

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7935
COMPANY NAME : MILUX CORPORATION BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board is responsible for the leadership, oversight and the long-term success of the Group.</p> <p>The Board has made the following Commitment:-</p> <p><u>Milux's Commitment</u></p> <p><i>Milux is committed to provide top quality and innovative products which are in line with the Company's philosophy of delivering products with "Quality, Safety and Reliability".</i></p> <p>In order to achieve the Milux's Commitment, the Board has established, amongst others, a formal schedule of matters reserved for the Board and those delegated to Management.</p> <p>The Board has established a Board Charter to provide guidance and clarity for Directors and Management with regard to the roles of the Board, the Board Committees as well as those of Management.</p> <p>The formal schedule of matters reserved for the Board has been duly stipulated in the Board Charter.</p> <p>A summary copy of the Board Charter is available for viewing on Milux's corporate website at www.milux.com.my.</p> <p>Management's Function</p> <p>As stipulated in the Board Charter, all Board authority conferred on Management is delegated through the Group Managing Director ("Group MD") so that the authority and accountability of the Management is considered to be the authority and accountability of the Group MD in so far as the Board is concerned.</p>

	<p>In the normal course of events, day-to-day management of the Company will be in the hands of Management and under the stewardship of the Group MD.</p> <p>The Group MD is expected to keep the Board informed on all matters which may materially affect the Group and its business.</p> <p>The Board assumes responsibility for stewardship of the Group and has established its terms of reference (“TOR”) in the form of a Board Charter to assist it in the discharge of this responsibility.</p> <p>The role and responsibilities of the Board broadly covers the following:-</p> <p>(a) Reviewing and adopting a strategic plan for the Company/Group.</p> <p>The Board plays an active role in the establishment of the Company/Group’s strategic plan. For each financial year, Management would present to the Board the proposed business plans as well as the annual budget for the year. The Board reviews and deliberates those documents at great length, as well as challenging Management’s underlying assumptions, prior to approving the same for adoption.</p> <p>(b) Overseeing the conduct of the Company/Group’s business.</p> <p>The Group MD is responsible for the day-to-day management and operations of the Group.</p> <p>The Board monitors the performance of Management on a regular basis vide the insertion of relevant agenda item in the Board Meetings. The Group MD is required to brief the Board on the operational performance of the Group which include key strategic initiatives, significant operational issues and challenges faced by the Management, on a quarterly basis. Meanwhile, the Chief Financial Officer (“CFO”) is required to present to the Board a quarterly report on the financial performance of the Group.</p> <p>(c) Identification of principal risks and implementation of appropriate internal controls and mitigation measures.</p> <p>The Audit and Risk Committee (“ARC”) has been entrusted by the Board to identify, evaluate, monitor and manage any relevant major risks faced by the Group so that the Group will achieve its business objectives. However, the Board as a whole remains responsible for all the actions of the ARC with regard to the execution of the delegated role.</p> <p>(d) Overseeing the development and implementation of a shareholder communications policy for the company.</p>
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	<p>The Board is aware of Milux’s commitment to enhancing long term shareholders’ value through regular communication with all its shareholders, regardless of individual or institutional investors (hereinafter referred to as “the Shareholders”).</p> <p>In consequence thereto, the Board has established a Shareholders’ Communication Policy in order to provide guidance as well as ensuring a consistent approach towards the Company’s communication with the Shareholders.</p> <p>In addition, the Board has also included a dedicated chapter governing the Board-Shareholders relationship in the Board Charter, thereby formalising the Board’s commitment to serving the best interest of the Shareholders.</p> <p>(e) Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems.</p> <p>The Board has established key control processes to ensure there is a sound framework of reporting on internal controls and regulatory compliance.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>The role and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 4.3 of the Board Charter, which is available on Milux's corporate website at www.milux.com.my.</p> <ol style="list-style-type: none">(1) The Independent Non-Executive Chairman ("the Chairman") provides leadership to the Board, without limiting the principle of collective responsibility for Board decisions.(2) The Chairman is responsible for representing the Board to Shareholders and the Chairman will chair the shareholders' meetings and will inform the shareholders on the Company's affairs. The Chairman communicates with the shareholders at Shareholders' meetings and some of the information are disclosed in the annual reports.(3) The Chairman with the assistance of the Company Secretary sets the board agenda for each meeting.(4) The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in Part D of the Board Charter. The Chairman leads the Board by ensuring that Milux adheres to all relevant laws and regulations as well as monitors its good corporate and best practices.(5) The Chairman is responsible for maintaining regular dialogue with the Group MD on operational matters and will consult with the remainder of the Directors promptly over any matter that gives him or her cause for major concern.(6) The Chairman will act as facilitator at meetings of the Board to ensure that no Directors, whether executive or non-executive, dominates the discussion, so that appropriate discussion could take place and relevant opinions among Directors are forthcoming.(7) The Chairman leads the meeting pace and discussions in an effective manner. The good leadership of the Chairman is acknowledged by the rating that is above average via the Self and Peer Assessment of the Board members in the annual Board Effectiveness Evaluation.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	<p>The position of the Chairman of the Board and the Group MD are held by different individuals. Datuk Dr. Wong Lai Sum is the Independent Non-Executive Chairman while Datuk Khoo Teck Kee is the Group MD of the Company.</p> <p>The Board Charter under Paragraphs 4 and 5 have outlined the role of the Chairman and the role of the Group MD respectively to ensure accountability and division of responsibilities, and the Board Charter is available on Milux's corporate website at www.milux.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: Presently, Datuk Dr. Wong Lai Sum who is the Independent Non-Executive Chairman of the Company is also a member of the Nomination and Remuneration Committee (" NRC "). The NRC and the Board acknowledged the Company has departed from the Practice 1.4 of Malaysian Code on Corporate Governance 2021. The NRC and the Board (save for Datuk Dr. Wong Lai Sum) assessed that Datuk Dr. Wong Lai Sum has vast experience, in-depth knowledge and exemplary leadership which adds tremendous value to the effectiveness of the NRC and therefore she should remain 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.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: The Board will review the composition of the NRC annually to ensure its effectiveness.
Timeframe	: Choose an item.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>Both the Company Secretaries of Milux have professional qualifications and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 (“CA 2016”). One of them is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) whilst the other is an Associate member of the MAICSA.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-</p> <ul style="list-style-type: none">• Statutory duties as required under the CA 2016, Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Capital Market and Services Act, 2007;• Facilitating and attending Board Meetings and Board Committee Meetings, respectively;• Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly minuted;• Ensuring timely communication of the Board decisions to the Management for further action;• Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;• Maintaining records for the purpose of meeting statutory obligations;• Facilitating the provision of information as may be requested by the Directors from time to time on a timely manner and ensuring adherence to Board policies and procedures;• Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee’s notation;• Assisting the Board with the preparation of announcements for release to Bursa Securities; and• Rendering advice and support to the Board and Management. <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant continuous professional development trainings that are conducted by</p>

	the Companies Commission of Malaysia and/or MAICSA as well as other professional bodies from time to time.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	: Applied
Explanation on application of the practice	<p>An annual meeting calendar is prepared and circulated in advance before the beginning of each year to facilitate the Directors' time planning. The annual meeting calendar provides the Directors with scheduled dates for the whole year meetings of the Board -, the Board Committees Meetings, and the annual general meeting ("AGM"), as well as the closed periods for dealings in securities by Directors based on targeted dates of announcements of the Group's quarterly results.</p> <p>All Board members are supplied with information on a timely manner. The agenda of the Board Meeting is set after consultation with the Chairman and confirmed by the Group MD. Due notice of at least seven (7) days is given to the Directors which allow the Directors to plan ahead and to maximise their participation.</p> <p>Board papers are circulated at least three (3) days prior to Board Meetings and the board papers provide amongst others, financial and corporate information, significant financial and corporate matters, the Group's performance and any management proposals which require the approval of the Board. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board Meeting.</p> <p>Minutes of a Directors' or Board Committees' Meetings would be distributed to all Directors on a timely basis for their review and thereafter for confirmation at the next Board or Board Committee Meeting. The signed minutes are entered into the minutes book kept by the Company Secretaries at the registered office.</p> <p>The Management will endeavour to circulate the board paper at least five (5) business days in advance of the meeting day.</p>
Explanation for departure	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application :	Applied
Explanation on application of the practice :	<p>The Board Charter serves as a primary reference for prospective and existing Board members of their fiduciary duties as Directors of Milux, and the functions of the Board committees as well as those of Management.</p> <p>In accordance with Paragraph 9.3 of the Board Charter, the Board reviews the Board Charter biennially and/or from time to time and make any necessary amendments to ensure it remains consistent with the Board's objectives, current law and practices. The Board Charter is available on Milux's corporate website at www.milux.com.my.</p> <p>The roles and responsibilities of the Board of Directors, Senior Independent Non-Executive Director ("SINED"), Chairman and Group MD are clearly outlined in the Board Charter.</p> <p>The Board will direct and supervise the management of the business and affairs of the Company including, in particular:-</p> <ul style="list-style-type: none">• 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

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.

Where possible, the Company Secretaries will inform the Directors on any updates/ briefings received from any authority(ies) or training providers, to enable the Directors to keep abreast on the latest development/ updates on relevant topic of interest.

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

In order to ensure continuing education for the Board to enhance their knowledge and skills for better board participation during meetings, the Board members had attended the following training programmes/seminars/forums during the financial year ended 31 December 2021:-

Name of Directors	Trainings Programmes/ Seminars/ Forums Attended
Datuk Dr. Wong Lai Sum	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Webinar Series – Awareness of Sustainability and Circular Economy
Datuk Khoo Teck Kee	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Webinar Series – Kawalan Kemudahan Berkaitan Pengecualian Cukai Jualan dan Pindaan Terkini • Malaysia - KaoHsiung Halal Aquatic Food Business Matching

	Ho Pui Hold	<ul style="list-style-type: none"> • Awareness Training on Corporate Liability 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	<ul style="list-style-type: none"> • Webinar Series – Awareness of Sustainability and Circular Economy
	Gan Boon Lay	<ul style="list-style-type: none"> • Webinar Series – Awareness of Sustainability and Circular Economy
	Yee Carine	<ul style="list-style-type: none"> • Webinar Series – Awareness of Sustainability and Circular Economy
	Teh Sok Hoon	<ul style="list-style-type: none"> • Webinar Series – Awareness of Sustainability and Circular Economy
	Dato' Sri Ir. Ts. Dr. Liew Mun Hon	Not Applicable (Appointed on 31 December 2021)
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<p>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 available on Milux's corporate website at www.milux.com.my.</p> <p>The Board reviews the Code biennially or as and when it is required to ensure the information remains relevant and appropriate.</p> <p>The Board is mindful of its leadership in business ethics practices as one of the key elements of business sustainability.</p> <p>The Code is established to promote a corporate culture which engenders ethical conduct that permeates throughout the Company and Group. The guiding principles of the Code are as follow:-</p> <p>Show respect in the workplace:-</p> <ul style="list-style-type: none">• Equal Opportunity• Anti-Harassment• Human Rights• Ensuring Workplace Health and Safety• Protection of Privacy• Use of Company's Assets with Due Care• Leading by Example• Continuous Training and Development <p>Act with integrity in the marketplace:-</p> <ul style="list-style-type: none">• Ensuring Products' Quality, Safety and Reliability• Responsible Sales and Marketing Practices• Milux's Customers• Milux's Suppliers

	<ul style="list-style-type: none"> • Community Involvement • Environmental-Friendly Practices <p>Ensure ethics in business relationships:-</p> <ul style="list-style-type: none"> • Conflict of Interest • Anti-Corruption • Anti-Money Laundering • Insider Trading <p>Ensure effective communication:-</p> <ul style="list-style-type: none"> • Corporate Disclosure • Spokesman • Whistle Blowing 	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	: Applied		
Explanation on application of the practice	<p>The Board had on 1 June 2020 adopted a Whistleblowing Policy, with the following objectives:-</p> <ul style="list-style-type: none"> • Provide an avenue for all employees and members of the public to disclose any improper conduct or action that is or could be harmful to the reputation of the Group and/or compromise the interest of stakeholders; • Provide proper internal reporting channel to disclose any improper or unlawful conduct in accordance with the procedures as provided for under this policy; • Address a disclosure in an appropriate and timely manner; • Provide protection for the whistle-blower from reprisal as a direct consequence of making a disclosure and to safeguard such person’s confidentiality; and • Treat both the whistle-blower and the alleged wrongdoer fairly. <p>This Policy shall also similarly apply to all the business associates and members of the public, in the performance of their assignment or conducting the business for or on behalf of the Group.</p> <p>The Whistleblowing Policy is available on Milux’s corporate website at www.milux.com.my.</p> <p><u>Reporting Procedures</u></p> <p>In general, whistle blowers are expected to utilise the appropriate channels provided, prior to making public statements (as a last resort measure).</p> <p>In line with the advent of technology and electronic communications, report(s) can now be made in verbal or in writing/e-mail and forwarded in a sealed envelope to the ARC Chairman labelling with a legend such as “Strictly Confidential – To be opened by the Addressee only”:-</p> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 50%;">Mailing Address</td> <td>Milux Corporation Berhad No.31, Lorong Jala 14/KS10 Off Jalan Telok Gong</td> </tr> </table>	Mailing Address	Milux Corporation Berhad No.31, Lorong Jala 14/KS10 Off Jalan Telok Gong
Mailing Address	Milux Corporation Berhad No.31, Lorong Jala 14/KS10 Off Jalan Telok Gong		

		42000 Port Klang Selangor Darul Ehsan
	Email Address	ph.hbglobal@gmail.com
	<p>For the financial year ended 31 December 2021 and up to the date of this Statement, there was no whistleblowing report being received by the ARC.</p> <p>The Board has on 28 May 2020 adopted an Anti-Bribery and Anti-Corruption Policy for the Group 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.</p> <p>The Anti-Bribery and Corruption Policy is available on Milux's corporate website at www.milux.com.my.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Company has a governance structure in place where the Board being the highest authority is ultimately accountable for managing sustainability matters within the Group. The Company has established a dedicated Sustainability Committee as part of the governance structure, with key function of developing and implementing the Group's sustainability strategy.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognises that sustainability is pertinent for creating long term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations as below:-</p> <ul style="list-style-type: none"> • Internal – Intranet portal, emails, employee engagement, townhall and dialogues, etc; and • External – corporate website, annual report, press releases, social media, events, roadshows, general meetings, quarterly financial announcements, etc. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, through the NRC, assesses the training programmes attended by each Director during the financial year to ensure they are kept abreast of the latest development in the industry, as well as emerging sustainability issues that are relevant to the Group.</p> <p>The Board continuously keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Company and its business through periodical updates by Bursa Securities, Securities Commission Malaysia (“SC”) and the training programmes attended by them respectively.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of sustainability in all its business operation and had included sustainability as one of the criteria in the performance evaluations of board members. The Board Effectiveness Evaluation for the financial year ended 31 December 2021 included assessment on Board's understanding on sustainability issues that are critical to the Company's performance.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director’s performance and contribution to the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC continues to discharge their functions, review and consider refresh the composition of the Board periodically and to review the tenure of each Director and recommend Directors who are retiring by rotation for re-election which clearly stated in the TOR of NRC.</p> <p>The NRC annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company is not classified as "Large Company".</p> <p>The Board consist of ten (10) members comprising three (3) Executive Directors ("EDs") and seven (7) Non-Executive Directors ("NEDs"). Out of the seven (7) NEDs, four (4) of them are INEDs. As such, one third (1/3) of the Board is independent in accordance with Paragraph 15.02 of the Main LR.</p> <p>The Board has in place the ARC and NRC with clear TOR to assist the Board in the deliberations and recommendations as a check and balance. Both the Board Committees could provide their objective oversight functions to support the Board.</p> <p>Notwithstanding the above, the Board views the number of INEDs among Board members as adequate in providing necessary check and balance to the Board's decision-making process.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	As disclosed in the Board Charter, the tenure of an INED shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the INED may continue to serve on the Board subject to his re-designation as NED. In the event the Director was to remain designated as an INED, the Board shall firstly provide justification, upon the recommendation of the NRC and thereafter to obtain the relevant Shareholders' approval. There were no INEDs whose tenure exceeds a cumulative term of nine (9) years in the Company thus far.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the policies and procedures for recruitment and appointment of Directors.</p> <p>The NRC reviews the candidates for appointment as Directors based on the following criteria:-</p> <ul style="list-style-type: none">• Qualifications;• Mix of skills;• Background and character;• Experience;• Integrity and professionalism;• Competence;• Functional knowledge;• Time commitment;• In the case of candidates for the position of INEDs, whether the test of independence under the Main LR of Bursa Securities is satisfied. <p>To review the potential candidates, the NRC also considered the following additional criteria:-</p> <ul style="list-style-type: none">• Prevailing government policies such as gender diversity;• Overall composition of the Board;• Board dynamics;• The combination of skills possessed by existing Directors to ensure the selected candidate would help close any possible gaps in the Board; and• Financial health of the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board uses a variety of sources for the identification of suitable candidates. The Board may rely on recommendations from the existing board members, Management and major shareholders as well as other independent sources.</p> <p>The NRC is responsible for recommending suitable candidates to the Board for its consideration. The NRC is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p> <p>For the financial year ended 31 December 2021 and up to the date of this Statement, Dato' Sri Ir. Ts. Dr. Liew Mun Hon was appointed on 31 December 2021 as an INED to the Board of the Company. Dato' Sri Ir. Ts. Dr. Liew Mun Hon was introduced by the Directors to the NRC.</p> <p>The NRC, followed the nomination process of Director's appointment as set out in the Board Charter, recommended the appointment of the said Director to the Board for approval. Other sources were not used as the NRC was satisfied that Dato' Sri Ir. Ts. Dr. Liew Mun Hon is the suitable candidate after assessment of his qualification, skill, expertise and experience.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report. The performance of the retiring directors is assessed by the NRC and the Board before recommendation is made to the shareholders for consideration. For INED, the NRC also assesses their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company as a whole.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The membership classification of the NRC is set out in its TOR. The TOR of the NRC specifies that the Chairman must be an independent director.</p> <p>The current Chairman of the NRC, Datuk Haw Chin Teck is an INED of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently consists of three (3) female Directors out of ten (10) Board Members which fulfils the recommendation of at least 30% women participation notwithstanding the Company is not classified as “Large Company”.</p> <p>For the financial year ended 31 December 2021 till to the date of this report, the Board currently consists of three (3) female directors who are as follows:-</p> <ul style="list-style-type: none">(a) Datuk Dr. Wong Lai Sum;(b) Ms. Yee Carine; and(c) Ms. Teh Sok Hoon. <p>The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, cultural background, gender and age.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy. The Board shall appoint woman board representation as and when there is vacancy as well as when suitable and qualified candidates are identified.</p> <p>The Board Diversity Policy was adopted on 20 May 2020 and is available on Milux's website at www.milux.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Company is not classified as "Large Company". The Board, through the NRC, conducted internally the following assessments on an annual basis:- (a) Effectiveness of the Board as a whole and the Committees of the Board; (b) Contribution and performance of each individual Director; (c) Contribution and performance of the ARC and each individual ARC member; and (d) Independence of INEDs. The Directors and Board Committees provided anonymous feedback on their peers' performance and individual contribution to the Board and respective Board Committees. The results were then collated by the Company Secretaries and tabled to the NRC for deliberation. Each Director has provided feedback on his contribution to the Board and the Board Committees. The review supported the Board's decision to endorse all retiring Directors standing for re- election. The evaluation report together with the report on the Board's balance (the required mix of skills, experience and other qualities) were circulated to the Board for discussion during the Board Meeting. The results affirmed that the Board and each of its Board Committees continue to operate effectively.
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Presently, the Company does not have a formalised remuneration policies and procedures for Directors and Senior Management.</p> <p>However, the NRC reviews, assesses and recommends to the Board of Directors the remuneration packages of the EDs and Senior Management of the Company after takes into accounts the demands, complexities and performance of the Group as well as skills and experience required.</p> <p>The remuneration of the EDs and Senior Management will be based on the experience, level of responsibilities undertaken by them and performance to be reviewed annually and/or as and when it is required by the NRC, thereafter, to be decided and approved by the Board.</p> <p>The determination of the remuneration of the NEDs shall be matter of the Board as a whole with the Director concerned abstaining from deliberation and voting in respect of his individual remuneration.</p> <p>The Directors' fees and Directors' benefit payable are recommended for shareholders' approval after reviewed by the NRC and the Board of Directors.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.

Timeframe	:	Choose an item.	
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Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC comprises exclusively of INEDs.</p> <p>The Board is satisfied that the NRC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions. As such, there is no need to separate the nomination and remuneration functions into distinct nomination and remuneration committees.</p> <p>A copy of the TOR of the NRC is available in Milux's website at www.milux.com.my.</p> <p>The NRC is governed by its TOR and its principal objectives are:-</p> <ul style="list-style-type: none">(i) 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(ii) to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive and non-executive directors. <p>For the financial year ended 31 December 2021, the NRC has undertaken the following activities:-</p> <ul style="list-style-type: none">(i) Reviewed and recommended to the Board on the proposed remuneration packages of the Executive Vice Chairman, the Group MD and the Executive Director;(ii) Reviewed and recommended to the Board on the amount of the Directors' fees; and(iii) Reviewed and recommended to the Board on the amount of the Directors' benefit payable.

	The Board, as a whole, determines the remuneration of NEDs, with each NED concerned abstaining from any decision with regard to his own remuneration. The Company pays its Directors the fees which shall be tabled to the shareholders for their approval at the AGM.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The detailed disclosure on named basis for the remuneration of individual Directors for the financial year ended 31 December 2021 are disclosed as attached.</p> <p>Remark:-</p> <ul style="list-style-type: none">• Dato' Sri Ir. Ts. Dr. Liew Mun Hon was appointed as an INED of the Company on 31 December 2021.• Datuk Yap Kheng Fah was resigned as an INED of the Company on 31 December 2021.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance (EPF & SOCSO)	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance (EPF & SOCSO)	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Dr. Wong Lai Sum	Independent Director	50,000.00	-	-	-	-	4,750.00	54,750.00	50,000.00	-	-	-	-	4,750.00	54,750.00
2	Datuk Wira Ling Kah Chok	Executive Director	30,000.00	-	-	-	-	3,750.00	33,750.00	30,000.00	-	-	-	-	3,750.00	33,750.00
3	Datuk Khoo Teck Kee	Executive Director	-	58,343.00	336,000.00	46,500.00	8,106.28	96,000.00	544,949.28	-	58,343.00	336,000.00	46,500.00	15,306.28	96,000.00	552,149.28
4	Tan Chee How	Executive Director	-	30,405.00	218,292.00	27,286.00	-	-	275,983.00	-	30,405.00	218,292.00	27,286.00	23,949.96	-	299,932.96
5	Ho Pui Hold	Independent Director	35,000.00	-	-	-	-	7,250.00	42,250.00	35,000.00	-	-	-	-	7,250.00	42,250.00
6	Datuk Haw Chin Teck	Independent Director	35,000.00	-	-	-	-	7,250.00	42,250.00	35,000.00	-	-	-	-	7,250.00	42,250.00
7	Datuk Yap Kheng Fah (Resigned on 31 December 2021)	Independent Director	30,000.00	-	-	-	-	6,250.00	36,250.00	30,000.00	-	-	-	-	6,250.00	36,250.00
8	Gan Boon Lay	Non-Executive Non-Independent Director	30,000.00	-	-	-	-	3,000.00	33,000.00	30,000.00	-	-	-	-	3,000.00	33,000.00
9	Yee Carine	Non-Executive Non-	30,000.00	-	-	-	-	3,750.00	33,750.00	30,000.00	-	-	-	-	3,750.00	33,750.00

		Independent Director														
10	Teh Sok Hoon	Non-Executive Non-Independent Director	30,000.00	-	-	-	-	3,750.00	33,750.00	30,000.00	-	-	-	-	3,750.00	33,750.00
11	Dato' Sri Ir. Ts. Dr. Liew Mun Hon (Appointed on 31 December 2021)	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure						
Explanation on application of the practice	:							
Explanation for departure	:	<p>The Company had disclosed the remuneration for the top two (2) key Senior Management (excluding the Executive Vice Chairman, Group MD and the ED of the Company) during the financial year ended 31 December 2021 below but not on named basis due to confidentiality and sensitivity of each remuneration package:-</p> <table border="1" data-bbox="555 1084 1407 1276"> <thead> <tr> <th>Remuneration Range (RM)</th> <th>Top Two Senior Management</th> </tr> </thead> <tbody> <tr> <td>300,001 – 350,000</td> <td>1</td> </tr> <tr> <td>150,001 - 200,000</td> <td>1</td> </tr> </tbody> </table> <p>The Board ensures that the remuneration of Senior Management is fair and commensurate with the performance of the Group and the contributions made by the Senior Management, but at the same time it is able to attract, retain and motivate the Senior Management to excel in their respective roles.</p>	Remuneration Range (RM)	Top Two Senior Management	300,001 – 350,000	1	150,001 - 200,000	1
Remuneration Range (RM)	Top Two Senior Management							
300,001 – 350,000	1							
150,001 - 200,000	1							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>								
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.						
Timeframe	:	Choose an item.						

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARC comprises of three (3) members, which consist of all INEDs.</p> <p>The Chairman of the ARC is Mr. Ho Pui Hold, an INED of the Company and he 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).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.
The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The TOR of the ARC has been updated accordingly to formalise the Company’s policy that requires a former key audit partner as a member of Audit Committee shall observe a cooling-off period of at least three (3) years before being appointed as a member of Audit Committee.</p> <p>None of the members of the Board were former key audit partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on their appointment, re-appointment, resignation or dismissal of the external auditor.</p> <p>Under the TOR, the ARC also monitors the independence and qualification of the Company's external auditors.</p> <p>The ARC conducted an annual assessment of the performance, suitability and independence of the external auditors, CAS Malaysia PLT for the financial year ended 31 December 2021. The ARC was satisfied with the performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>CAS Malaysia PLT had also indicated to the ARC that they had been independent throughout the audit engagement in respect of the financial year under review.</p> <p>Having considered all the above criteria, the Board had upon recommendation by the ARC, approved the recommendation for the re-appointment of CAS Malaysia PLT as External Auditors of the Company for the ensuing year for the shareholders' approval at the forthcoming AGM.</p> <p>The ARC had adopted the Policy on the Provision of Non-Audit Services by External Auditors and Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARC comprises solely of three (3) INEDs as disclosed in the ARC Report set out in the Annual Report 2021.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	<p>The members of the ARC collectively have the necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, finance, business acumen and analytical, and marketing and sales skills.</p> <p>Based on the outcome of the performance assessment on the ARC by the NRC, both the NRC and the Board are satisfied with the performance of the ARC.</p> <p>All the members of the ARC received ongoing trainings and development as detailed in Practice 2.1 of this Corporate Governance Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.</p> <p>The ARC also oversees the risk management and internal control framework of the Company.</p> <p>The Statement on Risk Management and Internal Control set out in the Annual Report 2021 provides an overview of the internal control within the Group for the financial year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The Board via the ARC oversees the risk management of the Group. The ARC, with the assistance of the Management, reviews and recommends for the Board's approval matters related to risk management within the Group. The ARC also assesses the risk tolerance of the Group in order to safeguard the interest of its shareholders. The Statement on Risk Management and Internal Control set out in the Annual Report 2021 provides an overview of the internal control within the Group during the financial year under review.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has appointed an internal audit service provider to carry out the internal audit function, namely PKF Risk Management Sdn. Bhd. The outsourced Internal Auditors report directly to the ARC, 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 ARC, assurance of the effectiveness of the system of internal control in the Group.</p> <p>The Internal Audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>During the Internal Auditors course of audit, PKF Risk Management Sdn. Bhd. has reviewed compliance with 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.</p> <p>The internal audits performed met the objective by highlighting to the ARC the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken. The ARC ensures 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.</p> <p>The ARC had conducted an Internal Audit Assessment annually 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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent consulting firm, PKF Risk Management Sdn Bhd. The team from PKF Risk Management Sdn. Bhd. is led by Dato’ Josephine Low, the Director of Risk and Governance Advisory. She is a Certified Internal Auditor, Certified Information System Auditor and Certified Fraud Examiner with accumulated over twenty (20) years of experience in a wide range of governance advisory, risk and internal audit work.</p> <p>The internal audit function consists of seven (7) professional internal auditors. None of the internal auditors is in any relationships or conflicts of interest with the Company.</p> <p>The internal auditor reports directly to the ARC and the review is carried out in accordance with the International Professional Practices Framework of Internal Auditing.</p> <p>The internal audit function is governed by an Internal Audit Charter that was approved by the Board. The Internal Audit Charter is adopted to formalise the remit of the internal audit function and the process to review the adequacy of scope, functions, competency and resources of the internal audit function.</p> <p>A copy of the Internal Audit Charter is available for viewing on the Company’s corporate website at www.milux.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Shareholders' Communication Policy in order to provide guidance as well as ensuring a consistent approach towards the Company's communication with the shareholders.</p> <p>The Company has also established a Corporate Disclosure Policy to ensure informative, timely and accurate disclosure of material information concerning the Company to the public.</p> <p>In addition, the Board has also ensure a dedicated chapter governing the Board-Shareholders relationship be included in the Board Charter, thereby formalising the Board's commitment to serving the best interest of the Shareholders.</p> <p>The Company communicates regularly with shareholders and investors through annual reports, quarterly financial reports and various announcements made via Bursa LINK as the Board acknowledges the importance of accurate and timely dissemination of information to its shareholders, potential investors and the public in general. Shareholders and Investors can obtain the Company's latest announcements in the dedicated website of Bursa Securities at www.bursamalaysia.com.</p> <p>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 set out in the notice.</p> <p>The Company's corporate website 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.</p> <p>The Company's corporate website is accessible at www.milux.com.my.</p>

	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.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company despatches the notice of its AGM together with the Annual Report at least 28 days before the AGM to give sufficient time to shareholders to make the necessary arrangements to participate in person or through corporate representatives, proxies or attorneys and to let the shareholders to consider the resolutions that will be tabled at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, is also published in a nationally circulated newspaper as well as announced to Bursa Securities.</p> <p>The notes to the Notice of AGM also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>At the Extraordinary General Meeting (“EGM”) and the Twenty-Sixth AGM held on 8 March 2021 and 22 September 2021 respectively, save for Ms. Yee Carine who absent at the EGM held on 8 March 2021 due to personal commitment, all Directors attended in both Meetings.</p> <p>In accordance with the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the EGM were conducted fully virtual via live streaming webcast where all the Directors participated the EGM remotely from their respective locations while the Twenty-Sixth AGM was conducted virtually via live streaming webcast with a broadcast venue where few of the Directors with the essential individuals physically present at the broadcast venue and the rest of the Directors were participated remotely from their respectively locations.</p> <p>The Chairman of the ARC and NRC participated remotely for both Meetings to address any questions from shareholders in respect of matters that fall under the purview of the Board Committees.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The EGM and the Twenty-Sixth AGM of the Company were held via live streaming webcast and online remote voting using the remote participation and voting (“RPV”) facilities, provided by SS E Solutions Sdn. Bhd. via its Securities Services e-Portal (“SSeP”) at https://sshb.net.my/, without physical attendance by shareholders, proxy and corporate representatives in view of the Covid-19 pandemic and in compliance with the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>By utilising the RPV facilities via SSeP, shareholders were able to remotely participate, speak (by way of posing questions to the Board via real time submission of typed texts) and cast their votes at the EGM and the Twenty-Sixth AGM of the Company through the SSeP.</p> <p>The voting at the EGM and the Twenty-Sixth AGM were conducted by way of poll in accordance with Paragraph 8.29A of the Main LR of Bursa Securities. The Company had appointed SS E Solutions Sdn. Bhd. as Poll Administrator to conduct the electronic polling process and Commercial Quest Sdn. Bhd. as Independent Scrutineers to verify the results of the poll voting.</p> <p>The poll voting results were tabled to the shareholders after the same has been verified by the appointed Independent Scrutineer. Poll voting results are announced on the same day through BursaLINK services.</p> <p>In light of the Covid-19 pandemic, the Company will continue to conduct virtual general meetings through live streaming webcast and using RPV 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 attended the AGM via RPV facilities could also submit their questions during the Meetings for the Boards to respond.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The EGM held on 8 March 2021 was a fully virtual meeting while and the Twenty-Sixth AGM held on 22 September 2021 was a virtual meeting.</p> <p>The shareholders were allowed to submit their questions electronically through the online platform provided by SS E Solutions Sdn. Bhd. via SSeP at https://sshsb.net.my/ prior to Meetings, or used the query box to transmit questions to the Board of Directors via RPV facilities during live streaming of the Meetings.</p> <p>The Chairman of the Meetings had also informed the shareholders during the live streaming of the Meetings that they could submit their questions and comments to the Board during the Meetings via the RPV facilities; and the answers to all the questions were addressed accordingly before the commencement of the poll voting.</p> <p>Shareholders were given sufficient opportunity to pose their questions before and during the Meetings. The Company had ensured that all the questions were answered.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>In view of the Covid-19 pandemic, the EGM and the Twenty-Sixth AGM were held virtually.</p> <p>The RPV facilities hosted on SSeP at https://sshshb.net.my/ provided by SS E Solutions Sdn. Bhd. allowed shareholders to pose questions to the Board and the Chairman of the Meetings via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of the Meetings and up to the time when the Meeting were in progress.</p> <p>At the “Questions and Answers” session in the agenda of the Meetings, the SSeP platform had the facilities to live broadcast the questions/remarks and answers, and the shareholders had experienced real time interaction with the Board during the Meetings.</p> <p>The questions and answers were subsequently posted on the Company’s corporate website.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The summary of key matters discussed at the Twenty-Sixth AGM which summarised the agenda items, questions raised together with the answers and the decisions reached was uploaded onto the Company's corporate website at https://milux.com.my/investor-relations/key-matters-of-agm/ .
		The Company will upload the minutes of the Twenty-Seventh AGM within thirty (30) business days onto the Company's corporate website after the said AGM.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company will upload all the minutes of the general meetings within thirty (30) business days onto the Company's corporate website, moving forward.
Timeframe	:	Within 1 year

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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