MILUX®

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MILUX CORPORATION BERHAD

[Registration No. 199401027937 (313619-W)]

ANNUAL REPORT 2022

CONTENTS

NOTICE OF TWENTY-EIGHTH
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting ("AGM" or "Meeting") of Milux Corporation Berhad ("Milux" or "Company") will be conducted on a virtual basis through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur and via TIIH Online website at https://tiih.online on Friday, 23 June 2023 at 2.30 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon.

2. To approve the payment of Directors' fees amounting to RM292,950.00 for the period from 1 July 2023 to 30 June 2024. *Resolution 1*

3. To approve the payment of benefits payable to the Directors up to an amount of RM90,000.00 from 1 July 2023 to 30 June 2024. *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:-

   (i) Gan Boon Lay; *Resolution 3*
   (ii) Yee Carine; and *Resolution 4*
   (iii) Teh Sok Hoon. *Resolution 5*

5. To re-appoint Messrs CAS Malaysia PLT as the Company's Auditors and to authorise the Directors to fix their remuneration. *Resolution 6*

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:

6. **ORDINARY RESOLUTION** *Resolution 7*
   AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if applicable), the Directors be and are hereby empowered to issue and allot new shares in the Company at any time, to such person or persons at such price, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue.

   THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

   AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

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

7. **ORDINARY RESOLUTION**
   PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF RRPT MANDATE") *Resolution 8*

   "THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details as set out in Section 2.6 of the Circular to Shareholders dated 28 April 2023 with the specified classes of related parties mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

   THAT the approval shall continue to be in force until:

   (i) the conclusion of the next AGM of the Company 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 AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

   (iii) revoked or varied by a resolution passed by the shareholders in a general meeting;

   whichever is the earlier;

   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 or in the interests of the Company to give effect to the Proposed Renewal of RRPT Mandate."

8. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

YEOH CHONG KEAT
SSM PC NO. 201908004096
MIA 2736

LIM FEI CHIA
SSM PC NO. 202008000515
MAICSA 7036158

Company Secretaries
Kuala Lumpur

28 April 2023

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

NOTES:

1. **General Meeting Record of Depositors**
   In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2023 shall be eligible to attend, speak and vote at the AGM.

2. **Broadcast Venue**
   (a) The AGM will be conducted on a virtual basis through live streaming from the Broadcast Venue and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via TIIH Online website at https://tiih.online ("TIIH Online"). Please follow the procedures stated in the Administrative Guide for the 28th AGM in order to register, participate and vote remotely via the RPV facilities.
   (b) The Broadcast Venue, which is the main venue of the AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the Broadcast Venue. No shareholders/proxy(ies) from the public should be physically present at the Broadcast Venue.

3. **Appointment of Proxy**
   (a) A member entitled to attend, speak and vote at the AGM is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints two (2) proxies, the member shall specify the proportions of his/her shareholdings to be represented by each proxy failing which, the appointment shall be invalid.
   (b) A proxy may but need not be a member of the Company. 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 attend, participate, speak and vote at the Meeting.
   (c) Where a member 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.
   (d) The instrument appointing a proxy shall be in writing under the hands of member or of his attorney duly authorised in writing or, if the member is a corporation, under its common seal or the hand of its officer or attorney duly authorised.

4. **Lodgement of Form of Proxy**
   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 or submitted not less than 48 hours before the time appointed for holding the Meeting or adjournment thereof, either in hardcopy or by electronic means:

   (a) In hardcopy form
   The proxy form shall be deposited at the office of Tricor, the Poll Administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (b) By electronic means
   The proxy form can be submitted electronically via TIIH Online website at https://tiih.online. Please follow the procedures stated in the Administrative Guide for the 28th AGM for further details on electronic submission of proxy form.

5. **Voting by poll**
   Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at the AGM shall be put to vote by way of poll.

6. **Audited Financial Statements for the financial year ended 31 December 2022**
   The Audited Financial Statements for the financial year ended 31 December 2022 are laid in accordance with Section 340(1)(a) of the Act for discussion only and do not require shareholders' approval. As such, this item will not be put for voting.

7. **Directors' Fees and Benefits (Resolutions 1 and 2)**
   Pursuant to Section 230(1) of the Act, 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. The proposed Directors' fees and benefits for the period from 1 July 2023 to 30 June 2024 takes into account the current size of the Board and the estimated number of Board and Board Committees' meetings to be held during the period.

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

8. Re-election of Directors (Resolutions 3 to 5)

Mr. Gan Boon Lay, Ms. Yee Carine and Ms. Teh Sok Hoon are retiring pursuant to Clause 117 of the Company's Constitution and being eligible, have offered themselves for re-election at the AGM.

The Board had through the Nomination and Remuneration Committee ("NRC") carried out fit and proper assessment on the retiring Directors and agreed that they met the criteria as set out in the Directors' Fit and Proper Policy on character and integrity, experience and competence, time and commitment to effectively discharge their role as Directors. The NRC had also noted the Director Self and Peer Performance Evaluation conducted encompassing fit and proper assessment on the Directors of the Company and are satisfied that the Directors including the retiring Directors have effectively discharge their role as Directors of the Company.

9. Re-appointment of Auditors (Resolution 6)

The Board had through the Audit and Risk Committee ("ARC") performed an annual evaluation on the performance, independence and objectivity of the External Auditors, Messrs. CAS Malaysia PLT. The Board is satisfied with the service and performance of the External Auditors for the financial year ended 31 December 2022 and recommends to the shareholders for approval the re-appointment of Messrs. CAS Malaysia PLT at the AGM.

10. Authority for the Directors to issue shares (Resolution 7)

This resolution, if passed, will renew the authority given to and empower the Directors of the Company to issue and allot new shares in the Company at any time to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to the General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

The Company did not issue any new shares pursuant to the mandate obtained at the last annual general meeting of the Company hence no proceeds were raised.

With the General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investments projects, working capital and/or corporate proposals including placement of shares without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

11. Proposed Renewal of RRPT Mandate (Resolution 8)

This resolution, if passed, will renew the authority given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group, with details set out in Sections 2.6 of the Circular to Shareholders dated 28 April 2023. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next annual general meeting of the Company.

12. Personal Data Privacy

By providing to the Company and/or its agents the personal data which may include the name, contact details and mailing address, the member of the Company hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to the member for the purposes of convening the Meeting (including any adjournment thereof), including but not limited to preparation and compilation of documents and other matters, whether or not supplied by the member. The member further confirms to have obtained the consent, agreement and authorisation of all persons whose personal data the member have disclosed and/ or processed in connection with the foregoing.

STATEMENT ACCOMPANYING NOTICE OF THE 28TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

No individual is standing for election as Director at the 28th AGM of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S CORE BUSINESS

Milux Corporation Berhad ("Milux" or the "Company"), through its wholly owned subsidiaries ("Group"), is principally engaged in the trading of gas and electrical home appliances in financial year ended 31 December 2022 ("FYE 2022").

The Group's trading activities encompasses three (3) main operations as follows:

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

During the year, in addition to our Headquarters cum warehouse in Port Klang (Selangor), our operations were also carried out at four (4) sales and service centers located in Butterworth (Penang), Ipoh (Perak), Malacca and Johor Bahru (Johor).

Our Group's vision is to be a market leader in the home appliances business involving the distribution of gas and electrical home 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 FYE 2022

Trading operation

The Group's Trading operation is involved in the distribution of gas and electrical home appliances to the local market under the MILUX brand, and to a limited extend, EURO UNO brand. This operation contributed 94.0% of the Group's revenue in FYE 2022. Among the gas home appliances 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 electrical home appliances include amongst others electric oven, blender, multi cooker, food steamer, stand mixer, induction cooker, food processor, rice cooker, jug kettle, vacuum cleaner, hair dryer, air cooler, electric iron, washing machine and chest freezer. This operation also carries a range of fans which include ceiling fan, table fan, stand fan, wall fan, floor fan, industrial fan, exhaust and ventilation fan. During the year, seven (7) new home appliances were launched under the EURO UNO brand while forty (41) new refreshed and upgraded MILUX models were introduced to the market.

For FYE 2022, gas appliances contributed 47% (2021– 45%) to this operation's revenue while electrical appliances contributed 31% (2021 - 36%) with electric fans contributing the balance of 22% (2021 - 19%).

This operation got off to a good start in the first half of FYE 2022 with revenue surpassing that of the same period last year ("FYE 2021") by 15.8%. This was due to the reopening of the economy with the lifting of pandemic-related restrictions and policy support by the Government via the Bantuan Keluarga Malaysia ("BKM") scheme and withdrawal from the Employees Provident Fund ("EPF"). This provided a much-needed lift to consumer spending. However, sales began to decelerate in the second half of FYE 2022 when selling prices were adjusted upwards due to increasing cost pressure arising from higher supplier prices and the weakening of the Ringgit Malaysia ("RM") against the United States Dollar ("USD") which was further exacerbated by consumers having to face the interest rate upcycle. This has dampened consumer spending on discretionary goods.

For FYE 2022, this operation registered revenue of RM55.68 million, a marginal 0.2% contraction from that of FYE 2021. It incurred a loss before tax ("LBT") of RM1.77 million in FYE 2022 compared to profit before tax ("PBT") of RM3.02 million in FYE 2021 due to lower gross profit margin ("GPM") which was 6.0 percentage points lower than that of FYE 2021 and increasing operating costs. This operation was not able to fully passed through the cost increases to its customers due to softening consumer demand and stiff competition.

OEM trading operation

For FYE 2022, the OEM trading operation contributed RM3.49 million revenue to the Group compared to RM6.30 million in FYE 2021. This 44.6% year-on-year ("Y-o-Y") revenue decreased was attributed to zero revenue contribution from manufacturing operation which has ceased operation. In FYE 2021, the manufacturing operation contributed revenue of RM4.86 million in the first quarter.

OVERVIEW OF THE GROUP'S BUSINESS IN FYE 2022 (CONT'D)

OEM trading operation (cont'd)

This OEM trading operation registered a PBT of RM6.75 million for the FYE 2022 compared to PBT of RM4.26 million in FYE 2021. The higher PBT despite a contraction in revenue was due to the gain recognized on completion of the disposal of the land and building that housed the manufacturing facility previously.

E-commerce operation

The Group's E-commerce operation registered revenue of RM0.15 million for FYE 2022. For FYE 2021, it registered revenue of RM0.04 million for the initial two (2) months of operation. This operation which commenced business in November 2021 is to supplement the Group's existing online business undertaken by its trading operation via our official website www.milux.com.my which markets MILUX brand of gas and electrical home appliances.

This operation's focus is in the marketing of home appliances under the "Euro Uno" brand. For FYE 2022, it recorded a LBT of RM0.15 million compared to a LBT of RM0.016 million for the two (2) months of operation in FYE 2021 due mainly to advertising and promotion expenses.

Others

This segment consists of the Company, an investment holding company providing management services to its subsidiaries and companies in the Group with no operating revenue during the FYE 2022 and classified as dormant. This segment incurred a LBT of RM1.31 million for FYE 2022 compared to a LBT of RM1.23 million in FYE 2021 due to higher operating costs.

REVIEW OF FINANCIAL RESULTS

The year under review was a challenging year for the Group. The Russia-Ukraine war that started in the first quarter of the FYE 2022 had disastrous impacts on the global economy with escalating food and commodity prices that led to global inflationary pressures. Central banks around the world raced to increase interest rate to tame inflation. Locally, Bank Negara Malaysia ("BNM") raised the Overnight Policy Rate ("OPR") by four (4) consecutive 25bps hikes from May 2022 to November 2022 to 2.75 percent to keep inflation in check as well as to curb the depreciation of RM. With escalating cost of living and borrowing costs, consumer spending on discretionary goods was dampened.

Revenue

Amidst the above backdrop, the Group recorded a revenue of RM59.32 million, a decrease of RM2.80 million or 4.5% compared to revenue of RM62.12 million (Restated) for FYE 2021. The decrease was attributed to lower contribution from the OEM trading operation due to zero contribution from manufacturing operation. For FYE 2021, the manufacturing operation contributed revenue of RM4.86 million in the first quarter before the complete cessation of the manufacturing operation. Meanwhile the Trading operation's revenue contracted by a marginal 0.2% or RM0.09 million during the year compared to FYE 2021.

Gross profit and gross profit margin

Gross profit ("GP") for FYE 2022 at RM14.75 million was 17.7% lower than the RM17.92 million (Restated) recorded in FYE 2021. This was attributed to a 4.0 percentage points contraction in gross profit margin ("GPM") amidst rising product and ocean freight costs. The Group's product costs were hit by higher Supplier prices and the persistent strengthening of the USD against the RM which started in the second quarter of 2022 (2Q2022) before tapering off in the fourth quarter of 2022 (4Q2022).

Profit before taxation

Profit before taxation ("PBT") for FYE 2022 was RM3.51 million or 39.1% lower than the PBT of RM5.76 million in FYE 2021 despite higher other income from the gain on disposal of assets. This was due to lower revenue and lower gross profit margin in particular, for the Trading operation and higher operating costs.

Other operating income

Other operating income increased from RM4.97 million in FYE 2021 to RM8.55 million in FYE 2022. This was due to the gain realized on disposal of assets amounting to RM7.69 million and dividend income received of RM0.12 million. For FYE 2021, the Group recorded gain on disposal of assets amounting to RM3.88 million. Both the disposals in FYE 2021 and FYE 2022 were part of the Group's turnaround plan.

Management Discussion and Analysis (cont'd)

REVIEW OF FINANCIAL RESULTS (CONT'D)

Selling and distribution expenses

Selling and distribution expenses amounted to RM5.80 million compared to RM4.86 million (Restated) in FYE 2021, an increase of RM0.94 million or 19.3%. The increase was due to higher distribution costs, travelling expenses with the reopening of the economy and accrual of sales incentives to dealers.

Administrative expenses

Administration expenses which consisted mainly of staff compensation, office administration and operational expenses increased by RM1.50 million or 13.4% to RM12.73 million for FYE 2022 from RM11.23 million for FYE 2021. The higher administrative expenses were due to higher human resource related costs, other recurring operating expenses and one-off expenses incurred for the disposal of non-current assets during the year.

Other operating expenses

Other operating expenses decreased by RM0.04 million or 5.5% to RM0.69 million from RM0.73 million in FYE 2021. The lower other operating expenses was due to lower provision for warranty and absence of impairment of goodwill but was negated by higher forex losses.

Finance costs

Finance costs increased by RM0.26 million or 83.9% to RM0.57 million from RM0.31 million in FYE 2021. The increase was due to higher interest incurred on acquisition of right-of-use assets and higher bankers' acceptance commission and overdraft interest due to increase in OPR by BNM over the year.

Profit after taxation

Profit after taxation ("PAT") for FYE 2022 was RM3.12 million compared to a PAT of RM5.53 million in FYE 2021. Taxation at RM0.39 million for FYE 2022 was RM0.15 million higher than that for FYE 2021 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 FYE 2022, the Group have current assets of RM57.48 million with a working capital ratio of 3.33 times. This was an improvement from the 2.86 times as at end FYE 2021. 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 FYE 2022 increased to RM20.86 million from RM14.34 million as at end of FYE 2021. The increase in cash position was due to the disposal of property during the year. Other significant components of working capital include inventories and trade receivables which amounted to RM22.71 million and RM12.01 million as at end of FYE 2022 compared to RM21.18 million and RM15.37 million respectively as at end of FYE 2021.

The Group has long-term borrowings in the form of lease liabilities of RM2.13 million as at end of FYE 2022 compared to RM1.47 million in FYE 2021. The increase was due to the renewal of right-of-use asset contracts. Short-term bank borrowings and lease liabilities amounted to RM3.94 million and RM0.90 million compared to RM3.98 million and RM0.51 million respectively in FYE 2021.

GEARING RATIO

The gearing ratio (total borrowing/equity) is at 0.15 times as at end of FYE 2022 compared to 0.14 times as at end of FYE 2021. The slightly higher gearing ratio was due to the increase in lease liabilities arising from the renewal of right-of-use asset contracts during the year and which was compensated by an increase in equity of 7.0% or RM2.99 million.

CAPITAL INVESTMENT

There were no major capital investments incurred during FYE 2022.

Management Discussion and Analysis (cont'd)

CORPORATE DEVELOPMENT

During FYE 2021, T.H. Hin Home Tech Sdn. Bhd. ("Home Tech"), a wholly-owned subsidiary of the Company has entered into a conditional sale and purchase agreement ("SPA") to dispose a piece of land located at Mukim 01, Seberang Perai Tengah, Pulau Pinang and building erected thereon. This disposal was completed during FYE 2022.

There was no 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 due to the current uncertain and volatile economic environment.

OUTLOOK AND PROSPECTS IN YEAR 2023

The World Bank ("Bank") sees growth in Malaysia moderating in Year 2023 after the strong rebound seen in Year 2022. In its Global Economic Prospects report released on 10th January 2023, the Bank said that Malaysia's growth for Year 2023 is projected at 4%.

Although Malaysia's Gross Domestic Product ("GDP") grew by 8.7% in Year 2022, it needs to be viewed alongside quarterly declines of 3.8%, 3.5%, 1.9% and negative 2.6% in 4Q2022 based on data from the Department of Statistics, Malaysia. It is noted that GDP growth has slowed down to 7.0% year-on-year in the 4Q2022, from 14.2% in the previous quarter, and the slowdown is broad-based. Going forward it is likely that the pace of economic expansion will moderate significantly as credit conditions tighten further and as cost of living continue to rise.

The Trading operation whose revenue is generated from domestic sales will face another challenging year in 2023. Consumer sentiment is seen to remain subdued. With the current high cost of living and as inflation, though have ease somewhat after peaking in 2022, is expected to remain high, consumer purchasing power will be affected. As gas and electrical home appliances are discretionary items in the eyes of consumers, purchases will be more towards replacement purchases rather than upgrade purchases.

Under these circumstances, this operation will take the opportunity to work closely with its business partners to improve its product range through product innovation and to create product differentiation. With this we hope to introduce new models and products that can excite the market and meet market needs amidst the highly competitive environment in this sector. It will continue to serve its existing customers by maintaining a high standard of quality for its products complemented by efficient after sales service.

The OEM trading operation 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 E-Commerce platform which commenced operation in late 2021 contributed 0.25% to the Group revenue in FYE 2022. Nevertheless, the Group will continue to invest in this platform with the aim of capturing new opportunities in the digital customer segment especially among the younger population. Using social media as a marketing tool to market our products, we hope to improve brand awareness among our existing and potential retail consumers.

Though face with a challenging environment, the Group will remain steadfast in pursuing top and bottom-line growth to ensure resilience of its business and operations. The Group will remain prudent in managing its cash flow to ensure that its financial health will remain robust. Despite an expected challenging environment for FYE 2023, the Group has strong fundamentals to see it through this uncertain period.

RISK FACTORS

Business risk

Looking forward, the Group's operations are exposed to various business risks caused by the impact arising from the ongoing geopolitical conflict and the continuing Russian-Ukraine war. Escalating interest rate, rising cost of living and the possible resumption of RM depreciation vis-à-vis the USD will have an impact on the Group's performance as consumer spending will be dampened further. 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 the operation as a big portion of its appliances are imported and paid for in USD. The Group will mitigate this risk through hedging activities as and when deemed necessary.

Credit risk

The Group's trade receivables as at end of FYE 2022 stood at RM12.01 million compared to RM15.36 million as at end of FYE 2021. The average trade receivables turnover days for FYE 2022 was 83 days compared to 102 days for FYE 2021. 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 rates risk arising from changes in market interest rate 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

In view of the current market challenges, the Board is mindful of the need to conserve cash for future projects and growth to ensure the Group's sustainability.

The Board has not recommended dividend payment for FYE 2022 and has not establish a dividend payout policy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Gan Boon Lay
Non-Independent Non-Executive Director

Yee Carine
Non-Independent Non-Executive Director

Teh Sok Hoon
Non-Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Ho Pui Hold - Chairman
Independent Non-Executive Director

Datuk Haw Chin Teck - Member
Independent Non-Executive Director

Dato' Sri Ir. Ts. Dr. Liew Mun Hon - Member
Independent Non-Executive Director

COMPANY SECRETARIES

Yeoh Chong Keat
(MIA 2736) (SSM PC No.201908004096)

Lim Fei Chia
(MAICSA 7036158) (SSM PC No.202008000515)

REGISTERED OFFICE

Lot 5, Level 10, Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur, Wilayah Persekutuan
Tel : 03 – 2031 1988
Fax : 03 – 2031 9788

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
[201606003206 (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 of Bursa Malaysia Securities Berhad

Sector: Consumer Products & Services
Stock Code: 7935
Stock Name: Milux

CORPORATE WEBSITE

www.milux.com.my

CORPORATE STRUCTURE

MILUX®
QUALITY • SAFETY • RELIABILITY

MILUX CORPORATION BERHAD

Subsidiaries of Milux Corporation Berhad

100% **T.H. Hin Sdn. Bhd.**
Dealer in gas cookers, electrical household appliances and their related products (Inactive)

100% **T.H. Hin Home Tech Sdn. Bhd.**
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% **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% **Pansprint Consolidated Sdn. Bhd.**
Construction of buildings (Inactive)

100% **Milux GreenTech Resources Sdn. Bhd.**
Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantation and crop activities (Inactive)

100% **T5 Digital Sdn. Bhd.**
Carry out the business of retail sale and all kind of products over the internet

SUSTAINABILITY STATEMENT

BOARD STATEMENT & ASSURANCE

Dear Shareholders,

The Board is pleased to present Milux Corporation Berhad ("Milux")'s 2022 Sustainability Statement. With almost 40 years of experience behind us, Milux and its subsidiaries ("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.

After battling with the pandemic for two years, nations are transitioning towards endemicity as vaccination became more widely adopted. Malaysia began its own transition phase in April 2022, where restrictions are lifted and economic activities resumed in earnest. Despite this, the Group remains vigilant in adhering to all Covid-19 Standard Operating Procedures ("SOPs") and ensuring compliance. With the high vaccination rate and easing of containment measures, the Group's operations have remained stable, allowing business activities to continue as usual. The Group is prepared to confront any challenges that may arise with agility and resilience.

Meanwhile, the ongoing Russia-Ukraine war has had a ripple effect throughout the global supply chain, causing significant disruptions to businesses and consumers alike. The surge in commodity prices, particularly in the Brent crude market where prices have exceeded US$120 per barrel and remained volatile, has resulted in a significant increase in fuel costs. As a result, freight costs for imports have come under pressure, and inflationary pressures have been felt across many markets worldwide, affecting the prices of goods and services alike. Considering these challenges, the board believes that a good governance structure together with effective business continuity management is imperative to the Group's ability to achieve a more sustainable and prosperous 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 assume 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

To support the development and well-being of children with disabilities and promote social equity and inclusion by ensuring access to essential resources and opportunities, the Group has made a cash donation to the Handicapped and Disabled Children's Association of Klang, Selangor.

To foster a more resilient and sustainable community that is better prepared to cope with natural disasters and environmental changes, the Group has provided support for the opening of a new Balai Bomba at Port Klang, Selangor. This initiative aims to enhance the safety and well-being of the local community by improving their access to emergency services.

The Group has also placed priority to safeguard the well-being of our customers (both dealers and end users), employees and other business associates whom we are in close contact with.

The Group believe that investing in our employees is critical to our long-term success. As part of this commitment, we have provided training opportunities for both employees and contract workers to enhance their skills and knowledge in various areas.

The Group is committed to minimize our environmental footprint by reducing waste across our operations. To this end, we have ceased our manufacturing operation which have allowed us to eliminate scheduled waste. By doing so, we can reduce the amount of material waste generated and promote more efficient resource use.

We strive to integrate sustainability and business continuity into our operations. 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 REPORT

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

Period and Reporting Scope

The reporting period aligns with our financial year from 1st January 2022 to 31st December 2022 and focuses on the activities of our Trading and OEM trading operation involved in the distribution of gas and electrical home appliances which together contributed 100% of the Group's revenue in the financial year ended 31 December 2022 ("FYE 2022").

Reporting Framework

The Group prepared its Sustainability Statement in accordance with the 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 has adopted Sustainable Development Goals ("SDGs") as part of the report as well.

DEFINING OUR SUSTAINABILITY STRATEGY

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

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

MARKETPLACE
Implementing sustainability through product quality and safety

ENVIRONMENT
Improving our environment by utilising greener alternatives.

WORKPLACE
Creating a safe and supportive working environment.

COMMUNITY
Contributing to local community development

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 environment 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 global best 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.

In financial year 2021 ("FYE 2021"), the Group has ceased all manufacturing activities in line with its rationalisation plan to put the Group in a stronger financial footing. Thus, commencing from FYE 2021 reporting, the manufactured capital was revised to Intellectual capital as per below:

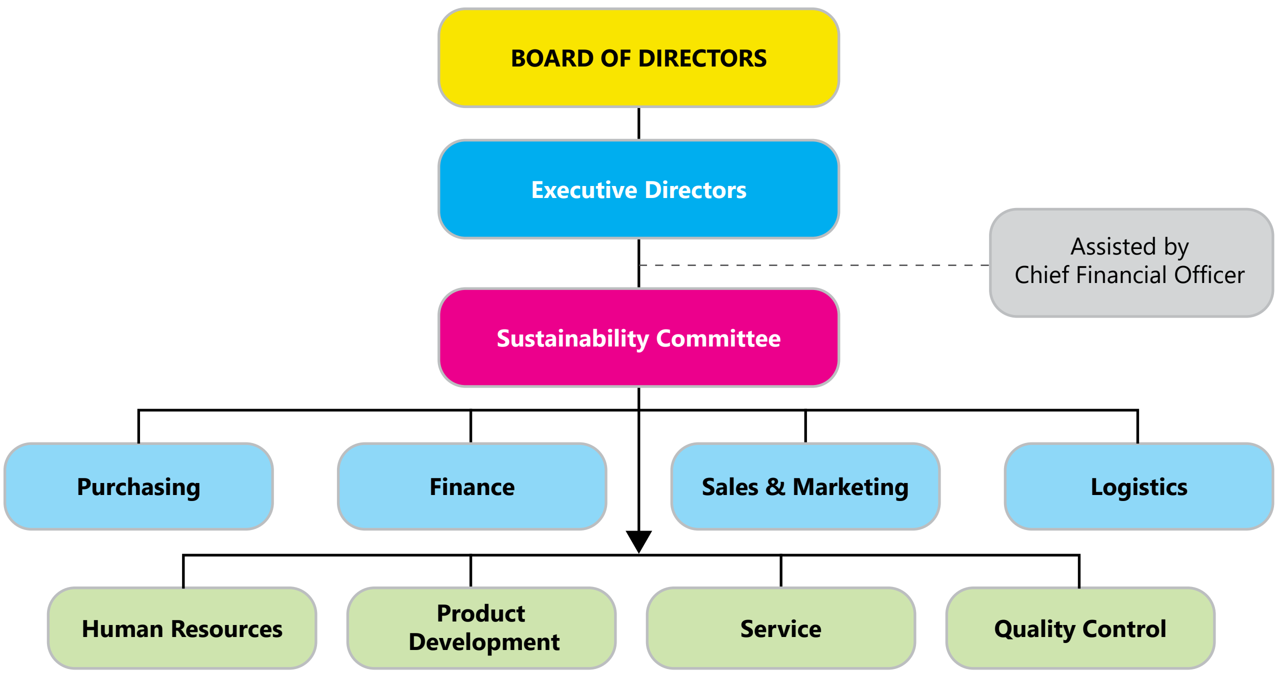
Sustainability Statement (cont'd)

Financial	Intellectual	Organisational
Funds available to firm from operations and financing	Trade Mark, Patent, R&D, 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 had formed a two-tier governance structure whereby the Executive Director, assisted by the Chief Financial Officer, reports directly to the Group Managing Director who in turn reports to the Board of Directors. The Board of Directors leads the structure in determining the sustainability journey and overseeing the execution of sustainability within the Group.

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

There is no significant change during the 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 (Ad hoc) - Social media (Facebook, Instagram, Tik Tok 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)
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 the logistic team during the delivery process to ensure prompt delivery (daily update of delivery details for outstation customers to sales personnel to communicate to dealers)

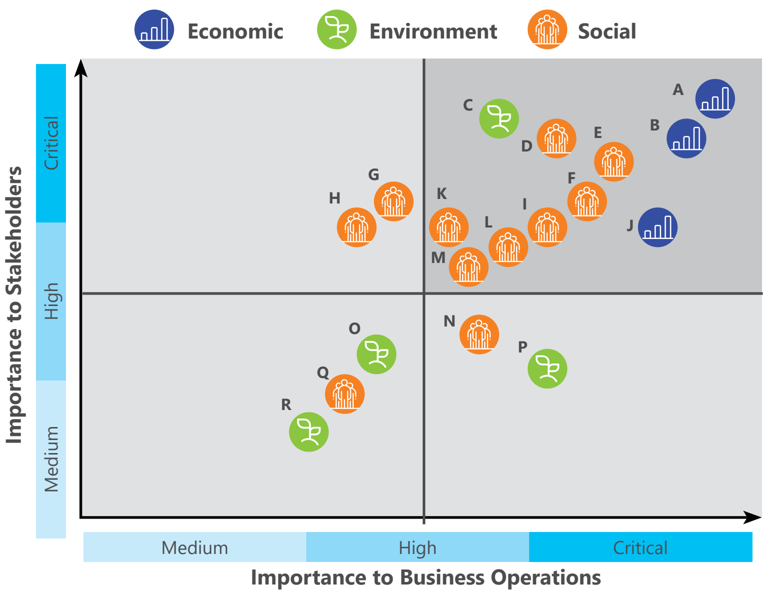
Sustainability Statement (cont'd)

Stakeholder	Interest/Expectation	Engagement methods (Frequency)
Local Communities and public	• Reaching out to communities • Transparent and quality products and services	- Donations (Ad hoc) - Corporate Social Responsibility programmes (Annually)
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, where applicable) - Vendor registration (Ad hoc, upon vendors' appointment) - Timely delivery (Per delivery basis) - Payment to supplier (Per delivery & on agreed terms) - Anti-Bribery commitment - Meeting 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 (Ongoing) - 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.

The material topic in 2022 remain unchanged from those identified since 2018 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 sustain the Group's operations and implement other capitals

For the FYE 2022, the Group's revenue at RM59.32 million was 4.5% lower than that for FYE 2021. This was mainly due to lower contribution from the OEM trading operation. Gross profit at RM14.75 million was 17.7% lower than that for FYE 2021 due to higher cost of sales as the Group's imports was hit by higher supplier costs which was further exacerbated by the weakened Ringgit Malaysia. The FYE 2022 has been marked by significant challenges arising from inflationary pressures, particularly in relation to input costs such as raw materials, transportation, labour and overhead, and the interest rate upcycle. These factors, coupled with a weakened macroeconomic environment, may ultimately erode consumer spending ability, potentially leading to a decrease in demand for home appliances going forward.

Please refer to Milux's Annual Report 2022 for our full Financial performance Report.

Marketplace – A trusted band with almost 40 years of experience

With 40 years of experience in the industry Milux is a leading gas and electrical home appliances distributor in Malaysia and has garnered a reputation for quality and efficient customer service.

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.

Sustainability Statement (cont'd)

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 had registered our trademark with Intellectual Property Corporation of Malaysia (MYIPO) – a trusted brand for the last 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. We worked together with suppliers and provide continuous guidance through frequent audits and feedbacks to minimize defects. Prior to engaging a Supplier, the Group's product team led by an engineer, conducts an evaluation on the quality and safety of the product based on technical aspects using a sample provided by the potential manufacturer. As part of the evaluation process, visits to the potential supplier's premises are also undertaken.

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 our products that requires SIRIM and Energy Commission (Suruhanjaya Tenaga)'s approval, are approved by the two (2) bodies.

Product Certificate

Certificate	Award Body
Certificate of Approval to Import Gas Fitting/Gas Appliances/Gas Equipment	Energy Commission - Certificate expire on 02.01.2024
Certificate of Approval to Import electrical appliances	Energy Commission – Certificate expire on 13.10.2023
Product certificate License to use the Certification Mark on Electric Rice Cookers	SIRIM QAS international – Certificate expire on 16.11.2023

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.

Sustainability Statement (cont'd)

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

At Milux, we place great emphasis on practicing good governance. The board understands the crucial role that a robust risk management framework and internal control system play in promoting sound corporate governance. By disclosing pertinent sustainability-related information, we aim to increase the transparency of our management, thereby instilling greater confidence among our customers, stakeholders, and the wider public.

To reinforce our commitment to ethical business practices, we have adopted a zero-tolerance approach towards fraud, bribery, corruption, money laundering, and terrorism financing. To this end, we have implemented an Anti-Bribery and Corruption Policy and a Whistleblowing Policy. These measures not only enhance the transparency of our group but also create an environment that fosters better governance.

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

Workplace - Creating a safe and supportive working environment.

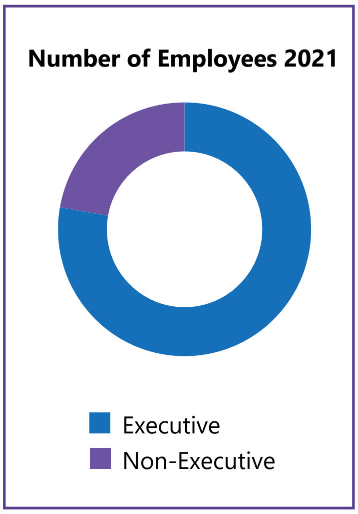
Health and safety

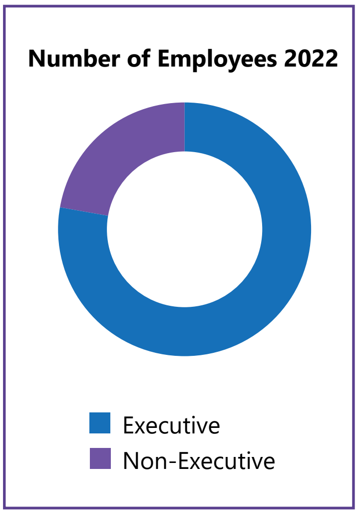
The Group always place health and safety of our employees as top priority. The proactive decision to cease manufacturing operation since 2021 is an example of our commitment to minimize the risk of work-related fatalities and lost time incident rate. This approach has resulted in zero work-related fatalities and a zero lost time incident rate in 2022. The Group 's emphasis on employee safety is evident through our provision of comprehensive safety training, in particular for workers operating forklift and reach truck in our warehouses, as well as the provision of safety boots to all store workers. These measures reflect our commitment to creating a sustainable and responsible workplace that benefits both employees and stakeholders.

Sustainability Statement (cont'd)

Employment

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





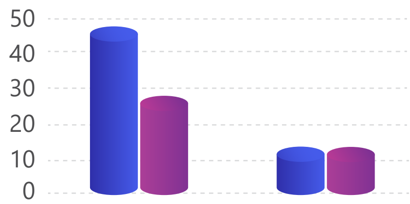
As of December 31, 2022, the Group's workforce consisted of ninety-seven (97) employees, are all local hires and are unchanged from that of the previous year. Of this, seventy- seven (77) are executives while twenty (20) are non-executives. During the year, seven (7) executives and six (6) non-executives were hired to replace those who have resigned.

During FYE 2022, the Group has promoted three (3) non- executives to executive positions.

In additional to the ninety- seven (97) employees, the Group has in its payroll as at December 31, 2022, twelve (12) foreign contract workers (2021 – twelve (12)).

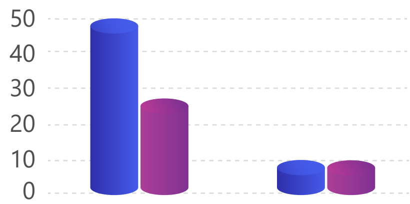
The Group remains committed to hiring and developing local talent while adhering to its values of diversity, equity, and inclusion.

Gender of Employees 2021



	Executive	Non executive
Male	47	11
Female	28	11

Gender of Employees 2022



	Executive	Non executive
Male	50	10
Female	27	10

Diversity and Equal Opportunity

In line with our commitment to fostering diversity and equality, we recognize that creating an inclusive workplace culture requires ongoing effort and engagement. We have established internal policies and practices to promote diversity and equal opportunities, including anti-discrimination and anti-harassment policies, as well as diversified training programs. Our aim is to provide an environment where employees of all backgrounds feel welcome, valued, and able to contribute their best work.

We also strive to promote equal opportunities for career advancement and leadership positions. Our talent management process includes regular skills assessments and career development planning for all employees, regardless of their gender, race, religion, age, or other personal characteristics. We believe that by providing equal opportunities for professional growth, we can attract and retain the most talented individuals, and enhance our overall business performance.

Diversity and Equal Opportunity (cont'd)

As part of our commitment to diversity, we regularly review our workforce data to identify areas for improvement and ensure we are making progress towards our goals. In 2022, we are proud to report that the gender distribution of our workforce is 38% female and 62% male. While we recognize that there is still room for improvement, we are committed to efforts to increase diversity, equity, and inclusion across all aspects of our operations.

Training and Development

The Group is committed to investing in its human capital to support employee development and meet the changing business needs. The Group provides various learning opportunities throughout an employee's career to ensure he/ she develops the necessary skills to perform his/ her responsibilities. We recognize that employees play an important role in achieving operational and safety excellence.

To ensure that employees are equipped with relevant skills to perform their jobs, they receive training from both internal and external sources. Training is provided on a mandatory or voluntary basis. In 2022, employees received a total of 53 hours of training, which is more than the total of 30 hours in 2021. For example, in 2022, training was provided in Positive Workplace Engagement, Forklift, Reach truck & Safety Awareness, Effective Inventory Planning & Control Management, and Digital Marketing Ads.

By investing in the human capital, the Group can attract and retain top talent, which in turn helps to improve the Group's bottom line. Additionally, providing employees with the necessary skills and knowledge to perform their jobs safely and efficiently contributes to operational and safety excellence.

Environment - Improving our environment by utilising greener alternatives.

Energy Efficiency & CO_2 Emission

Year 2022 (Trading & OEM trading operation)	
Indicator	**Performance**
Energy Consumption (Electricity)	98,146 kWh of electricity
GHG emissions	46.8[2] tCO_{2e} from D&P*

Year 2021 (Trading & OEM trading operation)	
Indicator	**Performance**
Energy Consumption (Electricity)	71,104 kWh of electricity
GHG emissions	33.9[2] tCO_{2e} from D&P*

Year 2021 (factory)	
Indicator	**Performance**
Energy Consumption (Electricity)	55,430 kWh of electricity Last year: 294,910 kWh
Energy Consumption (Diesel & Petrol)	0 litre of Diesel 0 litre of Petrol
GHG emissions	0[2] tCO_{2e} from D&P*

Diesel and electricity are major contributors to our overall energy consumption, leading to the release of greenhouse gases (GHG) like carbon dioxide that can negatively affect the environment. As a result, we are committed to mitigating our carbon footprint and decreasing energy usage by endorsing the adoption of renewable energy and enhancing energy efficiency.

To ensure a meaningful comparison of energy consumption for the Group's operation, the base year for analysis has been set as 2022, the year when the Group had completely halted its manufacturing operation. In 2021, the Group took the decision to cease its manufacturing operation, resulting in a reduction in energy consumption compared to year 2020.

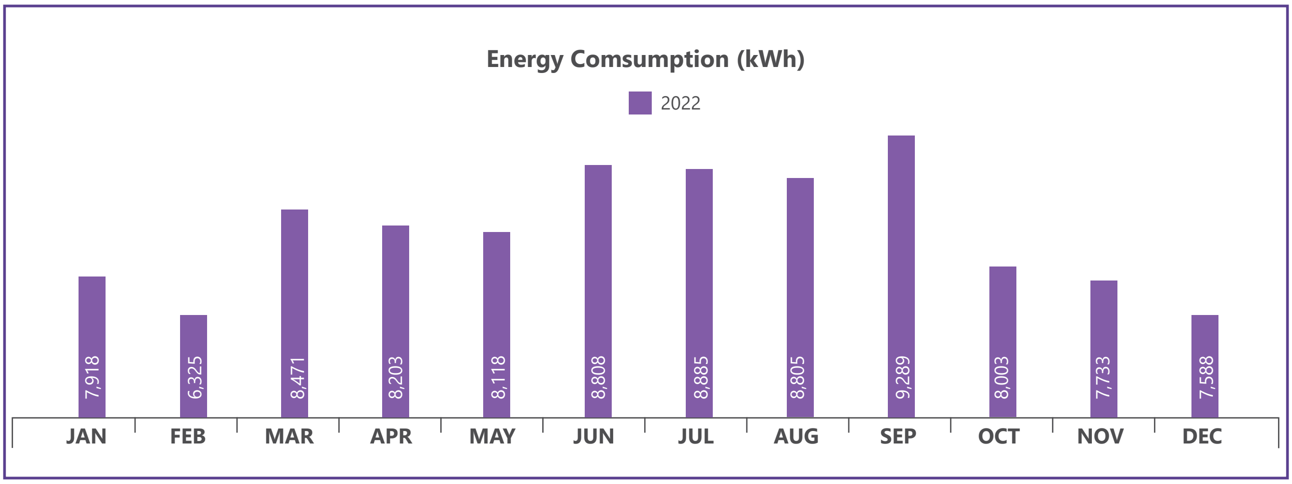
Upon reviewing the electrical consumption of Trading and OEM trading operation in 2021, a significant increase in energy consumption was observed in 2022 compared to the previous year.

The rise in consumption can be attributed to Malaysia's transition from the pandemic phase to endemicity, where restrictions were lifted and economic activities resumed. Additionally, our employees returned to the office to work, resulting in increased energy usage. We recognize the importance of reducing our energy consumption and are exploring ways to increase energy efficiency while maintaining our business operations. In the coming year, we plan to invest in more sustainable energy solutions to reduce our environmental impact and lower our energy costs.

Sustainability Statement (cont'd)

Energy Efficiency & CO_2 Emission (cont'd)

As part of 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

Excessive water usage can place a significant burden on water resources and may result in the contamination of waterways, which can ultimately lead to a decline in water quality. This can have a detrimental impact on the local ecosystems, compromising essential services provided by these systems and affecting the quality of life of nearby communities.

In Milux, we recognize the importance of water conservation and are committed to reducing our total water consumption. Despite our relatively low water usage, we understand that every effort to conserve this precious resource is critical. Therefore, we will continue to raise awareness among employees about the importance of water conservation. By reducing our water consumption, we hope to contribute to the preservation of water resources and the protection of local ecosystems and communities.

Effluent and Waste

Improper disposal of effluents, which contain high levels of chemicals and nutrients such as nitrogen, phosphorous, or potassium, can have significant impacts on water quality and the biodiversity of oceanic and aquatic ecosystems. Similarly, inadequate waste management practices can lead to pollution of the air, water, and soil, posing serious threats to both the environment and human health. The generation of excessive waste from manufacturing activities can also place significant pressure on our natural resources, ultimately leading to environmental degradation.

To comply with the Department of Environment's (DOE) Environmental Quality (Scheduled Wastes) regulation 2005, we manage our scheduled waste by adhering to record-keeping and monitoring practices, ensuring proper storage and disposal by licensed contractors at designated landfills. Our manufacturing operation generate two types of scheduled waste: spent hydraulic oil (SW306) and non-halogenated organic solvents, which are recycled or sent to recovery facilities by our licensed contractors.

In 2021, our manufacturing activities ceased, and the final batch of scheduled waste generated was the SW322, which we disposed of responsibly in accordance with the DOE's regulations.

The Group advocates reducing, reusing, and recycling especially in our office and warehousing facilities towards efficient waste management practices. By managing our scheduled waste effectively and responsibly, we aim to minimize the impact of our operations on the environment, while contributing to the preservation of natural resources and the protection of human health.

Community - Contributing to local community development

CUSTOMER SERVICE

At Milux, our management philosophy is centred around three core values: Quality, Safety, and Reliability. Our commitment to these values reflects our dedication to serving society through our products and service, always with a focus on putting the customer first. By striving to continuously improve customer satisfaction, we aim to provide products, solutions, and services that enhance the lives of individuals worldwide.

Our fundamental approach is to offer our customers, products they can trust, which in turn promotes peace of mind and satisfaction. This unwavering commitment to providing dependable and reliable products is a cornerstone of our philosophy and remains at the heart of everything we do at Milux.

Milux is committed to providing our customers with dedicated service, and we offer a range of options to ensure that their needs are met. Our service centres, located in Port Kelang, Selangor, Prai, Penang, Johor Bahru, Johor, Ipoh, Perak and Malacca are available for customers who prefer to receive assistance in person. We also offer online channels for customers to reach out to us, including email through customercare@milux.com.my and onlinecare@milux.com.my, as well as the option to leave messages on our webpage at https://www.milux.com.my or our Facebook page at https://www.facebook.com/milux.my/.

In addition to these channels, we understand that our customers value convenience and ease of use. To streamline the warranty registration process, we offer an E-Warranty registration platform that is user-friendly and accessible for our customers. At Milux, we are committed to providing our customers with comprehensive and accessible service options to meet their needs.

COMMUNITY ENGAGEMENT

As a responsible corporate citizen, we recognize the importance of supporting the local community and giving back to society. We are committed to engaging with the community through various initiatives and programmes, such as online product demonstrations and talks, as well as donations and sponsorships through charity bodies.

In 2022, we donated RM4,000 in cash and two (2) units of vacuum cleaners to the Handicapped and Disabled Children's Association of Klang, Selangor to assist with the organization's operations. Additionally, we contributed to the opening of the new Balai Bomba Port Klang, which is an important resource for the community. Our support for this project demonstrates our commitment to ensuring that the community we operate in has access to essential services and facilities.

We believe that our contributions not only benefit the community directly, but also help to create a positive relationship between our company and the community. Going forward, we will continue to seek out opportunities to support community initiatives and programs that align with our values and mission.

Sustainability Statement (cont'd)

Relationship with SDGs

SDGs	Main Activity	Detailed information
No Poverty	-	-
Zero Hunger	-	-
Good Health and Well-being	Safe working environment	-Governance Capital -Marketplace -Workplace
Quality Education	Training and development for staff	-Workplace
Gender Equality	Employment policy of no discrmination	-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

LOOKING FORWARD

As a public listed company, we are committed to operating our business with transparency and integrity. This Sustainability Statement serves as an important avenue for us to communicate with our stakeholders and share information about our sustainability practices. In line with this commitment, we have implemented policies such as the Anti-Bribery and Corruption Policy and the Whistleblowing Policy in 2020. We maintain a zero-tolerance approach towards fraudulent activities, bribery, corruption, money laundering, and the financing of terrorism. By upholding these values and principles, we aim to build trust and confidence with our stakeholders and continue to operate as a responsible corporate citizen.

As we look ahead to the future, we are optimistic about the recovery from the pandemic and the opportunities it presents. Malaysia's transition towards endemicity marks a significant milestone, and we are committed to supporting this transition and helping to rebuild the economy. We recognize that the pandemic has brought about new challenges and opportunities for businesses and society. Moving forward, we will continue to prioritize the health and safety of our employees, customers, and communities while working to adapt and innovate in response to changing circumstances.

In year 2023, the management plans to focus on enhancing our digital capabilities to better serve our customers' needs and promote sustainable practices across our operations. We will also continue to focus on sustainability, building on the progress we have made in reducing our environmental footprint and engaging with our stakeholders on social and ethical issues. Milux believes that by continuing to work together with our stakeholders and embracing innovation, we can emerge from this pandemic stronger and more resilient than ever before.

Reimagining the possible

Given the current global focus on social and environmental issues, particularly in relation to the climate crisis, and the Malaysian government's commitment to achieving a carbon-neutral society by 2050, we recognize the need to take appropriate measures to contribute towards this goal.

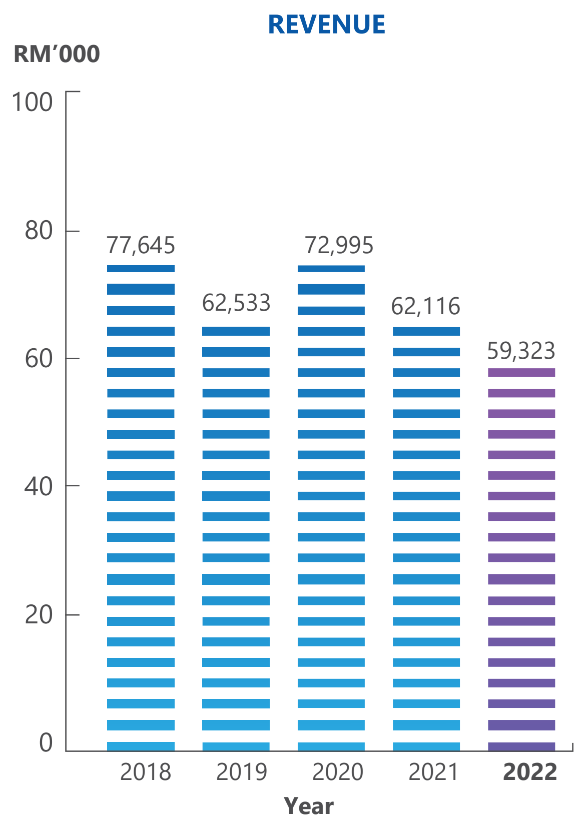
As an initial step, we are progressively converting the lighting in our offices and high voltage lights in our warehouses to energy-efficient LED lights with longer lifespan and lower power consumption to reduce our energy usage. Additionally, to further reduce our power consumption, we have encouraged our employees to switch off all lights during lunch breaks and to turn off their computers and laptops when not in use. The Group also encouraged telecommuting and video conferencing to reduce the need for business travel, which can further reduce carbon emissions. At the same time, we will also focus on the development of technologies that will improve the energy-saving performance of our products.

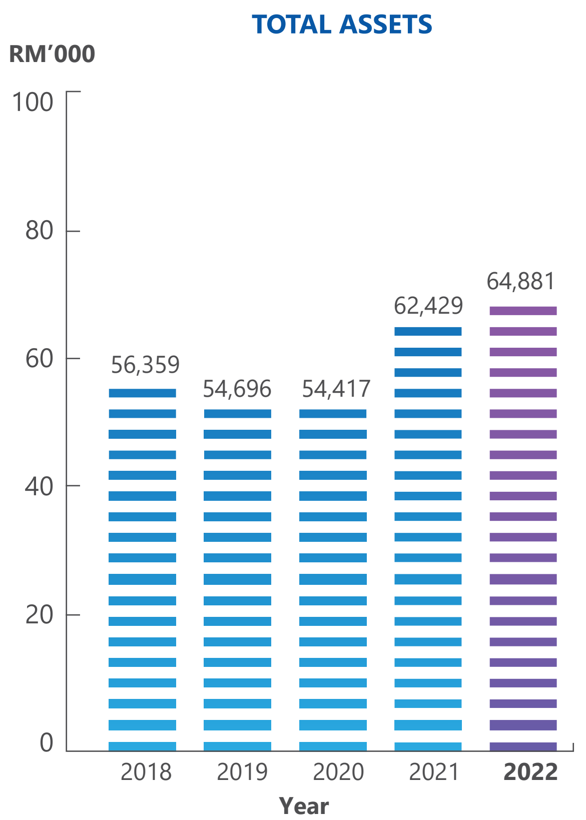
In the longer term, we will work closely with our suppliers to improve the energy efficiency of our electrical appliances by adopting new technologies, in order to help achieve the net-zero CO2 emissions target by 2050. Our commitment to reducing our carbon footprint is a vital component of our sustainability efforts, and we will continue to explore innovative ways to minimize our impact on the environment.

Milux strives to continuously update and improve our sustainability initiatives to accomplish our goal of becoming a sustainable industry leader.

5 - YEAR GROUP
FINANCIAL HIGHLIGHTS

	2022 RM ' 000	2021 RM ' 000	2020 RM ' 000	2019 RM ' 000	2018 RM ' 000
Revenue	**59,323**	62,116	72,995	62,533	77,645
Profit/(loss) before taxation	**3,515**	5,764	(5,031)	(4,767)	(2,138)
Profit/(loss) after taxation	**3,121**	5,527	(5,047)	(4,430)	(2,049)
Basic earnings/(loss) per ordinary share (sen)	**1.33**	2.83	(8.59)	(8.13)	(3.77)
Net assets per share (RM)	**0.19**	0.18	0.63	0.71	0.78
Shareholders' funds	**45,491**	42,502	36,733	41,548	42,496
Total Assets	**64,881**	62,429	54,417	54,696	56,359
Total Liabilities	**19,391**	19,927	17,684	13,148	13,862
Gross dividend per Ordinary Share (sen)	**-**	-	-	-	-





DIRECTORS' PROFILE

DATUK DR. WONG LAI SUM

Chairman, Independent Non-Executive Director
Malaysian / 68 / Female

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	Member of Nomination and Remuneration Committee
Academic/ Professional Qualification / Membership(s)	:	• PhD Business, University Malaya • Master in Public Administration, University Malaya • Bachelor of Science (Hons) Biochemistry, University Malaya
Present Directorship(s)		
Other Listed Entities	:	• Sam Engineering & Equipment (M) Berhad • Tasco Berhad
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.

Number of Board meetings attendance in 2022 : 5/5

Directors' Profile (cont'd)

DATUK WIRA LING KAH CHOK

Executive Vice Chairman
Malaysian / 43 / Male

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification / Membership(s)	:	Executive Diploma in Business Management, West College Scotland
Present Directorship(s)		
Other Listed Entities	:	Nil
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 8 years of experience in the property development industry. He acted as the advisor (whereby he was primarily involved in the area of project planning, marketing and sales) to Northstar Frontier Sdn. Bhd., a real estate developer in Southern of Johor.

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

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

Number of Board meetings attendance in 2022: 5/5

DATUK KHOO TECK KEE

Group Managing Director
Malaysian / 48 / Male

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification / Membership(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)		
Other Listed Entities	:	Nil
Other Public Companies	:	Nil

Working experience

Datuk Khoo Teck Kee 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.

Number of Board meetings attendance in 2022 : 5/5

Directors' Profile (cont'd)

TAN CHEE HOW

Executive Director
Malaysian / 42 / Male

Date of Appointment	:	30 May 2013
Length of service (as at 31 March 2023)	:	9 year 10 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification / Membership(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)		
Other Listed Entities	:	Nil
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.

Number of Board meetings attendance in 2022 : 5/5

HO PUI HOLD

Independent Non-Executive Director
Malaysian / 41 / Male

Date of Appointment	:	25 August 2016
Length of service (as at 31 March 2023)	:	6 year 8 months
Board Committees Membership(s)	:	• Chairman of Audit and Risk Committee • Member of Nomination and Remuneration Committee
Academic/ Professional Qualification / Membership(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)		
Other Listed Entities	:	• HB Global Limited • Xidelang Holdings Limited • Permaju Industries Berhad • EP Manufacturing Berhad
Other Public Companies	:	• China Automobile Parts Holdings Limited

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.

Number of Board meetings attendance in 2022 : 5/5

Directors' Profile (cont'd)

DATUK HAW CHIN TECK

Independent Non-Executive Director
Malaysian / 53 / Male

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	• Chairman of Nomination and Remuneration Committee • Member of Audit and Risk Committee
Academic/ Professional Qualification / Membership(s)	:	• Certificate in Legal Practice • Bachelor of Laws Honours Degree, University of London
Present Directorship(s)		
Listed Entities	:	Nil
Other Public Companies	:	Nil

Working experience

Datuk Haw Chin Teck is an advocate and solicitors, who has been in practice for 23 consecutive years and is a managing partner of a legal firm since 2002 and currently, the firm has 2 offices.

Number of Board meetings attendance in 2022 : 5/5

Directors' Profile
(cont'd)

DATO' SRI IR. TS. DR. LIEW MUN HON

Independent Non-Executive Director
Malaysian / 47 / Male

Date of Appointment	:	31 December 2021
Length of service (as at 31 March 2023)	:	1 year 4 months
Board Committees Membership(s)	:	• Member of Audit and Risk Committee
Academic/ Professional Qualification / Membership(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)		
Other Listed Entities	:	Nil
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.

Currently, Dato' Sri Ir. Ts. Dr. Liew is the Perak Branch Chairman of the Institute of Engineers, Malaysia.

Number of Board meetings attendance in 2022: 5/5

Directors' Profile (cont'd)

GAN BOON LAY

Non-Independent Non-Executive Director
Malaysian / 47 / Male

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification / Membership(s)	:	Secondary School
Present Directorship(s)		
Other Listed Entities	:	Nil
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.

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

Number of Board meetings attendance in 2022 : 5/5

Directors' Profile (cont'd)

YEE CARINE

Non-Independent Non-Executive Director
Malaysian / 33 / Female

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification / Membership(s)	:	• Master of Finance, The University of Melbourne • Bachelor of Commerce, Major in Accounting and Finance, Deakin University
Present Directorship(s)		
Other Listed Entities	:	Nil
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.

Number of Board meetings attendance in 2022 : 5/5

Directors' Profile (cont'd)

TEH SOK HOON

Non-Independent Non-Executive Director
Malaysian / 42 / Female

Date of Appointment	:	5 July 2019
Length of service (as at 31 March 2023)	:	3 year 9 months
Board Committees Membership(s)	:	Nil
Academic/ Professional Qualification / Membership(s)	:	• Bachelor in Information Technology, Asia Pacific Institute of Information Technology
Present Directorship(s)		
Other Listed Entities	:	Nil
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.

Number of Board meetings attendance in 2022 : 5/5

ADDITIONAL INFORMATION

Family Relationship with Director and Major Shareholder
Save as disclosed, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company.

Conflict of Interests
None of the Directors have any conflict of interests with the Company.

Conviction for Offences
None of the Directors have been convicted for any offences within the past five (5) years (other than traffic offences, if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.

SENIOR MANAGEMENT'S **PROFILE**

DATUK WIRA LING KAH CHOK
Executive Vice Chairman
Malaysian / 43 / 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
Group Managing Director
Malaysian / 48 / 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
Executive Director
Malaysian / 42 / 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
Chief Financial Officer
Malaysian / 63 / Male

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

Mr. Wong started his career in the financial services industry as a Credit and Marketing officer/Branch Manager in Arab Malaysian Credit Berhad from 1982 - 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.

Senior Management's Profile (cont'd)

CHONG KOK LEONG
General Manager, Milux Sales & Service Sdn Bhd
Malaysian / 63 / 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 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) been convicted for 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 "Company") is pleased to present the Corporate Governance ("CG") Overview Statement ("Statement") that provides an overview of the application of the principles and CG practices by the Company and its subsidiaries ("Milux Group" or "the Group") for the financial year ended 31 December 2022 ("FYE2022").

This Statement is prepared in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and made reference to the three (3) CG principles set out in the Malaysian Code on Corporate Governance ("MCCG"). This Statement should be read together with the Company's CG Report in respect of the FYE2022 which is published on the Bursa Securities' and the Company's website.

The three principles are:

(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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is collectively responsible to the shareholders of the Company for its long term sustainable success for the Group's strategic direction and governance to meet the corporate objectives.

In addition to its statutory duties, the roles and functions of the Board, include the following:

- 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;
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- Ensuring that stakeholders' considerations and environmental, social, and governance (ESG) aspects are considered and integrated into strategic and business decisions, as well as Enterprise Risk Management.

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.

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.

Corporate Governance Overview Statement (cont'd)

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

I. Board Responsibilities (cont'd)

Separation of the positions of the Chairman of the Board and the Group Managing Director

The position of the Chairman and Group Managing Director are held by different individuals, with clear and distinct division of accountability and responsibility. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Group Managing Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

The division in the roles of the Chairman and Group Managing Director are clearly defined in the Board Charter.

Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are the members of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Malaysian Institute of Accountants (MIA) and holders of practicing certificate pursuant to the Companies Act 2016. The Board has full access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board. The Company Secretary plays an advisory role guiding and keeping the Board abreast of statutory and regulatory requirements, corporate governance practices and other relevant rules or guidelines applicable to the Group from time to time.

Access to Information and Advice

All Directors received meeting materials at least three (3) days prior to the Board meetings allowing them to have sufficient time to review and be prepared for discussion prior to arriving at a sound and informed decision. The materials provide, amongst others, financial and non-financial information, significant financial and corporate issues, the Group's performance and any management proposals which require the approval of the Board. The Chief Financial Officer and/or senior management personnel will be invited to attend the meetings to explain and clarify on the matters being discussed to facilitate effective review and deliberation by the Board.

Board Charter

The Board Charter sets out amongst others, the board structure and procedures, roles and responsibilities of the Board, Board Committees as well as those of Management in setting the direction, management, and discharging of their duties and responsibilities.

Code of Ethics and Conduct

The adopted Code of Ethics and Conduct ("**Code**") sets forth the ethical principles, expectations and standards of business ethics and conduct expected of the Board, Management and employees of the Group.

The Board Charter and the Code are available at the Company's website at http://www.milux.com.my.

Whistleblowing Policy

The Whistleblowing Policy sets out the mechanism and framework by which employees and members of the public are able to raise their concerns through appropriate platform 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.

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

I. Board Responsibilities (cont'd)

Whistleblowing Policy (cont'd)

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 Whistleblowing Policy is available at the Company's website at http://www.milux.com.my.

Anti-Bribery and Corruption Policy

The Board had adopted an Anti-Bribery and Corruption Policy which provides the 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 Anti-Bribery and Corruption Policy is available at the Company's website at http://www.milux.com.my.

II. Board Composition

Composition of the Board

The Company has ten (10) members on its Board, comprises three (3) Executive Directors and seven (7) Non-Executive Directors, with four (4) being Independent Non-Executive Directors ("INEDs").

Through the adopted Board Diversity Policy, the Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's effectiveness, creativity and heightened capacity for the oversight of the Group.

The Board values the benefits that diversity can bring to its Board. The Board believes that it makes prudent business sense and promotes better corporate governance by having a truly diverse and inclusive board that can leverage on differences in thought, perspective, knowledge, skills and experience.

For purposes of Board composition, diversity includes, but not limited only to, age, skills, expertise, experience, independence and ethnicity but also gender. The Board will make good use of these differences and distinctions among the individuals in determining the optimum composition of the Board.

The Nomination and Remuneration Committee ("NRC") has been tasked to assist the Board in identifying and nominating suitable candidates for Board appointments. The NRC in assessing the appointments will ensure that all Board appointments reflect the diverse nature of the business environment in which the Company operates and be made on merit, in the context of the age, skills, experience, independence, ethnicity and gender which the Board requires to be effective.

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 objectives.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (cont'd)

Composition of the Board (cont'd)

For the FYE2022, the diversity in the age, gender, 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

Age Group (Years)	30-39	40-49	50-59	60-69	Total
Number of Directors	1	7	1	1	10

In accordance with the Directors' Fit and Proper Policy, the Board ensures that the Directors appointed to the Board are persons with the required character, integrity, experience, competence and time to effectively discharge their responsibilities and duties and to contribute towards the proper governance of the Group.

The Board Diversity Policy and Directors' Fit and Proper Policy are available at the Company's website at http://www.milux.com.my.

Tenure of Independent Directors

The MCCG stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent-Non-Executive Director, if the Board intends to retain an independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholder' approval through a two-tier voting process.

Bursa Securities had, via the enhancement to the Listing Requirements, limited the tenure of an Independent Director to not more than a cumulative period of 12 years from the date of first appointment as an Independent Director in the listed issuer or any one or more of its related corporations;

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

The Board through the NRC has performed annual assessment on the effectiveness of the Board, Board Committees and the individual Directors of the Company for the FYE2022.

Based on the assessment carried out during the financial year, the Board is satisfied that the performance of the Board, Board Committees and individual Directors for the financial year under review were effective as a whole in discharging their roles and responsibilities. On its assessment of the independence of the INEDs, the NRC was satisfied with the level of independence demonstrated and noted that all the INEDs have fulfilled the independence criteria prescribed under the Listing Requirements and there were no issues of independence in the Board.

Re-election of Directors

The Constitution of the Company provides 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.

Pursuant to Clause 117, the following Directors are subject to retirement by rotation at the forthcoming Twenty-Eighth ("**28th**") AGM of the Company:-

(i) Mr Gan Boon Lay;
(ii) Ms Yee Carine; and
(iii) Ms Teh Sok Hoon.

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

II. Board Composition (cont'd)

Re-election of Directors (cont'd)

The Board through the NRC has carried out fit and proper assessment on the retiring Directors and agreed that they met the criteria as set out in the Directors' Fit and Proper Policy on character and integrity, experience and competence, time and commitment to effectively discharge their role as Directors. The Board and NRC have also noted the Director Self and Peer Performance Evaluation conducted encompassing fit and proper assessment on the Directors of the Company and satisfied that the Directors including the retiring Directors have effectively discharge their role as Directors of the Company.

Directors' Time Commitment

All Directors are expected to devote sufficient time and attention to effectively discharge their duties as Directors of the Company. In this regard, the Company Secretary will circulate the annual meetings schedule to the Board in advance with details of the proposed scheduled date of Board and Board Committees meetings to enable the Directors to plan ahead.

The Directors are required to notify the Chairman of the Board before accepting any new directorship. All the members of the Board hold less than five (5) directorships in listed issuers, in compliance with Paragraph 15.06 of the Listing Requirements.

The Board held a total of five (5) meetings in the FYE2022. Details of Directors' attendance are as follows:

Name of Director	Attendance
Datuk Dr. Wong Lai Sum	5/5
Datuk Wira Ling Kah Chok	5/5
Datuk Khoo Teck Kee	5/5
Tan Chee How	5/5
Ho Pui Hold	5/5
Datuk Haw Chin Teck	5/5
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	5/5
Gan Boon Lay	5/5
Yee Carine	5/5
Teh Sok Hoon	5/5

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.

While holding office, the Director is 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 Chairman of the Board and/or the Company Secretaries in writing.

Corporate Governance Overview Statement (cont'd)

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

II. Board Composition (cont'd)

Directors' Training

The Board ensures that all Directors attend trainings and development programmes regularly to keep abreast of regulatory updates, emerging trend and developments in the industry relevant to the Group.

Details of the trainings/seminars/workshops attended by the Directors during the FYE2022 are as below:-

Name of Director	Subject
Datuk Dr. Wong Lai Sum	• Pemudah Roundtable Discussions - Post-Pandemic Economy, Public Policy and GLCs • 2022 Board and Audit Committee Priorities • SC Malaysia's Audit Oversight Board Conversation with Audit Committees • Bursa Malaysia Immersive Session: The Board "Agender" Gender Balanced Boardrooms • Sustainability Reporting Latest Development 2022
Datuk Wira Ling Kah Chok	• Sustainability Reporting Latest Development 2022
Datuk Khoo Teck Kee	• Fundamentals of Board Governance • Directors Behaviour and Boardroom Dynamics • Resolving Boardroom and Shareholders Disputes • Update on Transfer Pricing Documentation Requirement • Sustainability Reporting Latest Development 2022
Tan Chee How	• Sustainability Reporting Latest Development 2022
Ho Pui Hold	• Awareness Anti-Bribery and Corruption Policy • AOB Conversation with Audit Committees • Advocacy Session for Directors and Senior Management of Main Market Listed Issuers • Compliance With LR - Reporting of Financial Statements • AOB Conversation with Audit Committees – Session 1 • Sustainability Reporting Latest Development 2022
Datuk Haw Chin Teck	• Sustainability Reporting Latest Development 2022
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	• Mandatory Accreditation Programme (MAP) • Board of Engineers Malaysia (BEM) Convention 2022
Gan Boon Lay	• Sustainability Reporting Latest Development 2022
Yee Carine	• Sustainability Reporting Latest Development 2022
Teh Sok Hoon	• Sustainability Reporting Latest Development 2022

The Board continuously assessed the training needs of the Directors in order to equip themselves and enhance their skills and knowledge to effectively discharge their duties and responsibilities.

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

II. Board Composition (cont'd)

Board Committees

The Board has delegated specific responsibilities and oversight function to two (2) board committees, namely the Audit and Risk Committee ("**ARC**") and the NRC (collectively referred to as "**the Board Committees**"), each operate within clearly defined terms of reference ("**TOR**"), which sets out amongst others, the functions, responsibilities as well as matters in relation to the administration of each Committee. The TOR are reviewed by the Committees and Board periodically to ensure that they remain consistent with applicable rules and regulations.

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

(a) Audit and Risk Committee

The ARC comprises exclusively of three (3) INEDs. The summary of its activities carried out during the FYE2022 are set out in the ARC Report of this Annual Report.

(b) Nomination and Remuneration Committee

The NRC comprises exclusively of three (3) INEDs.

The attendance of the members at the two (2) NRC meetings held during the FYE2022 is as follows:

Name	Position	Attendance
Datuk Haw Chin Teck	Chairman, Independent Non-Executive Director	2/2
Datuk Dr. Wong Lai Sum	Member, Independent Non-Executive Director	2/2
Ho Pui Hold	Member, Independent Non-Executive Director	2/2

For the FYE2022, the NRC has carried out the following activities:-

(i) Reviewed the size and composition of the Board and Board Committees and was satisfied that the Board and the Committees have been functioning effectively;
(ii) Performed annual evaluation on the Board, Board Committees and individual Directors and was satisfied that the performance of the Board, Board Committees and individual Directors for the financial year under review were effective as a whole in discharging their roles and responsibilities;
(iii) Assessed the independence of the INEDs and was satisfied with the level of independence demonstrated by the INEDs;
(iv) Reviewed the term of office and performance of the ARC and was satisfied that the ARC and its members have carried out their duties effectively;
(v) Reviewed and recommended to the Board, the re-election of the Directors retired pursuant to Clause 117 of the Company's Constitution at the forthcoming AGM of the Company;
(vi) Reviewed the training needs and noted the training programs attended by all the Directors of the Company including the in-house training in respect of the financial year under review;
(vii) Reviewed the remuneration packages of the Executive Vice Chairman, Group Managing Director and Executive Director of the Company;
(viii) Reviewed the Directors' fees and benefits and recommended to the Board accordingly.

The evaluation process and assessment results were properly documented and recorded.

Corporate Governance Overview Statement (cont'd)

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

III. Remuneration

The responsibility of the NRC includes reviewing and recommending to the Board the remuneration package of the Executive and Non-Executive Directors. The objective is to ensure that the Group attracts and retains Directors of the calibre needed to run the Group successfully. The Executive Directors are to be appropriately rewarded giving due regard to the Group's performance.

The level of remuneration, in the case of Non-Executive Directors, should be appropriate to the level of responsibilities of the Non-Executive Directors, taking into consideration factors such as the responsibilities of the Directors including their appointment in the Board Committees.

The Company also reimburses reasonable expenses incurred by Directors where required, in the course of carrying out their duties as Directors.

The Directors will abstain from deliberating and voting on decisions in respect of their own remuneration. In compliance with the Companies Act 2016, the Board shall recommend the payment of Directors' fees and benefits for approval by the shareholders at the AGM of the Company.

Details of the remuneration for the Directors for the FYE2022 are as follows:-

Summary of total remuneration of Directors for the FYE 2022						
	Fee	**Salary**	**EPF and SOCSO**	**Benefit-In-Kind**	**Other Emoluments**	**Total**
	(RM)	**(RM)**	**(RM)**	**(RM)**	**(RM)**	**(RM)**
COMPANY						
Executive Director						
Datuk Wira Ling Kah Chok	31,350.00	-	-	5,220.15	3,750.00	**40,320.15**
Datuk Khoo Teck Kee	-	366,240.00	60,139.80	26,352.50	126,521.00	**579,253.30**
Tan Chee How	-	261,948.00	35,061.80	5,328.98	21,830.00	**324,168.78**
Subtotal	**31,350.00**	**628,188.00**	**95,201.60**	**36,901.63**	**152,101.00**	**943,742.23**
Non-Executive Directors						
Datuk Dr. Wong Lai Sum	52,025.00	-	-	355.83	4,750.00	**57,130.83**
Ho Pui Hold	36,350.00	-	-	1,973.88	7,250.00	**45,573.88**
Datuk Haw Chin Teck	36,350.00	-	-	1,973.88	7,250.00	**45,573.88**
Gan Boon Lay	31,350.00	-	-	1,973.88	3,750.00	**37,073.88**
Yee Carine	31,350.00	-	-	1,973.88	3,750.00	**37,073.88**
Teh Sok Hoon	31,350.00	-	-	1,973.88	3,750.00	**37,073.88**
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	31,350.00	-	-	1,973.88	6,250.00	**39,573.88**
Subtotal	**250,125.00**	**-**	**-**	**12,199.08**	**36,750.00**	**299,074.08**
TOTAL	**281,475.00**	**628,188.00**	**95,201.60**	**49,100.71**	**188,851.00**	**1,242,816.31**

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

III. Remuneration (cont'd)

Summary of total remuneration of Directors for the FYE 2022						
	Fee	Salary	EPF and SOCSO	Benefit-In-Kind	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
GROUP						
Executive Director						
Datuk Wira Ling Kah Chok	31,350.00	-	-	5,220.15	3,750.00	**40,320.15**
Datuk Khoo Teck Kee	-	366,240.00	60,139.80	26,352.50	126,521.00	**579,253.30**
Tan Chee How	-	261,948.00	35,061.80	29,278.94	21,830.00	**348,118.74**
Subtotal	**31,350.00**	**628,188.00**	**95,201.60**	**60,851.59**	**152,101.00**	**967,692.19**
Non-Executive Directors						
Datuk Dr. Wong Lai Sum	52,025.00	-	-	355.83	4,750.00	**57,130.83**
Ho Pui Hold	36,350.00	-	-	1,973.88	7,250.00	**45,573.88**
Datuk Haw Chin Teck	36,350.00	-	-	1,973.88	7,250.00	**45,573.88**
Gan Boon Lay	31,350.00	-	-	1,973.88	3,750.00	**37,073.88**
Yee Carine	31,350.00	-	-	1,973.88	3,750.00	**37,073.88**
Teh Sok Hoon	31,350.00	-	-	1,973.88	3,750.00	**37,073.88**
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	31,350.00	-	-	1,973.88	6,250.00	**39,573.88**
Subtotal	**250,125.00**	**-**	**-**	**12,199.08**	**36,750.00**	**299,074.08**
TOTAL	**281,475.00**	**628,188.00**	**95,201.60**	**73,050.67**	**188,851.00**	**1,266,766.27**

Note: Other Emoluments comprised bonus, travelling and meeting allowance.

The remuneration of the top senior management (including salary, bonus, benefit-in kind and other remuneration) in each band of RM50,000 during the FYE2022 is as follows:-

Remuneration Range (RM)	Senior Management
350,001 - 400,000	1
200,001 - 250,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Committee (ARC)

The ARC is entrusted by the Board to oversee the accounting and financial reporting functions, and the quality, adequacy and effectiveness of the Group's control environment.

The ARC has adopted a 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

The ARC has carried out annual evaluation and was satisfied with the performance of the External Auditors having regard to the criteria encompasses the calibre of the firm, independence and objectivity and competency, and has recommended to the Board the re-appointment of the External Auditors of the Company. The evaluation process and assessment result were properly documented and recorded.

Corporate Governance Overview Statement (cont'd)

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

II. Risk Management and Internal Control Framework

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound risk management and internal control system to safeguard the interest of shareholders and the Group's assets. The ARC has been entrusted by the Board to oversee the effectiveness of the Group's internal control systems.

The internal audit function of the Group is outsourced to Messrs PKF Risk Management Sdn. Bhd.. The Internal Auditors perform audit review in accordance with the approved internal audit plan and provide the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls.

The internal audit function is governed by an Internal Audit Charter 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.

The Internal Auditors attended three (3) meetings of the ARC in the FYE2022. In the annual assessment, the ARC was satisfied with the performance of the Internal Auditors in terms of the adequacy of the scope and function of the internal audit and effective review of the key processes and control environment of the Group.

Further details of the Group's state of risk management and internal controls are presented in the Statement on Risk Management and Internal Control set out in this Annual Report.

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

I. Communication with Stakeholders

The Board has adopted a Corporate Disclosure Policy to develop and maintain an established framework for making corporate disclosures.

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

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

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

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 channel of communication adopted by the Company with the stakeholders are set out below:

(i) Announcements to Bursa Securities;
(ii) Corporate Website;
(iii) Annual Reports and Circulars;
(iv) General Meetings of shareholders; and
(v) Designated Contact Person for Investor Relation.

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

II. Conduct of General Meetings

The general meeting has been the main forum for the shareholders to engage with the Board and to provide feedback or seek clarification on the Group's plan, business activities and performance.

For the FYE2022, the Company continue to leverage on technology and conducted the extraordinary general meeting (EGM) on 28 February 2022 and the 27th AGM on 23 June 2022 at the Broadcast Venue via live streaming webcast and online remote voting using the remote participation and voting ("RPV") facilities provided by SS E Solutions Sdn. Bhd. via the Securities Services e-Portal ("SSeP") at https://sshsb.net.my/, without physical attendance by the shareholders.

Through the RPV, shareholders participated at the said general meetings remotely and submitted their questions regarding the proposed resolutions tabled at the meetings as well as on matters relating to the Group's business and affairs, amongst others. All Board members and Senior Management attended the meetings to engaged with and respond to the relevant questions posted by the shareholders.

Electronic poll voting was used to facilitate the voting process for the resolutions tabled at the general meetings and an Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

The notice of the 27th AGM together with the Annual Report 2021 was despatched to shareholders at least twenty-eight (28) days prior to the AGM. Sufficient notice period was given to the shareholders in order for them to schedule their time and/or appoint proxy to attend the AGM on their behalf.

This Statement is made in accordance with the resolution of the Board of Directors dated 31 March 2023.

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.

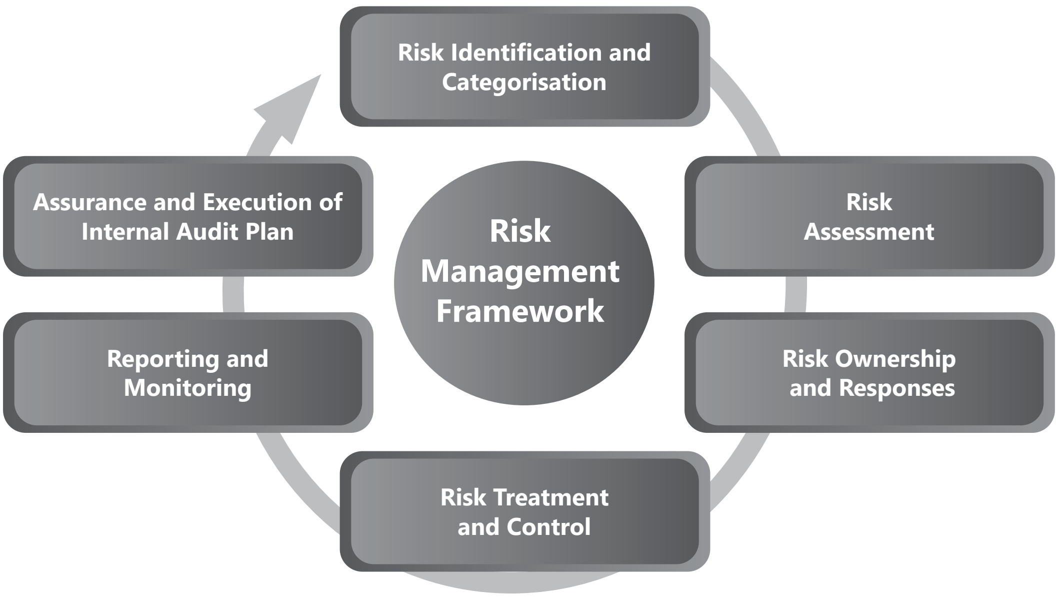
Another Board Committee that was established by the Board is the Nomination and Remuneration Committee (**"NRC"**) which also has clearly defined accountabilities and responsibilities to oversee various key business activities within the Group.

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 the risk management 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, Reputation, 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 2022 with ARC members' attendance details as follows:

Members	Attendance
Mr Ho Pui Hold	5/5
Datuk Haw Chin Teck	5/5
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	5/5

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

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

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

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

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 which have been addressed by the Management. None of these weaknesses has 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.

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 resolution of the Board of Directors dated 31 March 2023.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("ARC" or "Committee") is pleased to present its report for the financial year ended 31 December 2022 ("FYE2022").

Composition

Directors	Positions
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

All the members of the ARC are Independent Non-Executive Directors ("INEDs"). The Chairman of the ARC is a member of the Malaysian Institute of Accountants. The composition of the ARC complies with the requirements of Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Number of Meetings held and details of attendance

The attendance of the members at the ARC meetings held during the FYE2022 is as follows:

Members	Attendance
Ho Pui Hold	5/5
Datuk Haw Chin Teck	5/5
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	5/5

Terms of Reference

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

Review of ARC

Pursuant to Paragraph 15.20 of the Listing Requirements of Bursa Securities, the Nomination and Remuneration Committee ("NRC") is mandated to review the term of office and performance of the ARC. During the FYE2022, the NRC has undertaken an annual review on the ARC against the established criteria and was satisfied that the Committee and its members have discharged their functions, duties and responsibilities in accordance with its TOR.

Summary of works carried out during the FYE2022

During the FYE2022, the ARC had carried out the following activities in discharging its duties:

(a) Financial Reporting

(i) Reviewed the quarterly financial results and annual financial statements of the Group before recommending to the Board for approval, focusing particularly on:
- Changes in or implementation of major accounting policy changes;
- Major judgmental areas;
- Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- The going concern assumption; and
- Compliance with accounting standards and other legal requirements.

(ii) Reviewed the related party transactions and or recurrent related party transactions entered by the Company and the Group on a quarterly basis and any conflict of interest situation that may arise within the Company or Group;

Audit and Risk Committee Report (cont'd)

Summary of works carried out during the FYE2022 (cont'd)

(a) Financial Reporting (cont'd)

(iii) 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 assumptions made in the preparation of the unaudited quarterly financial results were noted:-

- 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.

(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 to the Board of Directors for approval and for inclusion in the Company's Annual Report.
(iii) Reviewed and updated the TOR to incorporate the necessary amendments in line with the provisions of the applicable rules and regulations and inclusion of the roles and responsibilities of the Integrity Committee.

(c) External Audit

(i) Reviewed and discussed with CAS Malaysia PLT ("CAS"), the External Auditors of the Company the audit planning memorandum, focusing on the reporting requirements, changes in relevant financial reporting standards, risk assessment and significant audit areas, audit approach and reporting timetable.
(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 and competency, independence and objectivity of the External Auditors during the FYE2022 before recommending their re-appointment to the Board for approval.
(iv) Reviewed the audit and non-audit fees payable to the External Auditors for the FYE2022 to ensure the level of non-audit services rendered by the External Auditors would not impair their independence.
(v) Reviewed the 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 FYE2022 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 on their audit findings and recommendations with respect to identified control weaknesses of identified key areas and ensure that all recommendations and/or corrective actions were addressed and/or rectified by the Management.
(ii) Conducted annual assessment on the adequacy of the scope and function of the internal audit, effective review by the Internal Auditors of the key processes and control environment of the Group, and was satisfied with the performance of the Internal Auditors.

(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 the 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 Internal Auditors.

Audit and Risk Committee Report (cont'd)

Internal Audit

(1) Internal Audit Function

PKF, an independent internal audit consultant, has been appointed to carry out the internal audit function of the Group. The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of Senior Management and the ARC. Any significant deviation from the approved internal audit plan will be communicated to Senior Management and the ARC. The outsourced Internal Auditors report directly to the Committee and provide the Board with independent and objective assurance on the effectiveness of the Group's risk management and internal control systems.

(2) Internal Audit Activities

(a) Audit conducted in FYE2022

For the FYE2022, PKF has performed audit review on the identified key functions of the Company and subsidiary:-

Audit function/area	Entity
Inventory and Logistics Management	Milux Sales & Service Sdn. Bhd.
Procurement and Payment Management	Milux Sales & Service Sdn. Bhd.
Enterprise Risk Management Report	Milux Group

(b) Internal Audit Review and Assurance

Reporting directly to the ARC, the Internal Auditors provide assurance services with regards to the effectiveness of the internal control systems, assessment of the compliance to the Group's standard operating procedures, operational efficiency, reliability of system and information including systems for compliance with applicable law, regulations, rules, directives and guidelines.

At the end of each audit review exercise, meetings will be held between the Internal Auditors with Senior Management to discuss on audit issues noted and ensuring agreed remedial actions are executed within an acceptable timeframe. The IA reports will be presented to the ARC for review at the quarterly meeting and the control lapses observed will be highlighted, with recommendation and the Management's responses as well as agreed corrective actions taken or to be taken within the agreed timeline; and where relevant, explanation for any corrective action that will not be implemented. The internal audit activity will also be responsible for subsequent follow-ups on the audit findings and recommendations. Significant findings will remain an open issue until dissolved/ cleared.

(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 key 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 on the Company's website at http://www.milux.com.my.

Audit and Risk Committee Report (cont'd)

Internal Audit (cont'd)

(2) Internal Audit Activities (cont'd)

(d) Internal Audit Function Review

The ARC has performed an annual evaluation on the internal audit function and performance of PKF for the year under review, and was satisfied with the performance of the Internal Auditors. The key areas covered under the evaluation include:-

(i) Adequacy of the scope and function;
(ii) Regular review of the effectiveness of the financial, operational and compliance controls and processes of the Company;
(iii) Risk management framework and policies (covering financial and non-financial risks); and
(iv) Competency of the firm and sufficiency of resources.

The costs incurred for the internal audit function in respect of the FYE2022 was RM48,000.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal during the financial year ended 31 December 2022.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to CAS Malaysia PLT, the External Auditors and its affiliates for services rendered for the financial year ended 31 December 2022 are as follows:

	Group (RM)	Company (RM)
Audit fees	109,000	22,000
Non-audit fees		
• Review of Statement on Risk Management and Internal Control	7,000	7,000
• Provision of tax services	45,850	4,350
• Provision of financial due diligence services	35,000	35,000
TOTAL	**196,850**	**68,350**

3. MATERIAL CONTRACT INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the Directors and/or major shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

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Additional Compliance Information (cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

The aggregate value of the RRPT conducted pursuant to the shareholders' mandate obtained at the Annual General Meeting of the Company held on 23 June 2022 is as follows:

Name of Company involved	Name of Related Party /Service Provider	Nature of Transaction	Interested Directors/Major Shareholders/Persons Connected to Directors / Major Shareholders	Aggregate value of transactions from 1 January 2022 to 31 December 2022 (RM)
Milux Corporation Berhad ("**Milux**") and its subsidiaries ("**Milux Group**") (Buyer)	Linbaq Holding Sdn Bhd ("**Linbaq**") and its subsidiaries ("**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)	Provision/ 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	17,200.00

Nature of relationship:

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

(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.

(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

The Directors are required to prepare annual financial statements in accordance with the provisions of the Companies Act 2016 and 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 2022,

- 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 2022.

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 2022 RM	Company 2022 RM
Profit/(Loss) for the financial year	3,121,067	(2,222,323)
Attributable to:		
Owners of the Company	3,121,067	(2,222,323)
Non-controlling interest	-	-
	3,121,067	(2,222,323)

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

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

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 01.01.2022**	**Acquired**	**Sold**	**As at 31.12.2022**
<u>Direct interest</u>				
Tan Chee How	7,922,280	-	-	7,922,280
Datuk Khoo Teck Kee	310,000	-	-	310,000
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	60,000	-	-	60,000
<u>Indirect interest</u>				
Datuk Wira Ling Kah Chok *	78,833,540	-	-	78,833,540
Gan Boon Lay *	78,833,540	-	-	78,833,540
Yee Carine **	71,313,016	-	-	71,313,016
Teh Sok Hoon **	71,313,016	-	-	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:

	2022 RM
Directors	28,089

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.

During the financial year, the fees and other benefits received and receivable by the directors or past directors of the Group and of the Company are as follows:

	Group 2022 RM	**Company 2022 RM**
Executive directors		
Salaries and other benefits	780,289	780,289
Fees	31,350	31,350
Defined contribution plan, social security contributions and employment insurance system	95,202	95,202
Estimated monetary value of benefits-in-kind	73,050	49,100
	979,891	955,941

DIRECTORS' BENEFITS (Cont'd)

	Group 2022 RM	Company 2022 RM
Non-executive directors		
Fees	250,125	250,125
Meeting allowance	36,750	36,750
	286,875	286,875

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

Directors' Report (Cont'd)

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

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.

Auditors' remuneration of the Group and the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	Company RM
Statutory audit		
- current year	109,000	22,000
- underprovision in prior year	6,000	2,000
Non-statutory audit	7,000	7,000
	122,000	31,000

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 31 March 2023.

DATUK KHOO TECK KEE
Director

TAN CHEE HOW
Director

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

We, DATUK KHOO TECK KEE and TAN CHEE HOW, being two of the directors of MILUX CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 74 to 141 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 2022 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 31 March 2023.

DATUK KHOO TECK KEE
Director

TAN CHEE HOW
Director

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

I, DATUK KHOO TECK KEE, being the director primarily responsible for the accounting records and financial management of MILUX CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 74 to 141 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 31 March 2023)

DATUK KHOO TECK KEE
(MIA Membership No: 21118)

Before me,

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 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 141.

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 2022, 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 3.6 – 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 35% (2021: 34%) of the total assets. The key associated risk is the valuation of the inventories due to possible slow moving and obsolete inventories. Obsolete inventories may be due to phasing out of older models or inventories that are 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: (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 3.9 – 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 19% (2021: 25%) 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 do 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:

(i) 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.

(ii) 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.

(iii) 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)

(iv) 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.

(v) 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.

(vi) 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.

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
[201606003206 (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN
[No. 02453/07/2023(J)]
Chartered Accountant

Date: 31 March 2023
Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	1,195,276	926,033	2,708	523
Right-of-use assets	6	2,906,895	1,984,609	-	-
Investment properties	7	283,525	296,484	-	-
Investment in subsidiary companies	8	-	-	8,269,938	9,175,043
Other investments	9	3,015,313	3,146,691	12,825	19,589
Goodwill on consolidation	11	-	-	-	-
		7,401,009	6,353,817	8,285,471	9,195,155
CURRENT ASSETS					
Inventories	12	22,706,603	21,178,201	-	-
Trade receivables	13	12,009,400	15,364,537	-	-
Other receivables	14	1,473,718	1,430,487	8,644	13,068
Amount due from subsidiary companies	15	-	-	32,739	131,683
Tax recoverable		429,480	455,848	-	-
Fixed deposits with licensed banks	16	15,105,462	8,581,506	612,373	601,505
Cash and bank balances		5,755,587	5,757,089	11,203	54,107
		57,480,250	52,767,668	664,959	800,363
Non-current assets held for sale	17	-	3,307,607	-	-
		57,480,250	56,075,275	664,959	800,363
TOTAL ASSETS		64,881,259	62,429,092	8,950,430	9,995,518

Statements of Financial Position
As at 31 December 2022 (Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 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	(23,093)	109,259	5,027	11,790
Accumulated losses	19	(13,552,997)	(16,674,064)	(55,528,002)	(53,305,679)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		45,490,611	42,501,896	3,543,726	5,772,812
NON-CURRENT LIABILITY					
Lease liabilities	6	2,131,790	1,473,085	-	-
		2,131,790	1,473,085	-	-
CURRENT LIABILITIES					
Trade payables	21	8,483,151	9,305,259	-	-
Other payables	21	2,199,384	2,693,123	141,042	140,619
Amount due to subsidiary companies	22	-	-	5,265,662	4,082,087
Provision	23	1,731,188	1,936,257	-	-
Loans and borrowings	20	3,943,000	3,979,000	-	-
Lease liabilities	6	901,177	508,337	-	-
Provision for taxation		958	32,135	-	-
		17,258,858	18,454,111	5,406,704	4,222,706
TOTAL LIABILITIES		19,390,648	19,927,196	5,406,704	4,222,706
TOTAL EQUITY AND LIABILITIES		64,881,259	62,429,092	8,950,430	9,995,518

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 2022

	Note	Group 2022 RM	Group 2021 RM Restated	Company 2022 RM	Company 2021 RM
Revenue	24	59,323,380	62,115,525	455,400	455,400
Cost of sales		(44,569,130)	(44,197,919)	-	-
GROSS PROFIT		14,754,250	17,917,606	455,400	455,400
Other operating income		8,525,998	4,247,456	10,988	1,505
- Fair value gain on investment in unit trusts		976	838	-	-
- Reversal of impairment loss on:					
Trade receivables		26,808	726,137	-	-
Amount due from a subsidiary company		-	-	-	178,738
Selling and distribution expenses		(5,802,210)	(4,858,827)	-	-
Administrative expenses		(12,727,619)	(11,234,665)	(1,773,179)	(1,665,615)
Other operating expenses		(601,237)	(690,578)	(10,427)	-
- Impairment loss:					
Trade receivables		(88,134)	(37,941)	-	-
Amount due from subsidiary companies		-	-	(905,105)	(166,153)
PROFIT/(LOSS) FROM OPERATIONS		4,088,832	6,070,026	(2,222,323)	(1,196,125)
Finance costs	25	(573,921)	(306,066)	-	-
PROFIT/(LOSS) BEFORE TAXATION	26	3,514,911	5,763,960	(2,222,323)	(1,196,125)
Taxation	27	(393,844)	(236,987)	-	(10,916)
PROFIT/(LOSS) AFTER TAXATION		3,121,067	5,526,973	(2,222,323)	(1,207,041)

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 2022 (Cont'd)

	Note	Group		Company	
		2022 RM	2021 RM Restated	2022 RM	2021 RM
Other comprehensive (expense)/income 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 (expense)/income	9	(132,352)	241,498	(6,763)	12,989
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR		2,988,715	5,768,471	(2,229,086)	(1,194,052)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		3,121,067	5,530,245	(2,222,323)	(1,207,041)
Non-controlling interest		-	(3,272)	-	-
		3,121,067	5,526,973	(2,222,323)	(1,207,041)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) ATTRIBUTABLE TO:					
Owners of the Company		2,988,715	5,771,743	(2,229,086)	(1,194,052)
Non-controlling interest		-	(3,272)	-	-
		2,988,715	5,768,471	(2,229,086)	(1,194,052)
Basic and diluted earnings per share attributable to owners of the Company (sen)	28	1.33	2.83		

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 2022

Group	Note	Attributable to owners of the Company — Non-distributable — Share capital RM	Fair value adjustment reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
2022							
Balance as at 1 January 2022		59,066,701	109,259	(16,674,064)	42,501,896	-	42,501,896
Profit for the financial year		-	-	3,121,067	3,121,067	-	3,121,067
Other comprehensive expense	9	-	(132,352)	-	(132,352)	-	(132,352)
Total comprehensive (expense)/ income for the financial year		-	(132,352)	3,121,067	2,988,715	-	2,988,715
Balance as at 31 December 2022		59,066,701	(23,093)	(13,552,997)	45,490,611	-	45,490,611
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	9	-	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		-	-	-	-	(1)	(1)
Disposal of investment measured at FVTOCI	9	-	(364,720)	364,720	-	-	-
Changes in ownership interests in a subsidiary	8(b)	-	-	(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

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 2022

Company

	Note	← Attributable to owners of the Company →			
		← Non-distributable →			
		Share capital RM	Fair value adjustment reserve RM	Accumulated losses RM	Total equity RM
2022					
Balance as at 1 January 2022		59,066,701	11,790	(53,305,679)	5,772,812
Loss for the financial year		-	-	(2,222,323)	(2,222,323)
Other comprehensive expense	9	-	(6,763)	-	(6,763)
Total comprehensive expense for the financial year		-	(6,763)	(2,222,323)	(2,229,086)
Balance as at 31 December 2022		59,066,701	5,027	(55,528,002)	3,543,726
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	9	-	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

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 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		3,514,911	5,763,960	(2,222,323)	(1,196,125)
Adjustments for:					
Depreciation					
Property, plant and equipment	5	453,646	559,438	315	170
Right-of-use assets	6	978,072	1,015,445	-	-
Investment properties	7	12,959	12,959	-	-
Deposit written off	26	-	32,492	-	-
Fair value gain on investment in unit trusts	26	(976)	(838)	-	-
Gain on disposal of property, plant and equipment	26	-	(701,200)	-	-
Gain on disposal of right-of-use assets	26	-	(104,435)	-	-
Gain on disposal of non-current assets held for sale	17	(7,692,393)	(3,070,197)	-	-
Gain on disposal of investment in a joint venture	10	-	(2,203)	-	-
Impairment loss					
Property, plant and equipment	5	-	14,940	-	-
Amount due from subsidiary companies	15	-	-	10,427	-
Goodwill on consolidation	11	-	222,531	-	-
Investment in subsidiary companies	8	-	-	905,105	166,153
Trade receivables	13	88,134	37,941	-	-
Interest expenses	25	573,921	306,066	-	-
Interest income	26	(203,931)	(108,843)	(10,868)	(1,505)
Dividend income	26	(119,100)	-	(120)	-
Property, plant and equipment written off	26	121,376	-	-	-
Bad debts written off	26	578	64,642	-	-
Loss on disposal of investments	26	-	10,920	-	-
Provision for warranty	23	287,209	304,317	-	-
Provision for incentive	23	1,091,154	962,375	-	-
Reversal of impairment loss on					
Trade receivables	13	(26,808)	(726,137)	-	-
Amount due from subsidiary companies	15	-	-	-	(178,738)
Reversal of provision for warranty and incentive	23	-	(117,746)	-	-
Slow moving and obsolete inventories written down	12	306,921	425,000	-	-
Slow moving and obsolete inventories written back	12	(590,134)	-	-	-
Unrealised gain on foreign exchange	26	(80,924)	(108,469)	-	-
Unrealised loss on foreign exchange	26	64,895	-	-	-
Operating (loss)/profit before working capital changes		(1,220,490)	4,792,958	(1,317,464)	(1,210,045)
Increase in inventories		(1,245,189)	(3,583,475)	-	-
Decrease/(Increase) in receivables		3,246,159	5,238,521	4,425	(1,329)
(Decrease)/Increase in payables		(1,358,648)	1,665,669	423	(2,713)
Cash (used in)/generated from operations		(578,168)	8,113,673	(1,312,616)	(1,214,087)
Interest paid	25	(122,586)	(13,287)	-	-
Income tax refund		18,766	15,300	-	-
Income tax paid		(417,413)	(223,441)	-	-
Warranty paid	23	(346,235)	(300,696)	-	-
Incentives paid	23	(1,237,197)	(1,147,755)	-	-
Net cash (used in)/generated from operating activities		(2,682,833)	6,443,794	(1,312,616)	(1,214,087)

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 2022 (Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 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	(4,059,918)	(408,111)	-	-
Interest received	26	203,931	108,843	10,868	1,505
Dividend received	26	119,100	-	120	-
Income distributed from joint venture	10	-	229,569	-	-
Investment in subsidiary companies	8	-	-	-	(1,049)
Purchase of other investments		-	(2,989,400)	-	-
Purchase of property, plant and equipment	5	(844,265)	(481,088)	(2,500)	-
Purchase of right-of-use assets	6	-	(27,303)	-	-
Proceeds from disposal of asset held for sales	17	11,000,000	3,850,000	-	-
Proceeds from disposal of property, plant and equipment		-	702,319	-	-
Proceeds from disposal of investment		-	1,337,700	-	-
Proceeds from disposal of right-of-use assets		-	155,000	-	-
Net cash generated from investing activities		6,418,848	2,476,586	8,488	456
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(451,335)	(292,779)	-	-
Net changes in bankers' acceptances		(36,000)	118,000	-	-
Repayment of lease liabilities	6	(848,813)	(999,280)	-	-
Advance from subsidiary companies		-	-	1,272,092	1,845,712
Net cash (used in)/generated from financing activities		(1,336,148)	(1,174,059)	1,272,092	1,845,712
Net (decrease)/increase in cash and cash equivalents		2,399,867	7,746,321	(32,036)	632,081
Effect of exchange rate fluctuations on cash held		62,669	60,355	-	-
Cash and cash equivalents as at beginning of the financial year		12,262,709	4,456,033	655,612	23,531
Cash and cash equivalents as at end of the financial year		14,725,245	12,262,709	623,576	655,612
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks	16	15,105,462	8,581,506	612,373	601,505
Cash and bank balances		5,755,587	5,757,089	11,203	54,107
		20,861,049	14,338,595	623,576	655,612
Fixed deposits with maturity of more than 3 months *	16	(6,135,804)	(2,075,886)	-	-
		14,725,245	12,262,709	623,576	655,612

* Included in fixed deposits with tenure of more than 3 months, there is fixed deposits pledged to bank amounted to RM6,045,000 (2021: Nil).

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 2022 (Cont'd)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 January 2022 RM	Net changes from financing activities RM	Drawdown of lease liabilities RM	At 31 December 2022 RM
Bankers' acceptances	3,979,000	(36,000)	-	3,943,000
Lease liabilities	1,981,422	(848,813)	1,900,358	3,032,967
	5,960,422	(884,813)	1,900,358	6,975,967

	At 1 January 2021 RM	Net changes from financing activities RM	Drawdown of lease liabilities RM	At 31 December 2021 RM
Bankers' acceptances	3,861,000	118,000	-	3,979,000
Lease liabilities	1,245,793	(999,280)	1,734,909	1,981,422
	5,106,793	(881,280)	1,734,909	5,960,422

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutan.

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 2022 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 2022 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 31 March 2023.

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 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	

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 2022 (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 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases
Amendments to MFRS 101	Presentation of Financial Statements

Effective date to be determined by Malaysian Accounting Standards Board

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

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

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 2022.

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.

(a) Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 3.5 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

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. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

All 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 at the acquisition date. 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 or OCI.

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 3.5.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

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.

(b) Non-controlling interests

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 income statements and statements of 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.

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3.2 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Property, plant and equipment (Cont'd)

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.

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 3.5 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.

3.3 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.

3.4 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 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 and 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.

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.

3.6 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.

3.7 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial assets

(i) Classification

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

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").

(ii) Initial recognition and measurement

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 Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

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.

(iii) Subsequent measurement

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

3.8.1 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 include trade and other receivables, amount due from subsidiary companies, fixed deposits with licensed banks and cash and bank balances.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial assets (Cont'd)

(iii) Subsequent measurement (Cont'd)

3.8.2 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 at 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.

3.8.3 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 separated 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 at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Financial assets (Cont'd)

(iii) Subsequent measurement (Cont'd)

3.8.3 Financial assets at FVTPL (Cont'd)

This category includes derivative instruments and listed equity investments which 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 FVTPL includes other investments.

(iv) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

(a) the rights to receive cash flows from the asset have expired; or

(b) the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 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.

3.10 Financial liabilities

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

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

3.10.1 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;

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Financial liabilities (Cont'd)

3.10.1 Financial liabilities at FVTPL (Cont'd)

(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.

3.10.2 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.

3.10.3 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 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.

3.11 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.

3.12 Leases

3.12.1 Leases in which the Group is a lessee

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

(a) Right-Of-Use Assets

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

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

Leasehold land	43 - 51 years
Buildings	2 - 6 years
Motor vehicles	5 years

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.12 Leases (Cont'd)

3.12.1 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:

(i) an option to extend if the Group and the Company are reasonably certain to exercise the option;

(ii) an option to terminate if the Group and the Company are reasonably certain not to exercise the 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Borrowings

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

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

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

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

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

3.14 Income tax

3.14.1 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.

3.14.2 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Income tax (Cont'd)

3.14.2 Deferred tax (Cont'd)

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

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

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

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

3.15 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.

3.16 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:

3.16.1 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.

3.16.2 Management fees

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

3.16.3 Dividend income

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Revenue recognition and other income (Cont'd)

3.16.4 Interest income

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

3.16.5 Rental income

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

3.17 Employee benefits

3.17.1 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.

3.17.2 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").

3.18 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.

3.19 Foreign currency

3.19.1 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 2022 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.19 Foreign currency (Cont'd)

3.19.2 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.

3.20 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.

3.21 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.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

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 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.22 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
  - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the entity; or
  - has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family or any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.
(viii) the party which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting 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.

3.23 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 ("ROUA") and investment properties

The costs of property, plant and equipment, ROUA 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 51 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.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (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

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to two years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

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

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 2022 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2022	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 2022		56,600	3,071,356	3,709,150	904,842	7,741,948
Additions	(i)	-	124,945	719,320	-	844,265
Disposal/written off		-	(659,374)	(1,476,925)	(292,860)	(2,429,159)
Balance as at 31 December 2022		56,600	2,536,927	2,951,545	611,982	6,157,054
Less: Accumulated depreciation						
Balance as at 1 January 2022		12,452	2,399,691	2,894,230	904,836	6,211,209
Charge for the financial year		-	33,730	419,916	-	453,646
Disposal/written off		-	(582,902)	(1,352,425)	(292,856)	(2,228,183)
Balance as at 31 December 2022		12,452	1,850,519	1,961,721	611,980	4,436,672
Less: Accumulated impairment losses						
Balance as at 1 January 2022		44,148	557,413	3,145	-	604,706
Disposal/written off		-	(76,455)	(3,145)	-	(79,600)
Balance as at 31 December 2022		44,148	480,958	-	-	525,106
Net carrying amount						
Balance as at 31 December 2022		-	205,450	989,824	2	1,195,276

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

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	(i)	-	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	(ii)	(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	(ii)	(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	(ii)	-	(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 2022 (cont'd)

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

Company

2022	Furniture, fittings and office equipment RM
At cost	
Balance as at beginning of the financial year	1,699
Additions	2,500
Balance as at end of the financial year	4,199
Less: Accumulated depreciation	
Balance as at 1 January 2022	1,176
Charge for the financial year	315
Balance as at 31 December 2022	1,491
Net carrying amount	
Balance as at end of the financial year	2,708
2021	
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

(i) Purchase of property, plant and equipment

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cost of property, plant and equipment purchased	844,265	481,088	2,500	-
Cash disbursed for purchase of property, plant and equipment	844,265	481,088	2,500	-

(ii) Reclassified to assets held for sale

During the previous 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

2022	Note	Short term leasehold land RM	Office Buildings RM	Motor vehicles RM	Total RM
At cost					
Balance as at 1 January 2022		-	3,601,854	1,269,025	4,870,879
Additions		-	1,900,358	-	1,900,358
Balance as at 31 December 2022		-	5,502,212	1,269,025	6,771,237
Less: Accumulated depreciation					
Balance as at 1 January 2022		-	2,204,487	681,783	2,886,270
Charge for the financial year		-	805,492	172,580	978,072
Balance as at 31 December 2022		-	3,009,979	854,363	3,864,342
Net carrying amount					
Balance as at 31 December 2022		-	2,492,233	414,662	2,906,895

2021	Note	Short term leasehold land RM	Office 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

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Right-of-use assets (Cont'd)

The Group motor vehicles are acquired under hire purchase for a lease term of 5 years.

The Group leases office buidings that run between one (1) to three (3) years, with an option to renew the lease after that date.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

Extension options

Some leases of office buildings contain extension options exercisable by the Group up to three (3) years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

(a) Reclassified to asset held for sale

During the previous financial year, the Group reclassified a piece of land that was previously held as right-of-use asset to asset held for sale.

(b) Purchase of right-of-use assets

	Group	
	2022 RM	**2021 RM**
Cost of right-of-use assets	1,900,358	1,762,212
Less: Financed under lease liabilities	(1,900,358)	(1,734,909)
Cash disbursed for right-of-use assets	-	27,303

Lease liabilities

2022	**Office Buildings RM**	**Motor vehicles RM**	**Total RM**
Carrying amount			
Balance as at 1 January 2022	1,423,108	558,314	1,981,422
New lease entered into during the financial year	1,900,358	-	1,900,358
Lease payments	(927,200)	(151,263)	(1,078,463)
Interest expense (Note 25)	205,572	24,078	229,650
Balance as at 31 December 2022	2,601,838	431,129	3,032,967

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

2021	Office 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 (Note 25)	70,738	30,006	100,744
Balance as at 31 December 2021	1,423,108	558,314	1,981,422

Represented by:

	2022 RM	2021 RM
Current liabilities		
Secured		
Lease liability	98,988	124,850
Unsecured		
Lease liability	802,189	383,487
	901,177	508,337
Non-current liabilities		
Secured		
Lease liability	332,141	433,465
Unsecured		
Lease liability	1,799,649	1,039,620
	2,131,790	1,473,085
Total lease liabilities		
Secured		
Lease liability	431,129	558,315
Unsecured		
Lease liability	2,601,838	1,423,107
	3,032,967	1,981,422

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

Rates of interest charged per annum:

	2022 %	2021 %
Lease liabilities owing to financial institutions	4.06 - 5.94	3.96 - 4.06
Lease liabilities owing to non-financial institutions	7.57	8.07

	2022 RM	2021 RM
Minimum lease payment		
- Not later than one year	1,089,822	626,907
- Later than one year and not later than five years	2,331,787	1,619,539
	3,421,609	2,246,446
Future finance charges on lease liabilities	(388,642)	(265,024)
Present value of lease liabilities	3,032,967	1,981,422

Present value of lease liabilities is analysed as follows:

	2022 RM	2021 RM
Current liabilities		
- Not later than one year	901,177	508,337
Non-current liabilities		
- Later than one year and not later than five years	2,131,790	1,473,085
	3,032,967	1,981,422

(a) 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.

6. LEASES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

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

	2022 RM	2021 RM
Depreciation of right-of-use assets (included in cost of goods sold and administrative expenses)	978,072	1,015,445
Interest on lease liabilities (included in finance cost)	229,650	100,744
Expense relating to lease of low-value assets and short-term leases (included in cost of goods sold and administrative expenses) (Note 26)	22,434	32,692
	1,230,156	1,148,881

(c) At the end of the financial year, the Group had total cash outflow for leases of RM1,078,463 (2021: RM1,100,024).

(d) At the end of the financial year, the Group had total cash outflow for leases of low-value assets and short-term leases of RM22,434 (2021: RM32,692).

The Group as a lessor

The Group has entered into operating leases on its investment properties portfolio consisting freehold land and buildings. These leases have term of one year. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessees are not required to provide any residual value guarantee on the properties. Lease income recognised by the Group during the year is RM24,000 (2021: RM24,000).

There is no future minimum lease receivable under non-cancellable operating leases as the rental agreement is renew on a yearly basis.

7. INVESTMENT PROPERTIES

Group	2022 RM	2021 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	312,556	299,597
Charge for the financial year	12,959	12,959
Balance as at end of the financial year	325,515	312,556
Net carrying amount		
Balance as at end of the financial year	283,525	296,484

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

7. INVESTMENT PROPERTIES (Cont'd)

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

	2022 RM	2021 RM
Rental income	24,000	24,000
Direct operating expenses		
Income generating investment properties	12,067	12,067
Non-income generating investment properties	4,385	4,408

The fair value of the investment properties was estimated at RM588,078 (2021: RM567,000) 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 2 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	
	2022 RM	2021 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	40,475,715	41,797,876
Addition	-	1,049
Written off	-	(1,323,210)
Balance as at end of the financial year	40,475,715	40,475,715
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	31,300,672	32,457,729
Impairment losses recognised during the financial year	905,105	166,153
Written off	-	(1,323,210)
Balance as at end of the financial year	32,205,777	31,300,672
Net carrying amount		
Balance as at end of the financial year	8,269,938	9,175,043

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 2022	Effective equity interest 2021	Principal activities
T.H. Hin Sdn. Bhd.	100%	100%	Dealer in gas cookers, electrical household appliances and their related products (Inactive)
T.H. Hin Home Tech Sdn. Bhd.	100%	100%	Trading of gas cookers, built-in hobs, rice cookers roasted ovens, 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 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%	100%	Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantations and crops activities (Inactive)
T5 Digital Sdn. Bhd. (c)	100%	100%	Carry out the business of retail sale and all kind of products over the internet

(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 RM905,105 (2021: RM166,153) 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 fair value less cost to sell.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

(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:-

	2021 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

(ii) Effect of acquisition on cash flow:-

	2021 RM
Fair value of consideration transferred	1,000
Less: Cash and cash equivalents of a subsidiary acquired	(106)
Net cash outflows on acquisition	894

8. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

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

(iii) 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:-

	2021 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:-

	2021 RM
Revenue	41,528
Loss for the financial year	(10,381)

9. OTHER INVESTMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Fair value through profit or loss:-				
- Unit trust fund	41,208	40,232	-	-
Financial assets at fair value through other comprehensive income:-				
-quoted shares in Malaysia	2,974,105	3,106,459	12,825	19,589
	3,015,313	3,146,691	12,825	19,589

(a) The average effective interest rates of the placement with an unit trust fund management company is 2.14% (2021: 2.40%) 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 RM132,352 and RM6,763 of fair value loss (2021: RM241,498 and RM12,989 of fair value gain) to other comprehensive income.

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

10. INVESTMENT IN A JOINT VENTURE

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 2022 (cont'd)

11. GOODWILL ON CONSOLIDATION

	Group	
	2022	2021
At cost		
Balance as at beginning of the financial year	222,531	221,652
Acquisition of a subsidiary company (Note 8)	-	879
Balance as at end of the financial year	222,531	222,531
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	222,531	-
Charge for the financial year	-	222,531
Balance as at beginning and end of the financial year	222,531	222,531
Net carrying amount		
Balance as at beginning and end of the financial year	-	-

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 less cost to sell calculation. The fair value less cost to sell is derived by the Directors based on indicative market value of the property and the net assets of the CGU.

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. During the previous 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 previous year.

12. INVENTORIES

	Group	
	2022 RM	2021 RM
At cost		
Raw materials	2,271	29,177
Finished goods	21,329,139	17,068,170
Good in transit	1,200,006	2,396,410
Consumables	-	-
	22,531,416	19,493,757
At net realisable value		
Raw materials	-	90,388
Finished goods	175,187	1,591,729
Consumables	-	2,327
	175,187	1,684,444
	22,706,603	21,178,201

12. INVENTORIES (Cont'd)

	Group 2022 RM	Group 2021 RM
Recognised in profit or loss		
Inventories recognised as cost of sales	41,289,856	41,206,527
Slow moving and obsolete inventories written down	306,921	425,000
Slow moving and obsolete inventories written back *	(590,134)	-
Disposal of slow moving and obsolete inventories #	(1,948,301)	-

Slow moving and obsolete inventories written down, written back and disposal of slow moving and obsolete inventories are included into cost of sales.

* During the year, the Group has sold off the slow moving and obsolete inventories which were previously written down. As a result, the allowance for slow moving and obsolete inventories were written back.

\# During the year, the Group has disposed off the slow moving and obsolete stocks which were previously written down.

13. TRADE RECEIVABLES

Group	2022 RM	2021 RM
Trade receivables - gross	12,954,849	16,248,660
Less: Allowance for impairment losses	(945,449)	(884,123)
Trade receivables - net	12,009,400	15,364,537

Group

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

2022

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	45,882	838,241	884,123
Allowance for impairment losses	78,914	9,220	88,134
Reversal of allowance for impairment losses	(4,776)	(22,032)	(26,808)
Balance as at end of the financial year	120,020	825,429	945,449

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

13. TRADE RECEIVABLES (Cont'd)

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

* During the previous and current financial year, the Group managed to collect from 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:

2022

	Gross carrying amount RM	Provision for impairment losses ECL (Collectively assessed) RM	Provision for impairment losses ECL (Individually assessed) RM	Net balance RM
Neither past due	10,676,101	-	-	10,676,101
Past due 1 - 30 days	737,512	-	-	737,512
Past due 31 - 60 days	225,748	(22,397)	-	203,351
Past due 61 - 90 days	157,662	(97,623)	-	60,039
More than 90 days past due	332,397	-	-	332,397
	12,129,420	(120,020)	-	12,009,400
Credit Impaired				
More than 90 days past due	825,429	(389,175)	(436,254)	-
	12,954,849	(509,195)	(436,254)	12,009,400

13. TRADE RECEIVABLES (Cont'd)

Group

2021

	Gross carrying amount RM	Provision for impairment losses 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

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 (2021: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.

14. OTHER RECEIVABLES

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other receivables	68,850	33,273	-	-
Deposits	201,711	324,703	1,000	5,500
Prepayments	1,203,157	1,047,552	7,644	7,568
Interest receivables	-	24,959	-	-
	1,473,718	1,430,487	8,644	13,068

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

15. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2022 RM	2021 RM
Amount due from subsidiary companies	29,330,142	29,418,659
Less: Allowance for impairment losses	(29,297,403)	(29,286,976)
Amount due from subsidiary companies - net	32,739	131,683

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

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

	2022 RM	2021 RM
Balance as at beginning of the financial year	29,286,976	29,465,714
Impairment losses recognised during the financial year	10,427	-
Reversal of allowance for impairment losses *	-	(178,738)
Balance as at end of the financial year	29,297,403	29,286,976

* During the previous 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 previous financial year.

16. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits				
With maturity of 1 to 3 months	8,969,658	6,505,620	612,373	601,505
With maturity of more than 3 months	6,135,804	2,075,886	-	-
	15,105,462	8,581,506	612,373	601,505

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

	Group	
	2022	2021
Effective interest rates	1.25% - 2.50%	1.25% - 2.00%
Maturity period	one month to one year	one month to one year

16. FIXED DEPOSITS WITH LICENSED BANKS (Cont'd)

	Company	
	2022	2021
Effective interest rates	1.50% to 2.50%	1.50%
Maturity period	one to three months	three months

Included in fixed deposits of the Group with licensed banks, is an amount of RM6,045,000 (2021: Nil) which were pledged to licensed bank as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

17. NON-CURRENT ASSETS HELD FOR SALE

Group	2022 RM	2021 RM
At net book value:		
Property, plant and equipment (Note 5)	-	2,730,865
Right-of-use assets (Note 6)	-	576,742
	-	3,307,607

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 nil (2021: 21 years).

The assets classified as held for sale at the end of the previous financial year comprise of land and building of T.H. Hin Home Tech Sdn. Bhd. pursuant to a 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 RM11,000,000. This transaction has been completed on 19 May 2022. The disposal has resulted in a gain on disposal of RM7,692,393.

On 10 September 2020, Enamel Products Sdn. Bhd. has entered into a Sale and Purchase agreement ("SPA")with a third party on the disposal of land and building for a total consideration of RM3,850,000.

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 RM3,070,197.

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:

	2022 RM	2021 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 2022 (cont'd)

18. CAPITAL AND RESERVES

	Group and Company			
	2022	2021	2022	2021
	Number of shares		RM	RM
Issued and fully paid:				
Balance as at beginning of the financial year	235,056,788	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	235,056,788	59,066,701	59,066,701

Fair value adjustment reserve

The fair value adjustment reserve comprises the cumulative net change in the fair value of financial assets through other comprehensive income until the investments are derecognised or impaired.

19. ACCUMULATED LOSSES

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

20. LOANS AND BORROWINGS

Group	2022 RM	2021 RM
Current liabilities		
Secured		
Bankers' acceptance	3,943,000	3,979,000
	3,943,000	3,979,000
Total borrowings		
Secured		
Bankers' acceptance	3,943,000	3,979,000
	3,943,000	3,979,000

Rates of interest charged per annum:

	2022 %	2021 %
Bankers' acceptance	5.40 - 6.58	4.67 - 5.03

(a) Bankers' acceptance

The bankers' acceptances are secured by the following:

(i) a charge on fixed deposit placed by a subsidiary to the bank, amounting to RM6,000,000 together with interest earned and/or to be earned thereon as disclosed in Note 16 to the financial statements;

(ii) corporate guarantee by the Company.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables	8,483,151	9,305,259	-	-
Add:				
Other payables	1,163,843	1,694,769	72,170	4,448
Accruals	901,041	905,174	68,872	136,171
Deposits received	134,500	93,180	-	-
	2,199,384	2,693,123	141,042	140,619
Total trade and other payables	10,682,535	11,998,382	141,042	140,619

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 90 days (2021: 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

2022	Warranty RM	Incentives RM	Total RM
Balance as at beginning of the financial year	287,483	1,648,774	1,936,257
Charge for the financial year	287,209	1,091,154	1,378,363
Utilised during the financial year	(346,235)	(1,237,197)	(1,583,432)
Balance as at end of the financial year	228,457	1,502,731	1,731,188

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

24. REVENUE

	Group		Company	
	2022 RM	2021 RM Restated	2022 RM	2021 RM
Revenue comprises the following:				
- Revenue from contract with customers	59,323,380	62,115,525	-	-
- Revenue from other sources				
Management fees income	-	-	455,400	455,400
	59,323,380	62,115,525	455,400	455,400

Notes To The Financial Statements For The Financial Year Ended 31 December 2022 (cont'd)

24. REVENUE (Cont'd)

24.1 Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major product and services lines and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 31 Segment Information.

	Group		Company	
	2022 RM	2021 RM Restated	2022 RM	2021 RM
Principal geographical areas				
Malaysia	58,813,125	60,361,676	455,400	455,400
Asian countries	510,255	1,753,849	-	-
	59,323,380	62,115,525	455,400	455,400
Major products and service line				
Sales of home appliances	59,080,698	61,979,941	-	-
Management fee income	-	-	455,400	455,400
Others*	242,682	135,584	-	-
	59,323,380	62,115,525	455,400	455,400
Timing of revenue recognition:				
At point in time	59,323,380	62,115,525	455,400	455,400

* Includes service-type fees.

The Group and the Company do not have performance obligations that are unsatisfied for contracts as at the reporting date.

25. FINANCE COSTS

Group

	2022 RM	2021 RM
Interest expenses on		
Bank overdraft	122,586	13,287
Lease liabilities (Note 6)	229,650	100,744
Bankers' acceptances	203,402	179,797
Unwinding of discount on other receivables	(10,215)	(10,501)
Other interest	28,498	22,739
	573,921	306,066

26. PROFIT/(LOSS) BEFORE TAXATION

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit/(Loss) before taxation is arrived at:					
after charging					
Auditors' remuneration:					
Statutory audit					
- current year		109,000	89,000	22,000	16,500
- underprovision in prior year		6,000	-	2,000	-
Non-statutory audit		7,000	7,000	7,000	7,000
Depreciation:					
Property, plant and equipment	5	453,646	559,438	315	170
Right-of-use assets	6	978,072	1,015,445	-	-
Investment properties	7	12,959	12,959	-	-
Deposit written off		-	32,492	-	-
Directors' remuneration:					
- Executive:					
Fees		31,350	30,000	31,350	30,000
Salaries and other benefits		780,289	691,828	780,289	727,828
Employee's provident fund		93,198	86,901	93,198	86,901
Social security costs		2,004	1,847	2,004	1,847
- Non-executive:					
Fees		250,125	240,000	250,125	240,000
Meeting allowance		36,750	36,000	36,750	36,000
Impairment loss:					
Amount due from subsidiary companies	15	-	-	10,427	-
Goodwill on consolidation	11	-	222,531	-	-
Investment in subsidiary companies	8	-	-	905,105	166,153
Trade receivables	13	88,134	37,941	-	-
Property, plant and equipment	5	-	14,940	-	-
Bad debts written off		578	64,642	-	-
Interest expenses	25	573,921	306,066	-	-
Property, plant and equipment written off		121,376	-	-	-
Provision for warranty	23	287,209	304,317	-	-
Provision for incentives	23	1,091,154	962,375	-	-
Expense relating to lease of low value assets and short term leases:					
Office equipment	6	22,434	24,152	-	-
Premises	6	-	5,100	-	-
Plant and machinery	6	-	3,440	-	-
Loss on disposal of investment		-	10,920	-	-
Loss on foreign exchange:					
Realised		315,186	178,647	-	-
Unrealised		64,895	-	-	-
Slow moving and obsolete inventories written down	12	306,921	425,000	-	-
Staff costs:					
Salaries and other benefits		5,600,992	5,285,372	37,387	53,409
Employee's provident fund		744,583	674,569	4,937	7,739
Social security costs		77,019	69,826	732	939
after crediting					
Dividend income		(119,100)	-	(120)	-
Fair value gain on investment in unit trusts		(976)	(838)	-	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

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

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
after crediting (Cont'd)					
Gain on disposal of property, plant and equipment		-	(701,200)	-	-
Gain on disposal of right-of-use assets		-	(104,435)	-	-
Gain on disposal of non-current assets held for sale	17	(7,692,393)	(3,070,197)	-	-
Gain on disposal of investment in a joint venture	10	-	(2,203)	-	-
Gain on foreign exchange:					
Realised		(116,765)	(83,743)	-	-
Unrealised		(80,924)	(108,469)	-	-
Interest income		(203,931)	(108,843)	(10,868)	(1,505)
Reversal of provision for warranty and incentive	23	-	(117,746)	-	-
Rental income		(24,000)	(24,000)	-	-
Reversal of impairment loss on:					
Trade receivables	13	(26,808)	(726,137)	-	-
Amount due from a subsidiary company	15	-	-	-	(178,738)
Slow moving and obsolete inventories written back	12	(590,134)	-	-	-

The estimated monetary value of benefits-in-kind received by the directors of the Group and the Company amounted to RM73,050 and RM49,100 respectively (2021: RM39,256 and RM8,106 respectively).

27. TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax				
Provision for current financial year	38,896	50,309	-	-
Overprovision in previous financial year	(23,733)	(3,883)	-	10,916
Real property gain tax	378,681	190,561	-	-
Tax expenses for current financial year	393,844	236,987	-	10,916

Domestic current income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before taxation	3,514,911	5,763,960	(2,222,323)	(1,196,125)
Tax at the statutory tax rate of 24% (2021: 24%)	843,579	1,383,350	(533,358)	(287,070)
Non-deductible expenses	555,626	558,826	336,679	142,342
Non-taxable income	(87,035)	(632,662)	-	-
Deferred tax assets not recognised during the financial year	412,550	214,827	196,679	144,728
Utilisation of previously unrecognised deferred tax assets	(1,685,824)	(1,474,032)	-	-
(Over)/underprovision of taxation in previous financial year	(23,733)	(3,883)	-	10,916
Real property gain tax	378,681	190,561	-	-
Tax expenses for the current financial year	393,844	236,987	-	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	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses	31,582,990	33,007,938	819,178	-
Unabsorbed capital allowances	6,941,370	6,900,288	2,699	1,699
Other temporary differences	5,061,443	8,982,888	(1,208)	(524)
	43,585,803	48,891,114	820,669	1,175
Unrecognised deferred tax assets at 24% (2021: 24%)	10,460,593	11,733,867	196,961	282

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. Pursuant to Section 8 of the Finance Act 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 2022 (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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Utilisation period				
Indefinite	12,002,813	15,883,176	1,491	1,175
Expired by YA 2028 (Previously Expired by YA 2025)	27,528,188	27,931,172	-	-
Expired by YA 2029 (Previously Expired by YA 2026)	1,043,513	2,416,790	-	-
Expired by YA 2030 (Previously Expired by YA 2027)	1,233,376	2,398,176	-	-
Expired by YA 2031	261,800	261,800	-	-
Expired by YA 2032	1,516,113	-	819,178	-
	43,585,803	48,891,114	820,669	1,175

28. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2022 is based on the profit attributable to owners of the Company and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2022	**2021**
Profit attributable to owners of the Company (RM)	3,121,067	5,530,245
Weighted average number of ordinary shares (units)	235,056,788	195,451,329
Basic earnings per ordinary share attributable to owners of the Company (sen)	1.33	2.83

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Company is similar to the basic earnings 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 earnings per ordinary share.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Subsidiary companies				
Management fee	-	-	455,400	455,400
Other related parties				
Rental expenses paid to a company in which a director has substantial interest	780,000	756,000	-	-
Salaries paid to persons connected to certain directors	84,818	64,915	-	-
Transaction with companies in which directors has substantial interest	78,144	78,429	-	-

(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

	2022 RM	2021 RM
Unsecured		
Bank guarantee issued to third parties	103,050	103,050

Company

	2022 RM	2021 RM
Unsecured (Note 20)		
Corporate guarantee granted to subsidiary companies	4,046,050	4,082,050

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (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	
	2022	**2021 Restated**
<u>Revenue</u>		
Malaysia	58,813,125	60,361,676
Asian countries	510,255	1,753,849
	59,323,380	62,115,525

(b) Business segments

The Group comprises the following main business segments:

Home appliance - Dealer in household appliances and their related products.
Others - Investment holding and provision of management services.

31. SEGMENT INFORMATION (Cont'd)

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

Group

2022	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
Revenue					
External revenue	59,323,205	175	59,323,380	-	59,323,380
Inter-segment revenue	507,826	515,394	1,023,220	(1,023,220)	-
Total revenue	59,831,031	515,569	60,346,600	(1,023,220)	59,323,380
Results					
Segment results	5,400,394	(2,253,790)	3,146,604	738,297	3,884,901
Finance income	164,583	39,348	203,931	-	203,931
Finance costs	(573,921)	-	(573,921)	-	(573,921)
Profit/(lost) before taxation	4,991,056	(2,214,442)	2,776,614	738,297	3,514,911
Income tax expenses	(410,034)	16,190	(393,844)	-	(393,844)
Profit/(lost) after taxation	4,581,022	(2,198,252)	2,382,770	738,297	3,121,067
Assets					
Segment assets	58,133,037	12,858,930	70,991,967	(27,401,237)	43,590,730
Tax recoverable	429,480	-	429,480	-	429,480
Fixed deposits with licensed banks	13,609,775	1,495,687	15,105,462	-	15,105,462
Cash and bank balances	5,674,277	81,310	5,755,587	-	5,755,587
Total assets	77,846,569	14,435,927	92,282,496	(27,401,237)	64,881,259
Liabilities					
Segment liabilities	88,590,435	9,581,180	98,171,615	(85,757,892)	12,413,723
Tax payable	32	926	958	-	958
Borrowings	3,943,000	-	3,943,000	-	3,943,000
Lease liabilities	3,032,967	-	3,032,967	-	3,032,967
Total liabilities	95,566,434	9,582,106	105,148,540	(85,757,892)	19,390,648
Other information					
Capital expenditure	2,744,623	-	2,744,623	-	2,744,623
Depreciation	1,433,915	10,762	1,444,677	-	1,444,677
Fair value gain on investment in unit trusts	(976)	-	(976)	-	(976)
Gain on disposal of asset held for sales	(7,692,393)	-	(7,692,393)	-	(7,692,393)
Impairment loss:					
Trade receivables	88,134	-	88,134	-	88,134
Bad debts written off	578	-	578	-	578
Property, plant and equipment written off	121,376	-	121,376	-	121,376
Provision for warranty	287,209	-	287,209	-	287,209
Provision for incentives	1,091,154	-	1,091,154	-	1,091,154

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (cont'd)

31. SEGMENT INFORMATION (Cont'd)

Group

2022	**Home appliances RM**	**Others RM**	**Total operations RM**	**Elimination RM**	**Total RM**
Other information (Cont'd)					
Reversal of impairment loss on:					
Trade receivables	(26,808)	-	(26,808)	-	(26,808)
Slow moving and obsolete inventories written back	(590,134)	-	(590,134)	-	(590,134)
Slow moving and obsolete inventories written down	306,921	-	306,921	-	306,921
Realised foreign exchange loss	315,186	-	315,186	-	315,186
Realised foreign exchange gain	(116,765)	-	(116,765)	-	(116,765)
Unrealised foreign exchange loss	64,895	-	64,895	-	64,895
Unrealised foreign exchange gain	(80,924)	-	(80,924)	-	(80,924)

2021	**Home appliances RM**	**Others RM**	**Total operations RM**	**Elimination RM**	**Total RM**
Revenue					
External revenue	62,115,525	-	62,115,525		62,115,525
Inter-segment revenue	1,135,917	455,400	1,591,317	(1,591,317)	-
Total revenue	63,251,442	455,400	63,706,842	(1,591,317)	62,115,525
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

31. SEGMENT INFORMATION (Cont'd)

Group

2021	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
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	(3,070,197)	-	(3,070,197)	-	(3,070,197)
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
Property, plant and equipment	14,940	-	14,940	-	14,940
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
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)

(c) Major customer

During the current and previous financial years, the Group does not has any customer with revenue equal to or more than 10% of total Group's revenue.

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 2022 (cont'd)

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

32.1 Interest rate risk (Cont'd)

The bank overdraft and bankers' acceptance at floating rates expose the Group to cash flow interest rate risk whilst lease liabilities 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 RM111,625 (2021: RM46,000) 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, 28% (2021: none) of the Group's trade receivables were due from four (4) (2021: nil) 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) Other receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The maximum exposure to credit risk is disclosed in Note 14 to the financial statements, representing the carrying amount of the other receivables recognised on the statements of financial position.

(c) 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 2022, 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.

(d) Cash and cash equivalent

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

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

32.2 Credit risk (Cont'd)

(e) 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 liquidity and cash flow risk is disclosed in 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.

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

Group

2022	**USD RM**	**EURO RM**	**Others RM**	**Total RM**
Cash and bank balances	14,703	24,604	28,909	68,216
Trade and other receivables	1,121,371	-	-	1,121,371
Trade and other payables	(1,421,196)	-	-	(1,421,196)
	(285,122)	24,604	28,909	(231,609)
2021				
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

<u>Sensitivity analysis for foreign currency risk</u>

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's profit/(loss) before taxation would increase/(decrease) by approximately RM23,000 (2021: RM45,000).

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 2022 (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

2022	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
Trade and other payables	10,682,535	-	10,682,535	10,682,535	-	-
Bankers' acceptances	3,943,000	5.40 - 6.58	3,943,000	3,943,000	-	-
Lease liabilities	3,032,967	2.61 - 7.57	3,421,609	1,089,822	2,331,787	-
Financial guarantee contracts	103,050	-	103,050	103,050	-	-
	17,761,552		18,150,194	15,818,407	2,331,787	-
2021						
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	-
Financial guarantee contracts	103,050	-	103,050	103,050	-	-
	18,061,854		18,326,878	16,707,339	1,619,539	-

Company

2022	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
Other payables	141,042	-	141,042	141,042	-	-
Amount due to subsidiary companies	5,265,662	-	5,265,662	5,265,662	-	-
Financial guarantee contracts	4,046,050	-	4,046,050	4,046,050	-	-
	9,452,754		9,452,754	9,452,754	-	-
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	-	-

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

32.5 Classification of financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
Financial assets at fair value through profit or loss	41,208	40,232	-	-
Financial assets at fair value through other comprehensive income	2,974,105	3,106,459	12,825	19,589
	3,015,313	3,146,691	12,825	19,589
Amortised costs				
Trade receivables	12,009,400	15,364,537	-	-
Other receivables	270,561	382,935	1,000	5,500
Amount due from subsidiary companies	-	-	32,739	131,683
Fixed deposits with licensed banks	15,105,462	8,581,506	612,373	601,505
Cash and bank balances	5,755,587	5,757,089	11,203	54,107
	33,141,010	30,086,067	657,315	792,795
	36,156,323	33,232,758	670,140	812,384
Financial liabilities				
Amortised costs				
Trade payables	8,483,151	9,305,259	-	-
Other payables	2,199,384	2,693,123	141,042	140,619
Amount due to subsidiary companies	-	-	5,265,662	4,082,087
Loans and borrowings	3,943,000	3,979,000	-	-
Lease liabilities	3,032,967	1,981,422	-	-
	17,658,502	17,958,804	5,406,704	4,222,706

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 and financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

	Financial instruments that are carried at fair value			
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial assets				
Investments at FVTPL	-	41,208	-	41,208
Investments at FVOCI	2,974,105	-	-	2,974,105
	2,974,105	41,208	-	3,015,313

Notes To The Financial Statements
For The Financial Year Ended 31 December 2022 (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			
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
Company				
2022				
Financial asset				
Investments at FVOCI	12,825	-	-	12,825
2021				
Financial asset				
Investments at FVOCI	19,589	-	-	19,589
Group				
2022				
Financial liabilities				
Loans and borrowings	-	-	3,943,000	3,943,000
Lease liabilities	-	-	3,032,967	3,032,967
	-	-	6,975,967	6,975,967
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

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

32.6 Fair value of financial instruments (Cont'd)

Company	Financial instruments that are carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial asset				
Amount due from subsidiary companies	-	-	32,739	32,739
Financial liability				
Amount due to subsidiary companies	-	-	5,265,662	5,265,662
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

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 (2021: 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 2022 (cont'd)

33. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) COVID-19 pandemic

Since the beginning of the financial year, the Malaysia government has introduced a four-phase National Recovery Plan ("NRP") to help the country emerge from the Covid-19 pandemic and its economic fallout. As a consequence, the Group is allowed to carry out business operation without restrictions.

The Group's business revenue has decreased as compared to previous financial year, due to lower contribution from its trading operation and its manufacturing operation which has ceased operation. During the financial year, the Group has further invested in their e-commerce operation to supplement the Group's existing online business which markets gas and home appliances under the "Milux" brand, and home appliances under the "Euro Uno" brand.

The management is also monitoring strictly on the Group's operating expenses. There was a slight increase in costs incurred for administrative and distribution during the financial year. However, the Group still managed to maintain profit in current financial year mainly due to gain recognised on the completion of disposal of the land and building that housed the manufacturing facility previously.

In short, the Group has managed to regain its business position with the implementation of NRP in current financial year. However, the Group shall continue to monitor any developments of the Covid-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Group for the financial year ending 31 December 2023.

(b) On 2 December 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 RM11,000,000. This transaction has been completed on 19 May 2022.

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 2022.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Net debt	4,664,445	7,632,352	4,783,128	3,567,094
Total equity attributable to owners of the Company	45,490,611	42,501,896	3,543,726	5,772,812
Net debt against equity ratio	0.10	0.18	1.35	0.62

35. COMPARATIVE FIGURES

The presentation and classification of items in current year's financial statements are consistent with the previous financial year and the following comparative figures which have been reclassified to conform with current period's presentation and to reflect appropriately the nature of the transaction:

Group	As previously stated RM	Reclassification RM	As reclassified RM
Statement of Profit or Loss			
For financial year ended 31 December 2021			
Revenue	63,077,900	(962,375)	62,115,525
Selling and distribution expenses	(5,821,202)	962,375	(4,858,827)

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

SHARE CAPITAL

Total number of Issued Shares	:	235,056,788 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares held	%
Less than 100	130	8.57	3,236	0.00
100 - 1,000	212	13.97	116,184	0.05
1,001 - 10,000	691	45.55	3,783,140	1.61
10,001 - 100,000	381	25.12	13,145,800	5.59
100,001 – 11,752,838	99	6.53	67,861,872	28.87
11,752,839 and above	4	0.26	150,146,556	63.88
Total	**1,517**	**100.00**	**235,056,788**	**100.00**

DIRECTORS' SHAREHOLDINGS
(As per Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares held	%	No. of Shares held	%
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[(3)]	0.02
Gan Boon Lay	-	-	78,833,540[(1)]	33.54
Teh Sok Hoon	-	-	71,313,016[(2)]	30.34
Yee Carine	-	-	71,313,016[(2)]	30.34

Notes:

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

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

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

Analysis of Shareholdings
As at 31 March 2023 (Cont'd)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per Register of Substantial Shareholders' Shareholdings)

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

Notes:
(1) *Deemed interested by virtue of his interest in Topspike Holding Sdn. Bhd. pursuant to Section 8(4) of the Act.*
(2) *Deemed interested by virtue of its/ her interest in Asia New Venture Capital Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.*

30 LARGEST SHAREHOLDERS

No.	Shareholders	Number of Shares	%
1.	Asia New Venture Capital Holdings Sdn. Bhd.	71,313,016	30.34
2.	RHB Nominees (Tempatan) Sdn. Bhd. OSK Capital Sdn. Bhd. for Topspike Holding Sdn. Bhd.	40,000,000	17.02
3.	Maybank Nominees (Tempatan) Sdn. Bhd. Topspike Holding Sdn. Bhd.	20,327,980	8.65
4.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Topspike Holding Sdn. Bhd.	18,505,560	7.87
5.	Tan Chee How	7,922,280	3.37
6.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Chee Meng	6,000,000	2.55
7.	Tan Chee Siang	5,281,520	2.25
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Chee Meng	4,403,800	1.87
9.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Credit Suisse (SG BR-TST-Asing)	4,133,100	1.76
10.	Tossavorn Vivatsurakit	2,585,400	1.10
11.	Wong Lee Phin	2,000,000	0.85
12.	Wan Kin Kee	1,991,000	0.85

Analysis of Shareholdings
As at 31 March 2023 (Cont'd)

30 LARGEST SHAREHOLDERS (CONT'D)

No.	Shareholders	Number of Shares	%
13.	Zhao, Xiaodan	1,734,500	0.74
14.	Yong Fook Ming	1,379,100	0.59
15.	Lee Boon Tong	1,135,600	0.48
16.	Voo Vun Lan	978,500	0.42
17.	Kenanga Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Ra Wha Hyun (009)	955,400	0.41
18	Kelrix Sdn. Bhd.	921,700	0.39
19.	Saw Beng Lam	914,500	0.39
20.	Ang Joo Kang	888,500	0.38
21.	Phang Siew Pin	851,300	0.36
22.	Lim Chin Sean	766,300	0.33
23.	Tan Ze Chuan	733,100	0.31
24.	Nurjannah Binti Ali	720,000	0.31
25.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Yoon Peck	705,000	0.30
26.	Tiong En Chee	670,000	0.29
27.	Tan King Tai @ Tan Khoon Hai	631,200	0.27
28.	Pang Eng Chai	595,000	0.25
29.	Ng Meow San	575,500	0.24
30.	Tai Hong Lim	572,700	0.24
	TOTAL	**200,191,556**	**85.18**

LIST OF GROUP PROPERTIES

Location	Description	Approximate size	Approximate age of building	Tenure	Existing use	Net Book Value as at 31.12.2022 RM' 000	Year of acquisition
T.H.HIN SDN BHD							
Lot 5.31, 4th Floor, Imbi Plaza, Jalan Imbi Kuala Lumpur	one unit office lot	345 sq ft	42 years	Freehold	Vacant	22	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	23 years 23 years 23 years 23 years 23 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	34 years	Leasehold (99 years expiring 19-01-2077)	Let out	137	1990
B1-4, First Floor Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,296 sq ft	34 years	Leasehold (99 years expiring 19-01-2077)	Let out	124	1990

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

FORM OF PROXY

Number of Shares held	
CDS Account No.	
Contact No.	

I/We ______________________________ NRIC/Passport/Co. No. ____________________
(Full Name in Block Letters)

of ____
(Full Address)

being a member of **MILUX CORPORATION BERHAD**, hereby appoint

Full Name (in Block Letters)	**NRIC/Passport No.:**	**Contact No.:**	**Proportion of shareholdings**	
			No. of Shares	**%**
Full Address:				

and (if more than one (1) proxy)

Full Name (in Block Letters)	**NRIC/Passport No.:**	**Contact No.:**	**Proportion of shareholdings**	
			No. of Shares	**%**
Full Address:				

or failing him/her, *the Chairman of the Meeting as *my/our proxy to vote for *me/us on my/our behalf at the 28th Annual General Meeting ("AGM" or "Meeting") of the Company to be conducted on a virtual basis through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur and via TIIH Online website at https://tiih.online on Friday, 23 June 2023 at 2.30 p.m. or at any adjournment thereof. *My/our proxy is to vote as indicated below: -

* *Delete if not applicable.*

No.	Resolutions	For	Against
1	To approve the payment of Directors' fees amounting to RM292,950.00 for the period from 1 July 2023 to 30 June 2024.		
2	To approve the payment of benefits payable to the Directors up to an amount of RM90,000.00 from 1 July 2023 to 30 June 2024.		
3	To re-elect Gan Boon Lay as Director.		
4	To re-elect Yee Carine as Director.		
5	To re-elect Teh Sok Hoon as Director.		
6	To re-appoint Messrs CAS Malaysia PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.		
7	Authority for Directors to Issue Shares.		
8	Proposed Renewal of RRPT Mandate.		

(Please indicate with a "x" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Signed this .... day of ...., 2023.

....
Signature of Member / Common Seal

Notes:

1. **General Meeting Record of Depositors**
In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2023 shall be eligible to attend, speak and vote at the AGM.

2. **Broadcast Venue**
(a) The AGM will be conducted on a virtual basis through live streaming from the Broadcast Venue and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via TIIH Online website at https://tiih.online ("TIIH online"). Please follow the procedures stated in the Administrative Guide for the 28th AGM in order to register, participate and vote remotely via the RPV facilities.
(b) The Broadcast Venue, which is the main venue of the AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the Broadcast Venue. No shareholders/proxy(ies) from the public should be physically present at the Broadcast Venue.

3. **Appointment of Proxy**
(a) A member entitled to attend, speak and vote at the AGM is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints two (2) proxies, the member shall specify the proportions of his/her shareholdings to be represented by each proxy failing which, the appointment shall be invalid.
(b) A proxy may but need not be a member of the Company. 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 attend, participate, speak and vote at the Meeting.
(c) Where a member 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.
(d) The instrument appointing a proxy shall be in writing under the hands of member or of his attorney duly authorised in writing or, if the member is a corporation, under its common seal or the hand of its officer or attorney duly authorised.

4. **Lodgement of Form of Proxy**
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 or submitted not less than 48 hours before the time appointed for holding the Meeting or adjournment thereof, either in hardcopy or by electronic means:
(a) In hardcopy form
The proxy form shall be deposited at the office of Tricor, the Poll Administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
(b) By electronic means
The proxy form can be submitted electronically via TIIH Online website at https://tiih.online. Please follow the procedures stated in the Administrative Guide for the 28th AGM for further details on electronic submission of proxy form.

Personal Data Privacy
By submitting this Form of Proxy and providing to the Company and/or its agents the personal data which may include the name, contact details and mailing address, the member of the Company hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to the member for the purposes of convening the Meeting (including any adjournment thereof), including but not limited to preparation and compilation of documents and other matters, whether or not supplied by the member. The member further confirms to have obtained the consent, agreement and authorisation of all persons whose personal data the member have disclosed and/ or processed in connection with the foregoing.

Please
Affix
Stamp

MILUX CORPORATION BERHAD
[Reg. No. 199401027937 (313619-W)]
c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

www.milux.com.my

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

No. 31, Lorong Jala 14/KS10,
Off Jalan Telok Gong,
42000 Pelabuhan Klang, Selangor Darul Ehsan
Tel : 03 – 3134 1254
Fax : 03 – 3134 1193