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 2021	:	5/5

Directors' Profile (cont'd)

TEH SOK HOON
Non-Independent Non-Executive Director
Malaysian, Female, Aged 40

Date of appointment as Director	:	5 July 2019
Length of service as director since appointment (as at 29 April 2022)	:	2 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 2021	:	5/5

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, 41
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, 47
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, 41
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, 62
Chief Financial Officer
Malaysian, Male

Mr. Wong is an Associate Member of the Chartered Institute of Management Accountant (CIMA), UK and also a member of Malaysian Institute of Accountants (MIA).

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 - 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)

Chong Kok Leong, 62
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;

(d) any 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 ("**Board**") of Milux Corporation Berhad ("**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.

The Board takes note of the updates on the Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia which took effect on 28 April 2021 ("**MCCG 2021**"). The MCCG 2021 introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

The Board is pleased to present the following Corporate Governance Overview Statement ("**CG Statement**") that describe the extent of how the Group has applied and complied with the three (3) principles which are set out in the MCCG 2021 during the financial year ended 31 December 2021 ("**FY 2021**"):-

(a) Principle A: Board leadership and effectiveness;
(b) Principle B: Effective audit and risk management; and
(c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Overview 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 CG 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 including establishing Company Goals and ensuring that the strategies are in place to achieve them;
- Establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management;
- Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Ensuring that the Company's financial statements are true and fair and conform with any applicable laws and/or regulations; and
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour.

Apart from the above, the Board has also identified the following key areas for further enhancement in the future:-

- To further heighten the governance of Group entities for greater alignment of expectations and better flow of information between the boards of the Group and its subsidiaries;
- To facilitate and foster higher levels of engagement and trust between the boards of the Group and its subsidiaries via open and effective communication; and
- To improve the level of independence on the boards of the entities within the Group.

In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interest of the Company and its shareholders.

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**") of the Company.

Corporate Governance Overview Statement (cont'd)

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

I. Board Responsibilities (cont'd)

The Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. It should however be always noted that, the Board retains collective oversight over the Board Committees. These Board Committees have been constituted with clear terms of references and they are actively engaged to ensure that the Group is in adherence with good corporate governance.

The Board delegates responsibility for the day-to-day operation of the businesses to the Group MD who is assisted by the Executive Director and Key Senior Management and recognises his responsibility for ensuring that the Company operates within a framework of prudent and effective controls.

Separation of the positions of the Chairman of the Board and the Group MD

The Board is chaired by Datuk Dr. Wong Lai Sum ("**Datuk Dr. Wong**") who leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance.

The Chairperson 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 Chairperson of the Board and the Group MD are held by different individuals. 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 Chairperson and Group MD are held by separate individuals 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.

For the FY 2021, the Company departed from the recommendation of Practice 1.4 of the MCCG 2021 which states that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Presently, Datuk Dr. Wong who is the Independent Non-Executive Chairman of the Company also sits as a member of the Nomination and Remuneration Committee ("**NRC**") of the Company.

The NRC and the Board acknowledged that the Company has departed from the Practice 1.4 of the MCCG 2021. The NRC and the Board (save for Datuk Dr. Wong) assessed that Datuk Dr. Wong has vast experience, in-depth knowledge and exemplary leadership which adds tremendous value to the effectiveness of the NRC and therefore she should be remained as a member of the NRC. In addition, all matters within the NRC's purview require the unanimous decision of the Board at the Board level and the NRC and the Board were satisfied that there was adequate check and balance during the financial year under review despite the Board Chairman having membership in the NRC.

Qualified and Competent Company Secretaries

In compliance with Practice 1.5 of the MCCG 2021, 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.

Access to Information and Advice

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 Chairperson 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.

Board papers are circulated at least three (3) days prior to Board meetings and the materials provide, amongst others, 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.

In order to enable the Board members to discharge their duties effectively, all Board members have 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.

Corporate Governance Overview Statement (cont'd)

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

I. Board Responsibilities (cont'd)

Board Charter

In compliance with Practice 2.1 of the MCCG 2021, 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 in discharging their respective duties. 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 the 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.

Code of Ethics and Conduct

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

Whistleblowing 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 Audit and Risk Committee ("**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.

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.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition

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 annual general meeting ("**AGM**"). All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Clause 116 of the Constitution of the Company states that any Director who is appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotations at that meeting.

Pursuant to Clause 117, the following Directors are subject to retirement by rotation at the forthcoming Twenty-Seventh ("**27th**") AGM of the Company:-

(a) Mr. Ho Pui Hold;
(b) Datuk Khoo Teck Kee; and
(c) Datuk Haw Chin Teck.

Pursuant to Clause 116, Dato' Sri Ir. Ts. Dr. Liew Mun Hon is subject to retirement at the forthcoming 27th AGM of the Company.

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 27th AGM.

Composition of the Board

For the FY 2021, 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.

Tenure of Independent Directors

The Board has not developed a policy which limits the tenure of its Independent Directors to nine (9) years. However, the Board is mindful that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years and upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process in accordance with Practice 5.3 of MCCG 2021.

Based on the assessment carried out during the financial year, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

None of the Independent Directors has served more than nine (9) years on the Board as at the date of this CG Statement.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (cont'd)

Tenure of Independent Directors (cont'd)

The Board through the NRC has conducted the annual assessment on effectiveness of the Board, the Board Committees and the individual Directors of the Company for the FY 2021.

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.

Board Diversity

The Board has adopted the Board Diversity Policy to affirm its commitment to boardroom diversity as a truly diversified Board can enhance the Board's effectiveness, creativity and capacity to thrive in good times and weather tough times.

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.

A copy of the Board Diversity Policy is available at the Company's website at www.milux.com.my.

For the FY 2021, 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	51 - 60	61 - 70	Total
Number of Directors	3	5	1	1	10

Directors' Time Commitment

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 FY 2021, the Board had convened a total of five (5) 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.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (cont'd)

Directors' Time Commitment (cont'd)

The attendance record of each Director for all the Board of Directors' Meetings held for the FY 2021 is as follows:-

Directors	Attendance	%
Datuk Dr. Wong Lai Sum	5 out of 5	100
Datuk Wira Ling Kah Chok	5 out of 5	100
Datuk Khoo Teck Kee	5 out of 5	100
Tan Chee How	5 out of 5	100
Ho Pui Hold	5 out of 5	100
Datuk Haw Chin Teck	5 out of 5	100
Datuk Yap Kheng Fah *(Resigned on 31 December 2021)*	5 out of 5	100
Gan Boon Lay	4 out of 5	80
Yee Carine	5 out of 5	100
Teh Sok Hoon	5 out of 5	100
Dato' Sri Ir. Ts. Dr. Liew Mun Hon *(Appointed on 31 December 2021)*	N/A	N/A

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.

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.

Protocol for Acceptance of New Directorships

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 FY 2021 and up to the date of this Annual Report, the Chairperson and Company Secretaries have received two (2) such notifications from an INED on his new appointment in other companies.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (cont'd)

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 FY 2021 are as below:-

Name	Training(s) Attended
Datuk Dr. Wong Lai Sum	• Nikkei Forum Innovative Asia 2021 • Malaysia National E&E Forum 2021 • Webinar Series – Awareness of Sustainability and Circular Economy • Webinar Series – Reimagining the Modern Workplace • Audit Oversight Board's Conversation with Audit Committees • The Future State: Escalating Sustainable Growth
Datuk Wira Ling Kah Chok	• Webinar Series – Awareness of Sustainability and Circular Economy
Datuk Khoo Teck Kee	• Webinar Series – Issue and Allotment of Shares • Webinar Series – Module 2 – Essential Secretarial Practice • Webinar Series – Awareness of Sustainability & Circular Economic • Webinar Series – Module 3 – Essential Secretarial Practice • Budget Seminar 2022
Tan Chee How	• Webinar Series – Kawalan Kemudahan Berkaitan Pengecualian Cukai Jualan dan Pindaan Terkini • Malaysia - KaoHsiung Halal Aquatic Food Business Matching
Ho Pui Hold	• Awareness Training on Corporate Liabilitiy Provision MACC New Section 17A • Webinar Series – Deferred Tax under MFRS 112 • Webinar Series – IFRS 15 – Contact with Customer - Experience Sharing on Revenue Recognition • Webinar Series – MFRS 2021 Updates • Webinar Series – Roles & Responsibilities of Directors in respect of Financial Reporting • Webinar Series – Awareness of Sustainability & Circular Economic
Datuk Haw Chin Teck	• Webinar Series – Awareness of Sustainability and Circular Economy
Gan Boon Lay	• Webinar Series – Awareness of Sustainability and Circular Economy
Yee Carine	• Webinar Series – Awareness of Sustainability and Circular Economy
Teh Sok Hoon	• Webinar Series – Awareness of Sustainability and Circular Economy
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	Not Applicable (Appointed on 31 December 2021)

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (cont'd)

Board Committees

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 clearly outline 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.

(a) Audit and Risk Committee

The composition of the ARC and a summary of its activities during the FY 2021, including an evaluation of the independent audit process, are set out in the ARC Report of this Annual Report.

(b) Nomination and Remuneration Committee

The NRC comprises exclusively of the following INEDs:-

Name	Designation	Directorship	Number of NRC Meetings attended / held in the FYE 2021
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 FY 2021.

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 FY 2021, the NRC has undertaken the following activities:-

(i) Reviewed the effectiveness and composition of the Board;
(ii) Evaluated the performance of the Board and Board Committees and each of its members;
(iii) Assessed the independence status of the Independent Non-Executive Directors;
(iv) Reviewed and recommended to the Board, the re-election of the Directors who retired pursuant to Clause 117 of the Company's Constitution at the forthcoming 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.

The NRC conducted the following assessments annually:-

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

Based on the evaluation conducted for the FY 2021, 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 FY 2021, 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)

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 FY 2021 are as follows:-

Summary of total remuneration of Directors for the FY 2021							
	Fee	**EPF and SOCSO**	**Salary**	**Bonus**	**Benefit-In-Kind**	**Other Emoluments**	**Total**
	(RM)	**(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	-	58,343.00	336,000.00	46,500.00	8,106.28	96,000.00	**544,949.28**
Tan Chee How	-	30,405.00	218,292.00	27,286.00	-	-	**275,983.00**
Subtotal	**30,000.00**	**88,748.00**	**554,292.00**	**73,786.00**	**8,106.28**	**99,750.00**	**854,682.28**
Non-Executive Directors							
Datuk Dr. Wong Lai Sum	50,000.00	-	-	-	-	4,750.00	**54,750.00**
Ho Pui Hold	35,000.00	-	-	-	-	7,250.00	**42,250.00**
Datuk Haw Chin Teck	35,000.00	-	-	-	-	7,250.00	**42,250.00**
Datuk Yap Kheng Fah (Resigned on 31 December 2021)	30,000.00	-	-	-	-	6,250.00	**36,250.00**
Gan Boon Lay	30,000.00	-	-	-	-	3,000.00	**33,000.00**
Yee Carine	30,000.00	-	-	-	-	3,750.00	**33,750.00**
Teh Sok Hoon	30,000.00	-	-	-	-	3,750.00	**33,750.00**
Dato' Sri Ir. Ts. Dr. Liew Mun Hon (Appointed on 31 December 2021)	-	-	-	-	-	-	**-**
Subtotal	**240,000.00**	**-**	**-**	**-**	**-**	**36,000.00**	**276,000.00**
TOTAL	**270,000.00**	**88,748.00**	**554,292.00**	**73,786.00**	**8,106.28**	**135,750.00**	**1,130,682.28**

Note: Other emoluments consist of travelling and meeting allowance.

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 2021							
	Fee	**EPF and SOCSO**	**Salary**	**Bonus**	**Benefit-In-Kind**	**Other Emoluments**	**Total**
	(RM)	**(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	-	58,343.00	336,000.00	46,500.00	15,306.28	96,000.00	**552,149.28**
Tan Chee How	-	30,405.00	218,292.00	27,286.00	23,949.96	-	**299,932.96**
Subtotal	**30,000.00**	**88,748.00**	**554,292.00**	**73,786.00**	**39,256.24**	**99,750.00**	**885,832.24**
Non-Executive Directors							
Datuk Dr. Wong Lai Sum	50,000.00	-	-	-	-	4,750.00	**54,750.00**
Ho Pui Hold	35,000.00	-	-	-	-	7,250.00	**42,250.00**
Datuk Haw Chin Teck	35,000.00	-	-	-	-	7,250.00	**42,250.00**
Datuk Yap Kheng Fah (Resigned on 31 December 2021)	30,000.00	-	-	-	-	6,250.00	**36,250.00**
Gan Boon Lay	30,000.00	-	-	-	-	3,000.00	**33,000.00**
Yee Carine	30,000.00	-	-	-	-	3,750.00	**33,750.00**
Teh Sok Hoon	30,000.00	-	-	-	-	3,750.00	**33,750.00**
Dato' Sri Ir. Ts. Dr. Liew Mun Hon (Appointed on 31 December 2021)	-	-	-	-	-	-	**-**
Subtotal	**240,000.00**	**-**	**-**	**-**	**-**	**36,000.00**	**276,000.00**
TOTAL	**270,000.00**	**88,748.00**	**554,292.00**	**73,786.00**	**39,256.24**	**135,750.00**	**1,161,832.24**

Corporate Governance Overview Statement (cont'd)

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

III. Remuneration (cont'd)

The remuneration of the top senior management (including salary, bonus, benefit-in kind and other remuneration) in each band of RM50,000 during the FY 2021 is as follows:-

Remuneration Range (RM)	Top Two Senior Management
300,001 – 350,000	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 FY 2021 are set out in the ARC Report of this Annual Report.

In line with Practice 9.3 of the MCCG 2021, 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.

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 three (3) times with the ARC for the FY 2021.

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

For the FY 2021, the ARC has assessed the performance of internal auditors vide an annual assessment of the suitability of the internal auditors.

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.

Corporate Governance Overview Statement (cont'd)

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 Company 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.

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 www.bursamalaysia.com.my.

(ii) Corporate Website

The Company's corporate website 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 Company'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 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.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

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 Company will continue to conduct virtual general meetings through live streaming and using Remote Participation and Voting Facilities to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at the forthcoming AGM in accordance with the Company's Constitution. The shareholders who attend the AGM via Remote Participation could also submit their questions during the Meetings for the Boards to respond.

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 26th 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 summary of key matters discussed at the 26th AGM held on 22 September 2021 was published at the Company's corporate website at https://milux.com.my/investor-relations/key-matters-of-agm/.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to financial year ending 2022 and 2023, the Board and its respective Board Committees will:-

- Focus on strategic issues, including specific strategic plans and transactions, and the Company's broader long-term direction to ensure business continuity, opportunities, risks and sustainability;
- Understand the risks associated with strategic decisions and operations, and the processes management has in place to identify, monitor, and manage risk;
- Understand how management is ensuring that stakeholder considerations and Environmental, Social, and Governance (ESG) matters are integrated into strategic and business decisions, as well as Enterprise Risk Management; and
- Understand through discussions with Management how the current market for talent is affecting the Group, including the impact of return-to-work policies, and how Management is addressing any human capital issues and labour shortages, including plans to invest in employees training, wages, and benefits.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 30 March 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements, ("**Main LR**") the Board of Directors ("**Board**") 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 Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("**Internal Control Guidelines**").

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for the Group's systems of risk management and internal control to safeguard the shareholders' investment, the interest of customers and the Group's assets as well as reviewing its effectiveness, adequacy and integrity.

The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group. The system of internal control covers not only financial controls but operational and compliance controls as well.

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 conducts periodical assessment on the efficiency and effectiveness of the internal control system of the Group in mitigating risk.

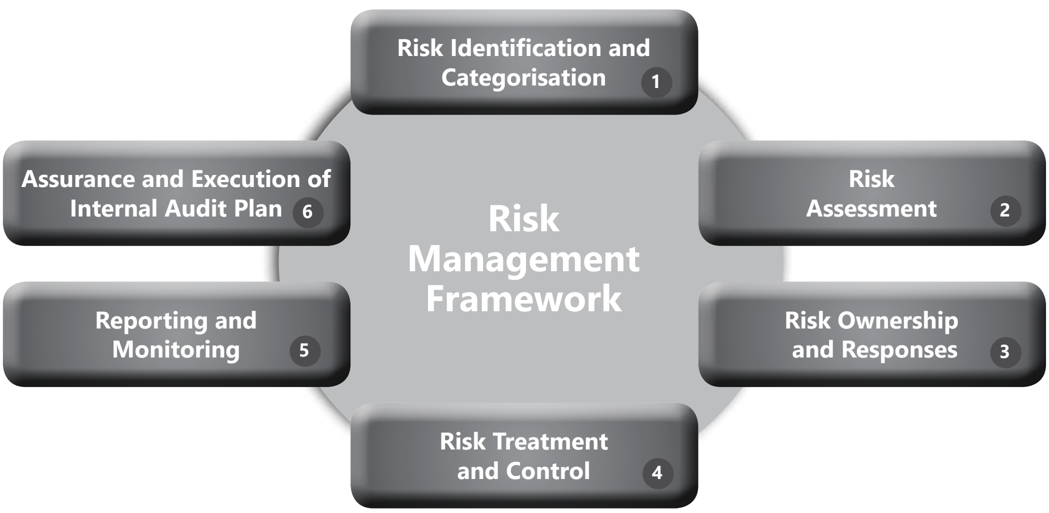
Another Board Committee that was established by the Board is the Nomination and Remuneration Committee ("**NRC**") which also has clearly defined accountabilities and responsibilities to oversee various key business activities within the Group.

RISK MANAGEMENT

The risk management processes in identifying, evaluating and managing significant risks 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.

The key aspects of the risk management framework are:



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

1. Risk Identification and Categorisation

   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. Risk Assessment

   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. Risk Ownership and Responses

   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. Risk Treatment and Control

   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. Reporting and Monitoring

   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. Assurance and Execution of Internal Audit Plan

   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.

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 2021 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

As of 31 December 2021, Datuk Yap Kheng Fah has resigned from ARC and replaced by Dato' Sri Ir. Ts Dr. Liew Mun Hon.

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 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.

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

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 has also established the ARC and 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 Group's various operating division is enhanced by implementing roles and responsibilities, appropriate limits of authority, continuous review and enhancement of policies and procedures.

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.

Further, the Board reviewed the status of the implementation of the adequate procedures in regards to Bribery and Corruption Risk assessment of the Group. Under this exercise, the Board assessed the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced.

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.

During the year under review, the Internal Auditors carried out audit based on the internal audit plan approved by the ARC. The audit findings are deliberated and resolved with the Management. The ARC on behalf of the Board, reviews internal control issues identified and recommendations from reports by the internal and external auditors on a regular basis.

Some internal control weaknesses were identified during the financial year under review and all of these have been or are being addressed by the Management. None of these weaknesses have resulted in any material loss that would require disclosure in the Group's Annual Report.

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.

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.

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

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 2022.

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 2021 ("**FYE 2021**"). The Board has approved this report by a resolution dated 30 March 2022.

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 financial year 2021 ("FY 2021").

The details of attendance of the ARC members at the 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
Dato' Sri Ir. Ts. Dr. Liew Mun Hon – Member *Independent Non-Executive Director* *(Appointed on 31 December 2021)*	N/A	N/A
Datuk Yap Kheng Fah – Member *Independent Non-Executive Director* *(Resigned on 31 December 2021)*	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 FY 2021, the ARC held five (5) meetings on the following dates:-

No.	**AC Meeting**	**Date of Meeting**	**Auditors without Presence of the Executive Board and Management**
(1)	(1/2021) ARC Meeting	24 February 2021	
(2)	(2/2021) ARC Meeting	30 March 2021	√
(3)	(3/2021) ARC Meeting	20 May 2021	
(4)	(4/2021) ARC Meeting	26 August 2021	
(5)	(5/2021) ARC Meeting	25 November 2021	√

Audit and Risk Committee Report (cont'd)

Meetings (cont'd)

The External Auditors are encouraged to raise with the Committee any matters they considered important to bring to the Committee's attention. For FY 2021, two (2) meetings were held with the External Auditors without the presence of the Executive Board members and the Management. The lead audit engagement partner of the External Auditors attended two (2) Committee meetings held in FY 2021.

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 FY 2021, the External Auditors confirmed to the ARC that they are satisfied with support received from Management and there were neither restrictive nor non-co-operative behaviour exhibited by the Management during the course of their audit.

Notices of ARC meetings were distributed to the Committee at least seven (7) days before the Committee 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 the 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 the Board's approval.

(iii) Reviewed any related party transactions entered 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 FY 2021:-

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

Audit and Risk Committee Report (cont'd)

Summary of Works undertaken by the ARC (cont'd)

(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 them for the Board's approval and for inclusion in the Company's Annual Report.

(c) External Audit

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

(ii) Received written assurance from CAS 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.

(iii) Reviewed and assessed the performance, suitability and independence of the External Auditors during FY 2021 before recommending their re-appointment for the Board's approval.

(iv) Reviewed the audit and non-audit fees payable to the External Auditors for the FY 2021 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 representatives of CAS.

(vi) Met and discussed with the External Auditors two (2) times during the financial year without the presence of the Executive Board members and the 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 the 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 Group's internal audit function in the context of the Group'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 FY 2021, 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.

Audit and Risk Committee Report (cont'd)

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.

(2) Internal Audit Activities:-

(a) <u>Audit conducted in FY 2021</u>

For the FY 2021, PKF has conducted the following audits:-

Audit activities	Audit entity/ area
Review of Inventory & Logistics Management	Milux Sales & Service Sdn. Bhd.
Review on Human Resources and Payroll and IT General Control	Milux Sales & Service Sdn. Bhd.
Follow-Up Report on the Implementation of Adequate Procedures in relation to Section 17(A) of MACC Amendment Act 2018	Milux Corporation Berhad

(b) <u>Internal Audit Review and Assurance</u>

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.

Audit and Risk Committee Report (cont'd)

Internal Audit

(2) Internal Audit Activities:- (cont'd)

(c) Internal Audit Charter

The Committee has adopted an Internal Audit Charter to formalise 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.

(d) 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 2022. 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 FY 2021

The total fees incurred for the outsourced internal audit function of the Group for FY 2021 amounted to RM48,000/- (FY 2020: 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 2021, 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	89,000	16,500
Non-audit services rendered (1) Non-Audit fees - fees for review of Statement on Risk Management and Internal Control	7,000	7,000
TOTAL	**96,000**	**23,500**

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 2021 or entered into since the end of the previous financial year.

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

At the Twenty-Sixth Annual General Meeting of the Company held on 22 September 2021, 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 made during the financial year ended 31 December 2021 pursuant to the Shareholders' Mandate obtained 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 during the financial year ended 31 December 2021 (RM)
Milux Corporation Berhad and its subsidiries ("**Milux Grou**p") (Buyer)	Linbaq Holding Sdn. Bhd. and its subsidiaries, collectively ("**Linbaq Group**") (Seller)	Provision of construction works	(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	NIL
Milux Group (Seller)	Linbaq Group (Buyer)	Award of construction works	(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	NIL
Milux Group (Buyer)	Linbaq Group (Seller)	Purchase of building materials	(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	NIL
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 Holding Sdn. Bhd. (d) Datuk Dr. Wong Lai Sum (e) Datuk Khoo Teck Kee	33,700.00

Note:

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 that 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 2021,

- 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 have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

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 subsidiaries are 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 2021 RM	Company 2021 RM
Profit/(Loss) for the financial year	5,526,973	(1,207,041)
Attributable to:		
Owners of the Company	5,530,245	(1,207,041)
Non-controlling interest	(3,272)	-
	5,526,973	(1,207,041)

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 by the Company since the end of the previous financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company has increased its issued ordinary shares from 58,764,197 units to 235,056,788 units by way of bonus issue of 176,292,591 new ordinary shares on the basis of three (3) bonus shares for every one (1) existing ordinary share held.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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
Tan Chee How
Ho Pui Hold
Gan Boon Lay
Yee Carine
Teh Sok Hoon
Dato' Sri Ir. Ts. Dr. Liew Mun Hon (Appointed on 31 December 2021)
Datuk Yap Kheng Fah (Resigned on 31 December 2021)

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 01.01.2021/ Date of appoitment**	**Acquired**	**Sold**	**As at 31.12.2021**
Direct interest				
Tan Chee How	1,980,570	5,941,710	-	7,922,280
Datuk Khoo Teck Kee	-	310,000	-	310,000
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	60,000	-	-	60,000
Indirect interest				
Datuk Wira Ling Kah Chok *	19,708,385	59,125,155	-	78,833,540
Gan Boon Lay *	19,708,385	59,125,155	-	78,833,540
Yee Carine **	17,828,254	53,484,762	-	71,313,016
Teh Sok Hoon **	17,828,254	53,484,762	-	71,313,016
Dato' Sri Ir. Ts. Dr. Liew Mun Hon***	40,000	-	-	40,000

* 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.

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

By virtue of their interest in the shares of the Company, Tan Chee How, Datuk Khoo Teck Kee, Datuk Wira Ling Kah Chok, Gan Boon Lay, Yee Carine, Teh Sok Hoon and Dato' Sri Ir. Ts. Dr. Liew Mun Hon 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' Report (Cont'd)

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 26 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 26 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 26 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.

INDEMNITY AND INSURANCE COSTS

Total amount of indemnity given to or insurance premium paid for the directors, officers or auditors of the Company is as follows:

	2021 **RM**
Directors	27,874

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 26 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 29 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.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION (Cont'd)

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.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are disclosed in Note 33 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 26 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 March 2022.

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 77 to 142 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 2021 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 2022.

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 77 to 142 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 2022)

DATUK KHOO TECK KEE

Before me,

IVAN TAN KAI YONG
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 2021 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 77 to 142.

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 2021, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)*("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 3.9 – Significant Accounting Policies, Note 4.3 – Significant Accounting Judgements, Estimates and Assumptions and Note 12 – Inventories.* Inventories are significant to the Group as these represent approximately 34% (2020: 33%) 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 not commercially viable. The valuation of inventories is a key audit matter because management exercises their judgement in determining appropriateness of methods used.	Our audit procedures included: i) obtained an understanding of: - the Group's inventory management process; - the Group's identification and assessment of inventory write downs; and - the Group's accounting estimates for inventory write downs. 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) reviewed and tested the net realisable value of inventories on sampling basis;

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) made inquiries of management pertaining to their plans to clear the slow moving and obsolete inventories; vi) evaluated the reasonableness and adequacy of the inventories write downs; and vii) discussed and reviewed the impact of the COVID-19 pandemic on the inventories management's strategy on the inventories of the Group.
(b) Impairment of trade receivables *Refer to Note 3.12 – Significant Accounting Policies, Note 4.6 – Significant Accounting Judgements, Estimates and Assumptions and Note 13 – Trade Receivables.* Trade receivables are significant to the Group as these represent approximately 25% (2020: 36%) 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: i) reviewed the receivables aging analysis and tested 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.

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, actions taken to eliminate threats or safeguards applied.

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. 02453/07/23(J)]
Chartered Accountant

Date: 30 March 2022
Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	926,033	3,751,307	523	693
Right-of-use assets	6	1,984,609	1,865,149	-	-
Investment properties	7	296,484	309,443	-	-
Investment in subsidiary companies	8	-	-	9,175,043	9,340,147
Investment in a joint venture	9	-	227,366	-	-
Other investments	10	3,146,691	1,263,574	19,589	6,600
Goodwill on consolidation	11	-	221,652	-	-
		6,353,817	7,638,491	9,195,155	9,347,440
CURRENT ASSETS					
Inventories	12	21,178,201	18,019,726	-	-
Trade receivables	13	15,364,537	19,821,287	-	-
Other receivables	14	1,430,487	1,567,693	13,068	11,739
Amount due from subsidiary companies	15	-	-	131,683	734,703
Tax recoverable		455,848	466,765	-	10,916
Fixed deposits with licensed banks	16	8,581,506	2,159,657	601,505	-
Cash and bank balances		5,757,089	3,964,151	54,107	23,531
		52,767,668	45,999,279	800,363	780,889
Non-current assets held for sale	17	3,307,607	779,803	-	-
		56,075,275	46,779,082	800,363	780,889
TOTAL ASSETS		62,429,092	54,417,573	9,995,518	10,128,329

Statements of Financial Position
As at 31 December 2021 (Cont'd)

		Group		Company	
	Note	**2021** **RM**	**2020** **RM**	**2021** **RM**	**2020** **RM**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	59,066,701	59,066,701	59,066,701	59,066,701
Fair value adjustment reserve	18	109,259	232,481	11,790	(1,199)
Accumulated losses	19	(16,674,064)	(22,533,272)	(53,305,679)	(52,098,638)
Total equity attributable to owners of the Company		42,501,896	36,765,910	5,772,812	6,966,864
Non-controlling interest	8	-	(32,435)	-	-
TOTAL EQUITY		42,501,896	36,733,475	5,772,812	6,966,864
NON-CURRENT LIABILITY					
Lease liabilities	6	1,473,085	457,606	-	-
		1,473,085	457,606	-	-
CURRENT LIABILITIES					
Trade payables	21	9,305,259	7,674,163	-	-
Other payables	21	2,693,123	2,653,174	140,619	143,332
Amount due to subsidiary companies	22	-	-	4,082,087	3,018,133
Provision	23	1,936,257	2,235,762	-	-
Loans and borrowings	20	3,979,000	3,861,000	-	-
Lease liabilities	6	508,337	788,187	-	-
Provision for taxation		32,135	14,206	-	-
		18,454,111	17,226,492	4,222,706	3,161,465
TOTAL LIABILITIES		19,927,196	17,684,098	4,222,706	3,161,465
TOTAL EQUITY AND LIABILITIES		62,429,092	54,417,573	9,995,518	10,128,329

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	**2021 RM**	**2020 RM**	**2021 RM**	**2020 RM**
Revenue	24	63,077,900	72,994,971	455,400	526,574
Cost of sales		(44,197,919)	(58,410,309)	-	-
GROSS PROFIT		18,879,981	14,584,662	455,400	526,574
Other operating income		4,974,431	634,893	180,243	8,311
Selling and distribution expenses		(5,821,202)	(7,238,323)	-	-
Administrative expenses		(11,234,665)	(11,324,526)	(1,665,615)	(1,694,797)
Other operating expenses		(728,519)	(1,472,585)	(166,153)	(48,013)
PROFIT/(LOSS) FROM OPERATIONS		6,070,026	(4,815,879)	(1,196,125)	(1,207,925)
Finance costs	25	(306,066)	(213,499)	-	-
Share of loss from a joint venture	9	-	(1,783)	-	-
PROFIT/(LOSS) BEFORE TAXATION	26	5,763,960	(5,031,161)	(1,196,125)	(1,207,925)
Taxation	27	(236,987)	(15,792)	(10,916)	-
PROFIT/(LOSS) AFTER TAXATION		5,526,973	(5,046,953)	(1,207,041)	(1,207,925)
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)		241,498	232,066	12,989	(1,614)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE FINANCIAL YEAR		5,768,471	(4,814,887)	(1,194,052)	(1,209,539)

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 2021 (Cont'd)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		5,530,245	(5,045,654)	(1,207,041)	(1,207,925)
Non-controlling interest		(3,272)	(1,299)	-	-
		5,526,973	(5,046,953)	(1,207,041)	(1,207,925)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) ATTRIBUTABLE TO:					
Owners of the Company		5,771,743	(4,813,588)	(1,194,052)	(1,209,539)
Non-controlling interest		(3,272)	(1,299)	-	-
		5,768,471	(4,814,887)	(1,194,052)	(1,209,539)
Basic and diluted earning/(loss) per share attributable to owners of the Company (sen)	28	2.83	(8.59)		

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 2021

Group

		Attributable to owners of the Company					
		Non-distributable					
	Note	**Share capital RM**	**Fair value adjustment reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interest RM**	**Total equity RM**
2021							
Balance as at 1 January 2021		59,066,701	232,481	(22,533,272)	36,765,910	(32,435)	36,733,475
Profit/(Loss) for the financial year		-	-	5,530,245	5,530,245	(3,272)	5,526,973
Other comprehensive income		-	241,498	-	241,498	-	241,498
Total comprehensive income/ (expense) for the financial year		-	241,498	5,530,245	5,771,743	(3,272)	5,768,471
Transaction with owners							
Strike off of subsidiary company	8	-	-	-	-	(1)	(1)
Disposal of investment measured at FVTOCI	10	-	(364,720)	364,720	-	-	-
Changes in ownership interests in a subsidiary	8	-	-	(35,757)	(35,757)	35,708	(49)
Balance as at 31 December 2021		59,066,701	109,259	(16,674,064)	42,501,896	-	42,501,896
2020							
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 income/ (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

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 2021

Company

	Attributable to owners of the Company			
	Non-distributable			
	Share capital RM	Fair value adjustment reserve RM	Accumulated losses RM	Total equity RM
2021				
Balance as at 1 January 2021	59,066,701	(1,199)	(52,098,638)	6,966,864
Loss for the financial year	-	-	(1,207,041)	(1,207,041)
Other comprehensive income	-	12,989	-	12,989
Total comprehensive income/ (expense) for the financial year	-	12,989	(1,207,041)	(1,194,052)
Balance as at 31 December 2021	59,066,701	11,790	(53,305,679)	5,772,812
2020				
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

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 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		5,763,960	(5,031,161)	(1,196,125)	(1,207,925)
Adjustments for:					
Depreciation					
Property, plant and equipment	5	559,438	696,550	170	170
Right-of-use assets	6	1,015,445	1,048,031	-	-
Investment properties	7	12,959	12,959	-	-
Deposit written off	26	32,492	-	-	-
Dividend income	26	-	(17,745)	-	-
Fair value gain on investment in unit trusts	26	(838)	-	-	-
Gain on disposal of property, plant and equipment	26	(701,200)	(2,220)	-	-
Gain on disposal of right-of-use assets	26	(104,435)	(62,073)	-	-
Gain on disposal of non-current assets held for sale	17	(3,070,199)	-	-	-
Gain on disposal of investment in a joint venture	9	(2,203)	-	-	-
Impairment loss					
Property, plant and equipment	5	14,940	531,242	-	-
Amount due from subsidiary companies	15	-	-	-	25,342
Goodwill on consolidation	11	222,531	-	-	-
Investment in subsidiary companies	8	-	-	166,153	22,671
Trade receivables	13	37,941	661,616	-	-
Interest expenses	25	306,066	213,499	-	-
Interest income	26	(108,843)	(80,683)	(1,505)	(8,311)
Property, plant and equipment written off	26	-	6,123	-	-
Bad debts written off	26	64,642	11,092	-	-
Investment in a joint venture written off	9	-	8,740	-	-
Loss on disposal of investments	26	10,920	-	-	-
Payables written off		-	(240)	-	-
Provision for warranty	23	304,317	283,982	-	-
Provision for incentive	23	962,375	1,951,900	-	-
Reversal of impairment loss on					
Trade receivables	13	(726,137)	(228,538)	-	-
Amount due from subsidiary companies	15	-	-	(178,738)	-
Reversal of provision for warranty and incentive	23	(117,746)	(109,170)	-	-
Share of loss from a joint venture	9	-	1,783	-	-
Slow moving and obsolete inventories written down	12	425,000	4,546,277	-	-
Unrealised gain on foreign exchange	26	(108,469)	(4,003)	-	-
Unrealised loss on foreign exchange	26	-	20	-	-
Operating profit/(loss) before working capital changes		4,792,956	4,437,981	(1,210,045)	(1,168,053)
Increase in inventories		(3,583,475)	(3,885,373)	-	-
Decrease/(Increase) in receivables		5,238,523	(6,338,753)	(1,329)	312
Increase/(Decrease) in payables		1,665,669	3,601,009	(2,713)	(161,221)
Cash generated from/(used in) operations		8,113,673	(2,185,136)	(1,214,087)	(1,328,962)
Interest paid		(13,287)	(2,887)	-	-
Income tax refund		15,300	413	-	-
Income tax paid		(223,441)	(29,370)	-	-
Warranty paid	23	(300,696)	(104,823)	-	-
Incentives paid	23	(1,147,755)	(188,702)	-	-
Net cash generated from/(used in) operating activities		6,443,794	(2,510,505)	(1,214,087)	(1,328,962)

Statements of Cash Flows
For the Financial Year Ended 31 December 2021 (Cont'd)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired	8	(894)	-	-	-
Acquisition of non-controlling interest	8	(49)	-	-	-
Change in fixed deposits with maturity of more than 3 months	16	(408,111)	271,827	-	-
Interest received	26	108,843	80,683	1,505	8,311
Income distributed from joint venture	9	229,569	-	-	-
Investment in subsidiary companies		-	-	(1,049)	(3,450,049)
Dividends received		-	17,745	-	-
Purchase of other investments		(2,989,400)	(984,949)	-	-
Purchase of property, plant and equipment	5	(481,088)	(395,739)	-	-
Purchase of right-of-use assets		(27,303)	(574,066)	-	-
Proceeds from disposal of asset held for sales	17	3,850,000	-	-	-
Proceeds from disposal of property, plant and equipment		702,319	5,001	-	-
Proceeds from disposal of investment		1,337,700	-	-	-
Proceeds from disposal of right-of-use assets		155,000	110,000	-	-
Net cash generated from/(used in) investing activities		2,476,586	(1,469,498)	456	(3,441,738)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(292,779)	(220,682)	-	-
Net changes in bankers' acceptances		118,000	153,000	-	-
Repayment of lease liabilities	6	(999,280)	(1,048,372)	-	-
Drawdown of lease liabilities	6	-	506,000	-	-
Advance from subsidiary companies		-	-	1,845,712	766,501
Proceeds from issuance of share capital		-	49	-	-
Net cash (used in)/generated from financing activities		(1,174,059)	(610,005)	1,845,712	766,501
Net increase/(decrease) in cash and cash equivalents		7,746,321	(4,590,008)	632,081	(4,004,199)
Effect of exchange rate fluctuations on cash held		60,355	63,085	-	-
Cash and cash equivalents as at beginning of the financial year		4,456,033	8,982,956	23,531	4,027,730
Cash and cash equivalents as at end of the financial year		12,262,709	4,456,033	655,612	23,531
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks		8,581,506	2,159,657	601,505	-
Cash and bank balances		5,757,089	3,964,151	54,107	23,531
		14,338,595	6,123,808	655,612	23,531
Fixed deposits with maturity of more than 3 months		(2,075,886)	(1,667,775)	-	-
		12,262,709	4,456,033	655,612	23,531

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 2021

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 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 31 December 2021 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 subsidiaries are 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 2022.

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 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

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 2021 (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 April 2021

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
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

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 upon adoption 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 2021 (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 2021.

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 3.8 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

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 3.8.

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.

3.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Investment in joint venture (Cont'd)

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 3.8. 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%

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 Property, plant and equipment (Cont'd)

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 3.8 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.

3.6 Non-current assets held for sale

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.

3.7 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.

3.8 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 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 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.

3.9 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.

3.10 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.

3.11 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 Group's 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 Group and the Company have applied the practical expedient, the Group and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.11 Financial assets (Cont'd)

The Group's and 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.

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

3.11.1 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, fixed deposits with licensed banks and cash and bank balances.

3.11.2 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 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.11 Financial assets (Cont'd)

3.11.3 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 unit trust fund.

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 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.12 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.

(a) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements and;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.12 Impairment of financial assets (Cont'd)

(a) Simplified approach for trade receivables (Cont'd)

Significant increase in credit risk (Cont'd)

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Note 13 set out the measurement details of ECL.

(b) General 3-stages approach for other receivables and amount due from subsidiary companies

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Note 14 and 15 set out the measurement details of ECL.

3.13 Financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Financial liabilities (Cont'd)

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

3.13.1 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 financial 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.

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 did not have financial liabilities at FVTPL in the current and previous financial year.

3.13.2 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.

3.13.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Financial liabilities (Cont'd)

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.

3.14 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.

3.15 Leases

3.15.1 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 on 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.15 Leases (Cont'd)

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

(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.

(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.

3.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Borrowings (Cont'd)

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.

3.17 Income tax

3.17.1 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.

3.17.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.17 Income tax (Cont'd)

3.17.2 Deferred tax (Cont'd)

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.

3.18 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 interest 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.

3.19 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:

3.19.1 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.

3.19.2 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 it typically controls the goods and services before transferring them to the customer.

3.19.3 Management fees

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.19 Revenue recognition and other income (Cont'd)

3.19.4 Dividend income

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

3.19.5 Interest income

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

3.19.6 Rental income

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

3.20 Employee benefits

3.20.1 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 of 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.

3.20.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay 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").

3.21 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.

3.22 Foreign currency

3.22.1 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.22 Foreign currency (Cont'd)

3.22.2 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.

3.23 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 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.24 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.

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.

3.25 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;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.25 Related parties (Cont'd)

(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.

3.26 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Depreciation of property, plant and equipment, right-of-use assets and investment properties

The costs of property, plant and equipment, right-of-use assets 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, right-of-use assets 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 right-of-use assets and investment properties at the reporting date are disclosed in Note 5, Note 6 and Note 7 to the financial statements.

4.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

4.2 Determining the lease term of contracts with renewal options – the Group as lessee (Cont'd)

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.

4.3 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.

4.4 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 of the Company are disclosed in Note 27.

4.5 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.

4.6 Provision for expected credit losses of trade 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 trading 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.

4.7 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 2021 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2021	**Note**	**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 2021		5,340,892	11,416,111	3,686,685	953,555	21,397,243
Additions	(ii)	-	23,175	457,913	-	481,088
Disposal/written off		(370,695)	(1,310,838)	(10,560)	(48,713)	(1,740,806)
Reclassified (to)/from assets held for sale	(iii)	(4,913,597)	(7,485,380)	3,400	-	(12,395,577)
Transfer		-	428,288	(428,288)	-	-
Balance as at 31 December 2021		56,600	3,071,356	3,709,150	904,842	7,741,948
Less: Accumulated depreciation						
Balance as at 1 January 2021		3,021,469	9,872,867	2,703,486	920,343	16,518,165
Charge for the financial year		98,249	90,597	337,389	33,203	559,438
Disposal/written off		(370,691)	(936,783)	(9,447)	(48,710)	(1,365,631)
Reclassified (to)/from assets held for sale	(iii)	(2,736,575)	(6,768,087)	3,899	-	(9,500,763)
Transfer		-	141,097	(141,097)	-	-
Balance as at 31 December 2021		12,452	2,399,691	2,894,230	904,836	6,211,209
Less: Accumulated impairment losses						
Balance as at 1 January 2021		44,148	1,080,478	3,145	-	1,127,771
Charge for the financial year		-	14,940	-	-	14,940
Disposal/written off		-	(374,056)	-	-	(374,056)
Reclassified (to)/from assets held for sale	(iii)	-	(163,949)	-	-	(163,949)
Balance as at 31 December 2021		44,148	557,413	3,145	-	604,706
Net carrying amount						
Balance as at 31 December 2021		-	114,252	811,775	6	926,033

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

5. **PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

Group

2020	Note	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	(ii)	-	45,296	350,443	-	395,739
Disposal/written off		-	(1,236,822)	(93,140)	-	(1,329,962)
Reclassified from right-of-use assets	(iii)	-	-	-	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	(iii)	(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 2021 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company

2021	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 2021	1,006
Charge for the financial year	170
Balance as at 31 December 2021	1,176
Net carrying amount	
Balance as at end of the financial year	523
2020	
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

(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 in Note 20:

	2021 RM	2020 RM
Net carrying amount		
Buildings	-	2,275,275

(ii) Purchase of property, plant and equipment

	2021 RM	2020 RM
Cost of property, plant and equipment purchased	481,088	395,739
Cash disbursed for purchase of property, plant and equipment	481,088	395,739

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(iii) Reclassified to assets held for sale

During the financial year, the Group reclassified a building and those built-in assets under plant, machinery and moulds that was previously held as property, plant and equipment to asset held for sale.

6. Leases

The Group as lessee

Right-of-use assets

2021	Note	Short term leasehold land RM	Buildings RM	Motor vehicles RM	Total RM
At cost					
Balance as at 1 January 2021		1,200,000	1,987,945	1,457,818	4,645,763
Additions		-	1,613,909	148,303	1,762,212
Disposal		-	-	(337,096)	(337,096)
Reclassified to assets held for sale	(a)	(1,200,000)	-	-	(1,200,000)
Balance as at 31 December 2021		-	3,601,854	1,269,025	4,870,879
Less: Accumulated depreciation					
Balance as at 1 January 2021		595,351	1,464,528	720,735	2,780,614
Charge for the financial year		27,907	739,959	247,579	1,015,445
Disposal		-	-	(286,531)	(286,531)
Reclassified to assets held for sale	(a)	(623,258)	-	-	(623,258)
Balance as at 31 December 2021		-	2,204,487	681,783	2,886,270
Net carrying amount					
Balance as at 31 December 2021		-	1,397,367	587,242	1,984,609

2020	Note	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	(a)	(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 2021 (cont'd)

6. Leases (Cont'd)

The Group as lessee (Cont'd)

Right-of-use assets (Cont'd)

(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

2021	**Buildings RM**	**Motor vehicles RM**	**Total RM**
Carrying amount			
Balance as at 1 January 2021	548,461	697,332	1,245,793
New lease entered into during the financial year	1,613,909	121,000	1,734,909
Lease payments	(810,000)	(290,024)	(1,100,024)
Interest expense	70,738	30,006	100,744
Balance as at 31 December 2021	1,423,108	558,314	1,981,422

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

Represented by:

	2021 RM	**2020 RM**
Current liabilities		
Secured		
Lease liability	124,850	239,727
Unsecured		
Lease liability	383,487	548,460
	508,337	788,187

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

	2021 RM	2020 RM
Non-current liabilities		
Secured		
Lease liability	433,465	457,606
Unsecured		
Lease liability	1,039,620	-
	1,473,085	457,606
Total lease liabilities		
Secured		
Lease liability	558,315	697,333
Unsecured		
Lease liability	1,423,107	548,460
	1,981,422	1,245,793

Rates of interest charged per annum:

	2021 %	2020 %
Lease liabilities owing to financial institutions	3.96 - 4.28	3.96 - 7.06
Lease liabilities owing to non-financial institutions	8.07	8.07

	2021 RM	2020 RM
Minimum lease payment		
- Not later than one year	626,907	827,093
- Later than one year and not later than five years	1,619,539	508,209
	2,246,446	1,335,302
Future finance charges on lease liabilities	(265,024)	(89,509)
Present value of lease liabilities	1,981,422	1,245,793

Present value of lease liabilities is analysed as follows:

	2021 RM	2020 RM
Current liabilities		
- Not later than one year	508,337	788,187
Non-current liabilities		
- Later than one year and not later than five years	1,473,085	457,606
	1,981,422	1,245,793

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

(a) Included in right-of-use assets of the Group, certain leasehold land with a carrying amount of Nil (2020: 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" and "short term leases" exemptions for these leases.

(c) The following are the amounts recognised in profit or loss:

	2021 RM	2020 RM
Depreciation of right-of-use assets (included in cost of goods sold and administrative expenses)	1,015,445	1,048,031
Interest on lease liabilities (included in finance cost)	100,744	68,445
Expense relating to lease of low-value assets and short-term leases (included in cost of goods sold and administrative expenses)	32,692	23,649
	1,148,881	1,140,125

(d) At the end of the financial year, the Group had total cash outflow for leases of RM1,100,024 (2020: RM1,061,772).

7. INVESTMENT PROPERTIES

Group

	2021 RM	2020 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	299,597	286,638
Charge for the financial year	12,959	12,959
Balance as at end of the financial year	312,556	299,597
Net carrying amount		
Balance as at end of the financial year	296,484	309,443

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

7. INVESTMENT PROPERTIES (Cont'd)

The following are recognised in profit or loss in respect of investment properties:

	2021 RM	2020 RM
Rental income	24,000	24,000
Direct operating expenses		
Income generating investment properties	12,067	12,067
Non-income generating investment properties	4,408	4,192

The fair value of the investment properties was estimated at RM567,000 (2020: RM689,000) based on the directors' estimation 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.

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021 RM	2020 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	41,797,876	38,347,827
Addition	1,049	3,450,049
Written off	(1,323,210)	-
Balance as at end of the financial year	40,475,715	41,797,876
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	32,457,729	32,435,058
Impairment losses recognised during the financial year	166,153	22,671
Written off	(1,323,210)	-
Balance as at end of the financial year	31,300,672	32,457,729
Net carrying amount		
Balance as at end of the financial year	9,175,043	9,340,147

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The subsidiary companies, which the principal place of business and country of incorporation are in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest 2021	2020	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 and trading 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. (b)	100%	51%	Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantations and crops activities (Inactive)
T5 Digital Sdn. Bhd. (c)	100%	-	Carry out the business of retail sale and all kind of products over the internet

The subsidiary companies, which are incorporated outside Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest 2021	2020	Principal activities
Milux Home Appliances (India) Private Limited @ (Incorporated in India)	-	99%	Struck-off
<u>Subsidiary company of T. H. Hin Sdn. Bhd.</u>			
Milux Industry (Zhong Shan) Co. Ltd. * (Incorporated in China)	-	100%	Ceased operation

* The subsidiary is deconsolidated from the Group for financial year ended 31 December 2021 as it had ceased and discontinued operation prior to 1 September 2011 and that its operating licence has been withdrawn by the authorities.

@ The Company has been struck-off.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

(a) Impairment on investment in subsidiary companies

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 RM166,153 (2020: RM22,671) 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.

(b) Acquisition of remaining 49% equity interest in Milux Greentech Resources Sdn. Bhd.

On 1 September 2021, the Company had acquired the remaining 49% equity interest in Milux Greentech Resources Sdn. Bhd. for a total consideration of RM49.

Effect of the increase in the Group's ownership interest is as follows:-

	Group 2021 RM
Fair value of consideration transferred	(49)
Increase in share of net liabilities	(35,708)
Excess charged directly to equity	(35,757)

(c) Acquisition of a subsidiary company

On 12 August 2021, the Company has acquired 100% interest in T5 Digital Sdn. Bhd. for a total cash consideration of RM1,000.

T5 Digital Sdn. Bhd. is engaged in business of retail sale and all kind of products over the internet as its core business.

(i) Fair value of identifiable assets acquired and liabilities recognised:-

	RM
Assets	
Bank	106
Other receivables	15
	121
Liabilities	
Other payables	-
Total identifiable net assets acquired	121
Goodwill arising on acquisition	879
Share capital and pre-acquisition accumulated losses	121
Fair value of consideration transferred	1,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

(c) Acquisition of a subsidiary company (Cont'd)

(ii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contribution to revenue and loss net of tax are as follows:-

	RM
Revenue	41,528
Loss for the financial year	(16,213)

If the acquisition had occurred on 1 January 2021, the consolidated results for the financial year ended 31 December 2021 would have been as follows:-

	RM
Revenue	41,528
Loss for the financial year	(10,381)

(d) Non-controlling interest

Proportion of equity interest held by non-controlling interests:

	2021 %	**2020 %**
Milux Greentech Resources Sdn. Bhd.	-	49
Milux Home Appliances (India) Private Limited @	-	1

The non-controlling interests at the end of the reporting year comprise the following:

	2021 RM	**2020 RM**
Milux Greentech Resources Sdn. Bhd.	-	(32,436)
Milux Home Appliances (India) Private Limited @	-	1
	-	(32,435)

9. INVESTMENT IN A JOINT VENTURE

Group

	2021 RM	**2020 RM**
Unquoted shares, at cost		
Balance as at beginning of the financial year	243,260	252,000
Disposal	(243,260)	-
Written off	-	(8,740)
Balance as at end of the financial year	-	243,260

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

9. INVESTMENT IN A JOINT VENTURE (Cont'd)

	2021 RM	2020 RM
Less: Share of post-acquisition loss		
Balance as at beginning of the financial year	15,894	14,111
Disposal	(15,894)	-
Share of loss during the financial year	-	1,783
Balance as at end of the financial year	-	15,894
Net carrying amount		
Balance as at end of the financial year	-	227,366

The details of the joint venture company, the principal place of business and country of incorporation are in Malaysia, is as follow:

Name of joint venture	Effective equity interest 2021	2020	Principal activities
Phoenix Pentagon Sdn. Bhd. *	-	60%	Dissolved.

* Not audited by CAS Malaysia PLT.

The Group's share of assets, liabilities, income and expenses are as follows:

	2021 RM	2020 RM
Assets and liabilities		
Total assets	-	239,674
Total liabilities	-	(3,568)
	-	236,106
Financial results		
Operating expenses	-	(4,269)
Loss for the financial year	-	(1,783)

In the previous financial year, the Board of Directors of the Group had on 21 August 2020 announced to Bursa Malaysia that Phoenix Pentagon Sdn. Bhd. has commenced members' voluntary winding-up pursuant to Section 439(1) and Section 439(2)(a) of the Companies Act 2016 with the appointment of the liquidator pursuant to Section 513 (1) of the Companies Act 2016.

The winding up process was completed on 6 December 2021 with final distribution to shareholders with Milux Properties Sdn Bhd. receiving RM229,569. A gain of RM2,203 has been recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

10. OTHER INVESTMENTS

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Non-current				
Fair value through profit or loss:-				
- Unit trust fund	40,232	39,394	-	-
Financial assets at fair value through other comprehensive income:-				
-quoted shares in Malaysia	3,106,459	1,224,180	19,589	6,600
	3,146,691	1,263,574	19,589	6,600

(a) The average effective interest rates of the placement with an unit trust fund management company is 2.40% (2020: 2.61%) and is readily convertible to cash with insignificant risk of changes in value.

(b) During the financial year, the Group and the Company have recognised RM241,498 and RM12,989 of fair value gain (2020: RM232,066 and (RM1,614) of fair value gain or (loss)) to other comprehensive income.

(c) During the financial year, the Group has disposed off part of the investment in quoted shares and has transferred the fair value gain previously recognised in fair value reserve amounting to RM364,720 to retained earnings.

11. GOODWILL ON CONSOLIDATION

	Group	
	2021 RM	**2020 RM**
At cost		
Balance as at beginning of the financial year	221,652	221,652
Acquisition of a subsidiary company (Note 8)	879	-
Balance as at end of the financial year	222,531	221,652
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	-	-
Charge for the financial year	222,531	-
Balance as at beginning and end of the financial year	222,531	-
Net carrying amount		
Balance as at beginning and end of the financial year	-	221,652

The Group's goodwill on consolidation arises from its subsidiary, Enamel Products Sdn. Bhd. and T5 Digital 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. During the financial year, goodwill of RM221,652 was impaired in tandem with the disposal of a piece of land and building erected thereon belonging to Enamel Products Sdn. Bhd. The remaining impairment loss of RM879 was the goodwill attributable to the T5 Digital Sdn. Bhd. that were suffering loss in current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

12. INVENTORIES

	Group	
	2021	**2020**
	RM	**RM**
At cost		
Raw materials	29,177	124,278
Work-in-progress	-	1,832,261
Finished goods	17,068,170	14,567,537
Good in transit	2,396,410	1,173,600
Consumables	-	2,969
	19,493,757	17,700,645
At net realisable value		
Raw materials	90,388	-
Finished goods	1,591,729	319,081
Consumables	2,327	-
	1,684,444	319,081
	21,178,201	18,019,726
Recognised in profit or loss		
Inventories recognised as cost of sales	41,206,527	53,542,865
Slow moving and obsolete inventories written down	425,000	4,546,277

Slow moving and obsolete inventories written down are included into cost of sales.

13. TRADE RECEIVABLES

Group

	2021	**2020**
	RM	**RM**
Trade receivables - gross	16,248,660	21,393,606
Less: Allowance for impairment losses	(884,123)	(1,572,319)
Trade receivables - net	15,364,537	19,821,287

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

13. TRADE RECEIVABLES (Cont'd)

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

2021

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	135,409	1,436,910	1,572,319
Allowance for impairment losses	-	37,941	37,941
Reversal of allowance for impairment losses	(89,527)	(636,610)	(726,137)
Balance as at end of the financial year	45,882	838,241	884,123
2020			
Balance as at beginning of the financial year	170,029	2,073,784	2,243,813
Allowance 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

* During the financial year, the Group managed to collect some of the trade receivables which have been impaired in previous financial years. As a result, the allowance for impairment losses on trade receivables had been reversed during the financial year.

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:

2021

		Provision for impairment losses		
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	12,156,691	-	-	12,156,691
Past due 1 - 30 days	1,895,493	-	-	1,895,493
Past due 31 - 60 days	506,478	(40,607)	-	465,871
Past due 61 - 90 days	87,032	(5,275)	-	81,757
More than 90 days past due	764,725	-	-	764,725
	15,410,419	(45,882)	-	15,364,537
Credit Impaired				
More than 90 days past due	838,241	(379,956)	(458,285)	-
	16,248,660	(425,838)	(458,285)	15,364,537

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

13. TRADE RECEIVABLES (Cont'd)

2020

	Gross carrying amount RM	Provision for impairment losses 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

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 (2020: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.

14. OTHER RECEIVABLES

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Other receivables	33,273	32,714	-	-
Deposits	324,703	294,635	5,500	5,500
Prepayments	1,047,552	1,202,586	7,568	6,239
Interest receivables	24,959	37,758	-	-
	1,430,487	1,567,693	13,068	11,739

15. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company

	2021 RM	2020 RM
Amount due from subsidiary companies	29,418,659	30,200,417
Less: Allowance for impairment losses	(29,286,976)	(29,465,714)
Amount due from subsidiary companies - net	131,683	734,703

The amount due from subsidiary companies 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 2021 (cont'd)

15. AMOUNT DUE FROM SUBSIDIARY COMPANIES (Cont'd)

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

	2021 RM	2020 RM
Balance as at beginning of the financial year	29,465,714	29,440,372
Impairment losses recognised during the financial year	-	25,342
Reversal of allowance for impairment losses	(178,738)	-
Balance as at end of the financial year	29,286,976	29,465,714

* During the financial year, the Company managed to collect some of the amount due from subsidiary companies which have been provided for impairment in previous financial years. As a result, the allowance for impairment losses on amount due from subsidiary companies had been reversed during the financial year.

16. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed deposits				
With maturity of 1 to 3 months	6,505,620	491,882	601,505	-
With maturity of more than 3 months	2,075,886	1,667,775	-	-
	8,581,506	2,159,657	601,505	-

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

	Group	
	2021	2020
Effective interest rates	1.25% - 2.00%	2.00% - 2.90%
Maturity period	one month to one year	one month to one year

	Company	
	2021	2020
Effective interest rates	1.50%	Nil
Maturity period	three months	Nil

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

17. NON-CURRENT ASSETS HELD FOR SALE

Group

	2021 RM	2020 RM
At net book value:		
Property, plant and equipment (Note 5)	2,730,865	334,480
Right-of-use assets (Note 6)	576,742	445,323
	3,307,607	779,803

The non-current assets held for sale are for certain land and building and other assets for which potential buyer have been identified.

Leasehold land consists of land with unexpired leasehold period of 21 years (2020: 25 years).

The assets classified as held for sale at the end of the financial year comprise of land and building of T.H.Hin Hometech Sdn. Bhd..

On 2 December 2021, T.H.Hin Hometech Sdn. Bhd., a subsidiary of the Company had entered into a conditional sale and purchase agreement for the disposal of a piece of land located at Mukim 01 Seberang Perai Tengah, Pulau Pinang together with buildings erected thereon for a total cash consideration of RM11 million. The disposal is expected to be completed within twelve (12) months from the financial year end.

The assets classified as held for sale at the end of the previous financial year comprise of land and building pursuant to a Sale and Purchase agreement ("SPA") signed by Enamel Products Sdn. Bhd. with a third party on 10 September 2020 for a total consideration of RM3.85 million.

The disposal of land and building pursuant to the SPA dated on 10 September 2020 was completed on 2 April 2021. The disposal has resulted in a gain on disposal of RM3,070,199.

The Group has pledged the following assets held for sale to licensed banks to secure banking facilities granted to a subsidiary company as referred in Note 20:

	2021 RM	2020 RM
Net carrying amount		
Property, plant and equipment	2,177,022	-
Right-of-use assets	576,742	-
	2,753,764	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

18. CAPITAL AND RESERVES

	Group and Company			
	2021	**2020**	**2021**	**2020**
	Number of shares		**RM**	**RM**
Issued and fully paid:				
Balance as at beginning of the financial year	58,764,197	58,764,197	59,066,701	59,066,701
Issuance of share under bonus issue	176,292,591	-	-	-
Balance as at end of the financial year	235,056,788	58,764,197	59,066,701	59,066,701

During the financial year, the Company has increased its issued ordinary shares from 58,764,197 units to 235,056,788 units by ways of bonus issue of 176,292,591 new ordinary shares on the basis of three (3) bonus shares for every one (1) existing ordinary share held.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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.

19. ACCUMULATED LOSSES

The Group and the Company are in an accumulated losses position as at reporting date.

20. LOANS AND BORROWINGS

Group	**2021** **RM**	**2020** **RM**
Current liabilities		
Secured		
Bankers' acceptance	3,979,000	3,861,000
	3,979,000	3,861,000
Total borrowings		
Secured		
Bankers' acceptance	3,979,000	3,861,000
	3,979,000	3,861,000

Rates of interest charged per annum:

	2021 **%**	**2020** **%**
Bankers' acceptance	4.67 - 5.03	4.10 - 5.85

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

20. LOANS AND BORROWINGS (Cont'd)

(a) Bankers' acceptance

The bankers' acceptances are secured by the following:

(i) a first legal charge over certain land and buildings of a subsidiary as disclosed in Note 5, Note 6 and Note 17 to the financial statements;

(ii) corporate guarantee by the Company.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Trade payables	9,305,259	7,674,163	-	-
Add:				
Other payables	1,694,769	1,723,961	4,448	15,036
Accruals	905,174	898,686	136,171	128,296
Deposits received	93,180	30,527	-	-
	2,693,123	2,653,174	140,619	143,332
Total trade and other payables	11,998,382	10,327,337	140,619	143,332
Total financial liabilities carried at amortised costs	11,093,208	9,428,651	4,448	15,036

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 90 days (2020: 30 to 90 days).

22. AMOUNT DUE TO SUBSIDIARY COMPANIES

The amount due to subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

23. PROVISION

Group

2021	**Warranty RM**	**Incentives RM**	**Total RM**
Balance as at beginning of the financial year	283,862	1,951,900	2,235,762
Charge for the financial year	304,317	962,375	1,266,692
Utilised during the financial year	(300,696)	(1,147,755)	(1,448,451)
Reversal of provision	-	(117,746)	(117,746)
Balance as at end of the financial year	287,483	1,648,774	1,936,257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

23. PROVISION (Cont'd)

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

24. REVENUE

	Group		**Company**	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Sales of electrical home appliances	62,942,316	72,846,325	-	-
Management fee income	-	-	455,400	526,574
Others*	135,584	148,646	-	-
	63,077,900	72,994,971	455,400	526,574
Timing of revenue recognition:				
At point in time	63,077,900	72,994,971	455,400	526,574

* Includes service-type fees.

25. FINANCE COSTS

Group	**2021 RM**	**2020 RM**
Interest expenses on		
Bank overdraft	13,287	2,887
Lease liabilities	100,744	68,445
Bankers' acceptances	179,797	152,237
Unwinding of discount on other receivables	(10,501)	(10,070)
Other interest	22,739	-
	306,066	213,499

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

26. PROFIT/(LOSS) BEFORE TAXATION

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Profit/(Loss) before taxation is arrived at:					
after charging					
Auditors' remuneration:					
Statutory audit		89,000	106,000	16,500	16,500
Non-statutory audit		7,000	5,000	7,000	5,000
Depreciation:					
Property, plant and equipment	5	559,438	696,550	170	170
Right-of-use assets	6	1,015,445	1,048,031	-	-
Investment properties	7	12,959	12,959	-	-
Deposit written off		32,492	-	-	-
Directors' remuneration:					
Fees		270,000	270,000	270,000	270,000
Salaries and other benefits		727,828	729,078	763,828	656,314
Employee's provident fund		86,901	82,101	86,901	77,087
Social security costs		1,847	1,847	1,847	1,539
Impairment loss:					
Amount due from subsidiary companies	15	-	-	-	25,342
Goodwill on consolidation	11	222,531	-	-	-
Investment in subsidiary companies	8	-	-	166,153	22,671
Trade receivables	13	37,941	661,616	-	-
Property, plant and equipment	5	14,940	531,242	-	-
Investment in joint venture written off	9	-	8,740	-	-
Bad debts written off		64,642	11,092	-	-
Interest expenses	25	306,066	213,499	-	-
Property, plant and equipment written off		-	6,123	-	-
Provision for warranty	23	304,317	283,982	-	-
Provision for incentives	23	962,375	1,951,900	-	-
Rental of:					
Office equipment		24,152	18,840	-	-
Premises		5,100	4,809	-	-
Plant and machinery		3,440	-	-	-
Loss on disposal of investment		10,920	-	-	-
Loss on foreign exchange:					
Realised		178,647	112,663	-	-
Unrealised		-	20	-	-
Slow moving and obsolete inventories written down	12	425,000	4,546,277	-	-
Staff costs:					
Salaries and other benefits		5,285,372	6,386,745	53,409	114,830
Employee's provident fund		674,569	763,521	7,739	14,899
Social security costs		69,826	91,455	939	2,147

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

26. PROFIT/(LOSS) BEFORE TAXATION (Cont'd)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
after crediting					
Dividend income		-	(17,745)	-	-
Fair value gain on investment in unit trusts		(838)	-	-	-
Gain on disposal of property, plant and equipment		(701,200)	(2,220)	-	-
Gain on disposal of right-of-use assets		(104,435)	(62,073)	-	-
Gain on disposal of non-current assets held for sale	17	(3,070,199)	-	-	-
Gain on disposal of investment in a joint venture	9	(2,203)	-	-	-
Gain on foreign exchange:					
Realised		(83,743)	(156,203)	-	-
Unrealised		(108,469)	(4,003)	-	-
Interest income		(108,843)	(80,683)	(1,505)	(8,311)
Reversal of provision for warranty and incentive	23	(117,746)	(109,170)	-	-
Rental income		(24,000)	(24,000)	-	-
Reversal of impairment loss on:					
Trade receivables	13	(726,137)	(228,538)	-	-
Amount due from a subsidiary company	15	-	-	(178,738)	-

The estimated monetary value of benefits-in-kind received by the directors of the Group amounted to RM39,256 (2020: RM27,884).

27. TAXATION

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Income tax				
Provision for current financial year	50,309	16,205	-	-
Overprovision in previous financial year	(3,883)	(413)	10,916	-
Real property gain tax	190,561	-	-	-
Tax expenses for current financial year	236,987	15,792	10,916	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

27. TAXATION (Cont'd)

The reconciliation of income tax expense applicable to the profit/(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		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before taxation	5,763,960	(5,031,161)	(1,196,125)	(1,207,925)
Tax at the statutory tax rate of 24% (2020: 24%)	1,383,350	(1,207,479)	(287,070)	(289,902)
Non-deductible expenses	558,826	247,773	142,342	160,138
Non-taxable income	(632,662)	(108,559)	-	-
Deferred tax assets not recognised during the financial year	214,827	1,536,055	144,728	129,764
Utilisation of previously unrecognised deferred tax assets	(1,474,032)	(451,585)	-	-
(Over)/underprovision of taxation in previous financial year	(3,883)	(413)	10,916	-
Real property gain tax	190,561	-	-	-
Tax expenses for the current financial year	236,987	15,792	10,916	-

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax losses	35,288,095	38,701,039	3,140,210	2,557,432
Unabsorbed capital allowances	7,638,003	7,547,226	1,699	1,699
Other temporary differences	6,606,530	8,531,050	19,562	(694)
	49,532,628	54,779,315	3,161,471	2,558,437
Unrecognised deferred tax assets at 24% (2020: 24%)	11,887,831	13,147,036	758,753	614,025

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 ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Following the Budget 2022 announced by the Ministry of Finance on 29 October 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. 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 unabsorbed capital allowances and unutilised tax losses are subject to the agreement of the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

27. TAXATION (Cont'd)

The unutilised tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Utilisation period				
Indefinite	14,244,533	16,078,276	21,261	1,005
Expired by YA 2028 (Previously Expired by YA 2025)	28,297,840	32,664,184	1,335,543	1,335,543
Expired by YA 2029 (Previously Expired by YA 2026)	2,209,061	2,698,653	281,863	281,863
Expired by YA 2030 (Previously Expired by YA 2027)	3,164,092	3,338,202	940,026	940,026
Expired by YA 2031	1,617,102	-	582,778	-
	49,532,628	54,779,315	3,161,471	2,558,437

28. EARNING/(LOSS) PER SHARE

(a) Basic earning/(loss) per ordinary share

The calculation of basic earning/(loss) per ordinary share at 31 December 2021 is based on the profit/(loss) attributable to owners of the Company and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2021 RM	**2020 RM**
Profit/(Loss) attributable to owners of the Company (RM)	5,530,245	(5,045,654)
Weighted average number of ordinary shares (units)	195,451,329	58,764,197
Basic earning/(loss) per ordinary share attributable to owners of the Company (sen)	2.83	(8.59)

(b) Diluted earning/(loss) per ordinary share

The diluted earning/(loss) per ordinary share of the Company is similar to the basic earning/(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 earning/(loss) per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

29 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiary companies				
Management fee	-	-	455,400	526,574
Other related parties				
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	64,915	-	-	-
Transaction with companies in which directors has substantial interest	78,429	7,282	-	-

(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 26.

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.

30. FINANCIAL GUARANTEE CONTRACTS

Group

	2021 RM	2020 RM
Unsecured		
Bank guarantee issued to third parties	103,050	103,050

Company

	2021 RM	2020 RM
Unsecured (Note 20)		
Corporate guarantee granted to subsidiary companies	4,082,050	3,964,050

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

31. 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	
	2021	**2020**
	RM	**RM**
Revenue		
Malaysia	61,324,051	66,370,083
Asian countries	1,753,849	6,624,888
	63,077,900	72,994,971

(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 2021 (cont'd)

31. SEGMENT INFORMATION (Cont'd)

Segment revenue, loss before taxation and the assets employed are as follows:

Group

2021	**Home appliances RM**	**Others RM**	**Total operations RM**	**Elimination RM**	**Total RM**
Revenue					
External revenue	63,077,900	-	63,077,900	-	63,077,900
Inter-segment revenue	1,135,917	455,400	1,591,317	(1,591,317)	-
Total revenue	64,213,817	455,400	64,669,217	(1,591,317)	63,077,900
Results					
Segment results	7,470,262	(1,234,266)	6,235,996	(274,813)	5,961,183
Finance income	107,338	1,505	108,843	-	108,843
Finance costs	(306,066)	-	(306,066)	-	(306,066)
Profit/(Loss) before taxation	7,271,534	(1,232,761)	6,038,773	(274,813)	5,763,960
Income tax expenses	(223,631)	(13,356)	(236,987)	-	(236,987)
Profit/(Loss) after taxation	7,047,903	(1,246,117)	5,801,786	(274,813)	5,526,973
Assets					
Segment assets	61,085,986	10,516,520	71,602,506	(23,967,857)	47,634,649
Tax recoverable	455,848	-	455,848	-	455,848
Fixed deposits with licensed banks	7,980,001	601,505	8,581,506	-	8,581,506
Cash and bank balances	5,694,509	62,580	5,757,089	-	5,757,089
Total assets	75,216,344	11,180,605	86,396,949	(23,967,857)	62,429,092
Liabilities					
Segment liabilities	90,489,381	5,032,473	95,521,854	(81,587,215)	13,934,639
Tax payable	31,695	440	32,135	-	32,135
Borrowings	3,979,000	-	3,979,000	-	3,979,000
Lease liabilities	1,981,422	-	1,981,422	-	1,981,422
Total liabilities	96,481,498	5,032,913	101,514,411	(81,587,215)	19,927,196
Other information					
Capital expenditure	2,243,300	-	2,243,300	-	2,243,300
Deposit written off	32,492	-	32,492	-	32,492
Depreciation	1,577,224	10,618	1,587,842	-	1,587,842
Gain on disposal of property, plant and equipment	(701,200)	-	(701,200)	-	(701,200)
Gain on disposal of right-of-use assets	(104,435)	-	(104,435)	-	(104,435)
Gain on disposal of non-current assets held for sale	(3,070,199)	-	(3,070,199)	-	(3,070,199)
Gain on disposal of investments	-	(2,203)	(2,203)	-	(2,203)
Impairment loss:					
Goodwill on consolidation	222,531	-	222,531	-	222,531
Trade receivables	37,941	-	37,941	-	37,941
Bad debts written off	64,642	-	64,642	-	64,642
Loss on disposal of investments	10,920	-	10,920	-	10,920
Provision for warranty	304,317	-	304,317	-	304,317
Provision for incentives	962,375	-	962,375	-	962,375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

31. SEGMENT INFORMATION (Cont'd)

Group

2021	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
Other information (Cont'd)					
Reversal of impairment loss on:					
Trade receivables	(726,137)	-	(726,137)	-	(726,137)
Reversal of provision for warranty and incentive	(117,746)	-	(117,746)	-	(117,746)
Slow moving and obsolete inventories written down	425,000	-	425,000	-	425,000
Realised foreign exchange loss	178,647	-	178,647	-	178,647
Realised foreign exchange gain	(83,743)	-	(83,743)	-	(83,743)
Unrealised foreign exchange gain	(108,469)	-	(108,469)	-	(108,469)

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 from a 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 2021 (cont'd)

31. 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)
Reversal of provision for warranty and incentive	(109,170)	-	(109,170)	-	(109,170)
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
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)

Group

(c) Major customer

During the financial year, major customer with revenue equal to or more than 10% of Group revenue are as follows:

	2021 RM	**2020 RM**
All common control companies of Customer A	-	8,835,075

32. 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:

32.1 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

32.1 Interest rate risk (Cont'd)

The bank overdraft at floating rates expose the Group to cash flow interest rate risk whilst 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 20 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 profit/(loss) before taxation would increase/decrease by approximately RM46,000 (2020: RM17,000) as a result of exposure to floating rate borrowings.

32.2 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, none (2020: 24%) of the Group's trade receivables were due from (2020: 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 2021, 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 contracts

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 30 and Note 32.4 to the financial statements, representing the outstanding banking facilities of the subsidiaries as at the reporting date.

32.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

32.3 Foreign currency risk (Cont'd)

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group 2021	USD RM	EURO RM	Others RM	Total RM
Cash and bank balances	1,240,377	23,737	29,499	1,293,613
Trade and other receivables	1,817,888	-	-	1,817,888
Trade and other payables	(2,665,767)	-	-	(2,665,767)
	392,498	23,737	29,499	445,734
2020				
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

Sensitivity analysis for foreign currency risk

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's profit/(loss) before taxation would increase/(decrease) by approximately RM45,000 (2020: RM16,000).

32.4 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 2021 (cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

32.4 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 **2021**	**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	11,998,382	-	11,998,382	11,998,382	-	-
Bankers' acceptances	3,979,000	4.67 - 5.03	3,979,000	3,979,000	-	-
Lease liabilities	1,981,422	3.96 - 8.07	2,246,446	626,907	1,619,539	-
	17,958,804		18,223,828	16,604,289	1,619,539	-
2020						
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	-
Company						
2021						
Other payables	140,619	-	140,619	140,619	-	-
Amount due to subsidiary companies	4,082,087	-	4,082,087	4,082,087	-	-
Financial guarantee contracts	4,082,050	-	4,082,050	4,082,050	-	-
	8,304,756		8,304,756	8,304,756	-	-
2020						
Other payables	143,332	-	143,332	143,332	-	-
Amount due to subsidiary companies	3,018,133	-	3,018,133	3,018,133	-	-
Financial guarantee contracts	3,964,050	-	3,964,050	3,964,050	-	-
	7,125,515		7,125,515	7,125,515	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

32.5 Classification of financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets				
Financial assets at fair value through profit or loss	40,232	39,394	-	-
Financial assets at fair value through other comprehensive income	3,106,459	1,224,180	19,589	6,600
	3,146,691	1,263,574	19,589	6,600
Amortised costs				
Trade receivables	15,364,537	19,821,287	-	-
Other receivables	382,935	365,107	5,500	5,500
Amount due from subsidiary companies	-	-	131,683	734,703
Fixed deposits with licensed banks	8,581,506	2,159,657	601,505	-
Cash and bank balances	5,757,089	3,964,151	54,107	23,531
	30,086,067	26,310,202	792,795	763,734
	33,232,758	27,573,776	812,384	770,334
Financial liabilities				
Amortised costs				
Trade payables	9,305,259	7,674,163	-	-
Other payables	1,787,949	1,754,488	4,448	15,036
Amount due to subsidiary companies	-	-	4,082,087	3,018,133
Loans and borrowings	3,979,000	3,861,000	-	-
Lease liabilities	1,981,422	1,245,793	-	-
	17,053,630	14,535,444	4,086,535	3,033,169

32.6 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			
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Financial assets				
Investments at FVTPL	-	40,232	-	40,232
Investments at FVOCI	3,106,459	-	-	3,106,459
	3,106,459	40,232	-	3,146,691

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

32.6 Fair value of financial instruments (Cont'd)

	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
Company				
2021		-		
Financial asset				
Investments at FVOCI	19,589	-	-	19,589
2020				
Financial asset				
Investments at FVOCI	6,600	-	-	6,600

	Financial instruments that are carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
Group	**RM**	**RM**	**RM**	**RM**
2021				
Financial liabilities				
Loans and borrowings	-	-	3,979,000	3,979,000
Lease liabilities	-	-	1,981,422	1,981,422
	-	-	5,960,422	5,960,422
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

32.6 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			
Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Financial asset				
Amount due from subsidiary companies	-	-	131,683	131,683
Financial liability				
Amount due to subsidiary companies	-	-	4,082,087	4,082,087
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

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 (2020: 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, 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 vested in the directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

33. 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 continued to spread throughout Malaysia and around the world. The Malaysian Government has imposed the Movement Control Order ("MCO") with closure of all government and private premises except those involved in essential services effective from 18 March 2020 followed by Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") in the year 2020. The Malaysia Government has then reinforced the movement control in the first half of 2021. National Recovery Plan (""NRP"") has been implemented by the Government thereafter by phases in different states.

The pandemic had impacted the Group's and the Company's performance in 2021. The impact and responsive actions taken were as follows:

(i) Impact on Operations

Both the manufacturing and trading operations were affected when the Malaysian government implemented the initial stage of Movement Control Order ("MCO") on 18 March 2020. However, as the trading operation was a supplier to e-commerce platforms, it was allowed to operate on a limited basis 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, especially in financial year 2020. The manufacturing operation was closed throughout the MCO and this affected its revenue.

Prior to the MCO, the Group had restructured its trading operation's sales team whereby local sales personnel were recruited and stationed in every 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 3 quarters 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. The Group also acquired a new subsidiary during the financial year, namely T5 Digital Sdn. Bhd. (Disclosed in Note 8 to the financial statements) to focus on e-commerce business, especially on Lazada and Shopee platform. It is also utilising social media as marketing tool to help create awareness among buyers who are tech-savvy as the traditional road shows and product demonstrations has been curtailed due to the pandemic.

(ii) Impact on Funding

On 10 September 2020, the Group has entered into a Sale and Purchase agreement ("SPA") with a third party for the disposal of a piece of leasehold land together with a building erected therein for a total consideration of RM3.85 million. This transaction has been completed on 2 April 2021. The proceeds will be utilised to defray expenses related to the sale of property and for working capital purpose.

On 2 Dec 2021, the Group had entered into conditional sale and purchase agreement for the disposal of a land located at Mukim 01 Seberang Perai Tengah, Pulau Pinang and buildings erected thereon for a total cash consideration of RM11 million. The disposal is expected to be completed within twelve (12) months. The proceeds will be utilised to defray expenses related to the sale of property, repay of bank borrowings and for working capital purpose.

This has helped the Group and the Company to strengthen its cash position and liquidity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

33. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (Cont'd)

(a) (iii) Impact on 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 Group has taken decision to dispose the Property of T.H.Hin Hometech Sdn. Bhd., a subsidiary of the Company as the Group will not require the Property for continued use. The Proposed Disposal will enable the Group to free up its assets to be re-deployed to its trading segment.

As at the date of this report, the Group and Company have not been adversely affected by the outbreak of Covid-19. The Group and Company shall continue to monitor the developments of the COVID-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Group and Company for the financial year ending 31 December 2022. This includes continuous special attention to be given towards ensuring all standard operating procedures set by the government are complied with to minimise the risk of COVID-19 occurrences and addressing the acute labour shortages, which may impact the operations of the Group and the Company negatively.

(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 together with a building erected thereon for a total consideration of RM3.85 million. This transaction has been completed on 2 April 2021.

(c) On 2 December 2021, T.H.Hin Hometech Sdn. Bhd., a subsidiary of the Company had entered into a conditional sale and purchase agreement for the disposal of a land located at Mukim 01 Seberang Perai Tengah, Pulau Pinang and buildings erected thereon for a total cash consideration of RM11 million. The disposal is expected to be completed within twelve (12) months from the financial year end.

34. 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 2021.

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Net debt	7,632,352	13,213,859	3,567,094	3,137,934
Total equity attributable to owners of the Company	42,501,896	36,765,910	5,772,812	6,966,864
Net debt against equity ratio	0.18	0.36	0.62	0.45

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2022

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	121	7.91	3,140	0.00
100 - 1,000	196	12.82	108,985	0.05
1,001 - 10,000	737	48.20	4,118,735	1.75
10,001 - 100,000	384	25.11	13,530,100	5.75
100,001 to less than 5%	88	5.76	67,149,272	28.57
5% and above	3	0.20	150,146,556	63.88
TOTAL	**1,529**	**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 2022 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	310,000	0.13	-	-
Tan Chee How	7,922,280	3.37	-	-
Ho Pui Hold	-	-	-	-
Datuk Haw Chin Teck	-	-	-	-
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	60,000	0.03	40,000[(2)]	0.02
Gan Boon Lay	-	-	78,833,540[(1)]	33.54
Yee Carine	-	-	71,313,016[(3)]	30.34
Teh Sok Hoon	-	-	71,313,016[(3)]	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 his shareholdings in Liew Yin Yin Construction Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

(3) 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 2022

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders' shareholdings based on the Register of Substantial Shareholders of the Company as at 1 April 2022 are as follows:-

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Topspike Holding Sdn. Bhd.	78,833,540	33.54	-	-
Asia New Venture Capital Holdings Sdn. Bhd.	71,313,016	30.34	-	-
Asia Capital Fund Limited	-	-	71,313,016[(1)]	30.34
Datuk Wira Ling Kah Chok	-	-	78,833,540[(2)]	33.54
Gan Boon Lay	-	-	78,833,540[(2)]	33.54
Yee Carine	-	-	71,313,016[(3)]	30.34
Teh Sok Hoon	-	-	71,313,016[(3)]	30.34

Notes:

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

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

(3) 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 2022

No.	Shareholders	Number of Shares	%
1.	Asia New Venture Capital Holdings Sdn. Bhd.	71,313,016	30.34
2.	Maybank Nominees (Tempatan) Sdn. Bhd. - Topspike Holding Sdn. Bhd.	60,327,980	25.67
3.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Topspike Holding Sdn. Bhd.	18,505,560	7.87
4.	Tan Chee How	7,922,280	3.37
5.	Tan Chee Siang	5,281,520	2.25
6.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Chee Meng	4,403,800	1.87
7.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Credit Suisse (SG BR-TST-ASING)	4,133,100	1.76
8.	Zhao, XiaoDan	4,041,300	1.72
9.	Tan Chee Meng	4,000,000	1.70
10.	Vivatsurakit Mr. Tossavorn	2,800,000	1.19
11.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Chee Meng	2,000,000	0.85
12.	Wong Lee Phin	2,000,000	0.85

Analysis of Shareholdings (cont'd)

As at 1 April 2022

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2022 – CONT'D

No.	Shareholders	Number of Shares	%
13.	Wan Kin Kee	1,991,000	0.85
14.	Yong Fook Ming	1,780,600	0.76
15.	Lee Boon Tong	1,135,600	0.48
16.	Voo Vun Lan	1,060,500	0.45
17.	Saw Beng Lam	973,700	0.41
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Yoon Peck	965,200	0.41
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ra Wha Hyun (009)	955,400	0.41
20.	Kelrix Sdn. Bhd.	921,700	0.39
21.	Ang Joo Kang	888,500	0.38
22.	Phang Siew Pin	881,900	0.38
23.	Lim Chin Sean	766,300	0.33
24.	Nurjannah Binti Ali	720,000	0.31
25.	Tiong En Chee	670,000	0.29
26.	Tan King Tai @ Tan Khoon Hai	631,200	0.27
27.	Pang Eng Chai	595,000	0.25
28.	Ng Meow San	575,500	0.24
29.	Soh Kok Leong	542,600	0.23
30.	Goh Ling Yau	540,000	0.23
	TOTAL	**203,323,256**	**86.51**

LIST OF GROUP PROPERTIES

Location	Description	Approximate size	Approximate age of building	Tenure	Existing use	Net Book Value as at 31.12.2021 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	30 years	Leasehold (60 years expiring 15/12/2042)	Office cum Factory	1,592	1990
	3-storey factory building adjoining to above factory	Built-up 39,644 sq ft	27 years	Leasehold (60 years expiring 15/12/2042)	Factory cum warehouse	1,162	1993
T.H.HIN SDN BHD							
Lot 5.31, 4th Floor, Imbi Plaza, Jalan Imbi Kuala Lumpur	one unit office lot	345 sq ft	41 years	Freehold	Vacant	25	1981
BRIGHTYIELD SDN BHD							
Apartment Sri Semarak Jalan Semarak 3A, Section BB7 Bandar Bukit Beruntung, 48300 Rawang	Low cost flats A4-10 C4-8 D4-15 D4-16 E4-9	650 sq. ft 650 sq. ft 650 sq. ft 650 sq. ft 650 sq. ft	22 years 22 years 22 years 22 years 22 years	Freehold	Vacant	-	2008
MILUX INTERNATIONAL SDN BHD							
BG-1,Ground Floor, Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,128 sq ft	33 years	Leasehold (99 years expiring 19-01-2077)	Let out	143	1990
B1-4, First Floor Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,296 sq ft	33 years	Leasehold (99 years expiring 19-01-2077)	Let out	128	1990

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-Seventh Annual General Meeting ("**27th AGM**") of the Company, to be conducted virtually 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, 23 June 2022 at 2:30 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..

Resolution No.	Ordinary Resolution	For	Against
1	To approve the payment of Directors' fees for the period from 1 July 2022 to 30 June 2023, to be payable on monthly basis in arrears.		
2	To approve the payment of benefits payable to the Directors from 1 July 2022 to 30 June 2023.		
3	To re-elect Mr. Ho Pui Hold in accordance with Clause 117 of the Company's Constitution.		
4	To re-elect Datuk Khoo Teck Kee in accordance with Clause 117 of the Company's Constitution.		
5	To re-elect Datuk Haw Chin Teck in accordance with Clause 117 of the Company's Constitution.		
6	To re-elect Dato' Sri Ir. Ts. Dr. Liew Mun Hon in accordance with Clause 116 of the Company's Constitution.		
7	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			
8	Authority to Issue Shares pursuant to the Companies Act 2016		
9	Proposed Renewal of Shareholders' Mandate		

* Strike out whichever is not desired.

Signed this .... day of ...., 2022.

....
Signature of Shareholder(s)/ Common Seal

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **16 June 2022** ("**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 27th 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 27th 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 27th 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 **eservices@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://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 27th AGM remotely, please register electronically via Securities Services e-Portal at **https://sshsb.net.my/** by the registration cut-off date and time.
   Please refer to the **Administrative Guide** on the Conduct of a virtual general meeting available for download at **https://milux.com.my/investor-relations/** for further details.
7. Shareholders are advised to check the Company's website at **https://milux.com.my/** for announcements from time to time for any changes to the administration of this AGM that may be necessitated by the changes to safety protocols and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysia National Security Council, Securities Commission Malaysia and/or other relevant authorities.

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 29 April 2022.

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

www.milux.com.my

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

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