

# MILUX®

QUALITY • SAFETY • RELIABILITY

**MILUX CORPORATION BERHAD**

[Registration No. 199401027937 (313619-W)]



# ANNUAL REPORT 2024



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## NOTICE OF 30<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 30<sup>th</sup> Annual General Meeting ("AGM") of Milux Corporation Berhad ("Milux" or "Company") will be held at Lot 753, Jalan Subang 3, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor on Monday, 23 June 2025 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 2024 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees amounting to RM162,000.00 for the period from 1 July 2025 to 30 June 2026. *Resolution 1*
3. To approve the payment of benefits payable to the Directors up to an amount of RM120,000.00 from 1 July 2025 to 30 June 2026. *Resolution 2*
4. To re-elect the following Directors who retire in accordance with Clause 116 of the Company's Constitution and being eligible, have offered themselves for re-election:-
  - (i) Yap Yen Chien; *Resolution 3*
  - (ii) Datin Yap Shin Siang; *Resolution 4*
  - (iii) Ng Wei Wei; and *Resolution 5*
  - (iv) Mak Wai Hoong. *Resolution 6*
5. To re-appoint Messrs CAS Malaysia PLT as the Company's Auditors and to authorise the Directors to fix their remuneration. *Resolution 7*

### SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION  
AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES** *Resolution 8*

"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.

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."
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 9*

"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 30 April 2025 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.

## Notice of 30<sup>th</sup> Annual General Meeting (cont'd)

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, 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

30 April 2025

## Notice of 30<sup>th</sup> 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 16 June 2025 shall be eligible to attend, speak and vote at the AGM.

#### 2. 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 AGM 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 hand of the 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.

#### 3. Lodgement of Form of Proxy

To be valid, the original Proxy Form, duly completed must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the AGM or any adjournment thereof.

#### 4. 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.

#### 5. Audited Financial Statements for the financial year ended 31 December 2024

The Audited Financial Statements for the financial year ended 31 December 2024 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.

#### 6. 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 2025 to 30 June 2026 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 as well as insurance coverage.

#### 7. Re-election of Directors (Resolutions 3, 4, 5 and 6)

Mr. Yap Yen Chien, Datin Yap Shin Siang, Ms. Ng Wei Wei and Mr. Mak Wai Hoong, all of whom were appointed to the Board of Directors of the Company on 31 December 2024, are retiring pursuant to Clause 116 of the Company's Constitution and being eligible, have offered themselves for re-election at the AGM.

The Board has through the Nomination and Remuneration Committee ("NRC") carried out the necessary review and noted that the above retiring Directors had, prior to their appointment to the Board of Directors of the Company, submitted the Directors' Fit and Proper Declaration Form that sets out the fit and proper criteria for their appointment. The profiles of the retiring Directors are set out in the Profile of Directors of the Annual Report 2024.

#### 8. Re-appointment of Auditors (Resolution 7)

The Board has through the Audit and Risk Committee performed annual evaluation on the performance, independence and objectivity of the External Auditors, Messrs. CAS Malaysia PLT in respect of the financial year ended 31 December 2024 and has recommended the re-appointment of the External Auditors at the AGM.

## Notice of 30<sup>th</sup> Annual General Meeting (cont'd)

### 9. Authority for the Directors to issue shares (Resolution 8)

This resolution, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time 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 AGM 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.

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.

### 10. Proposed Renewal of RRPT Mandate (Resolution 9)

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 30 April 2025. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

### 11. 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 AGM (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 has disclosed and/ or processed in connection with the foregoing.

### STATEMENT ACCOMPANYING NOTICE OF THE 30<sup>TH</sup> AGM

(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 30<sup>th</sup> AGM of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

Milux Corporation Berhad ("MCB") and its subsidiaries ("the Group") have one (1) business segment which is the trading of gas and home appliances. In financial year 2024 (FY 2024), MCB carried out the trading of gas and home appliances through wholly owned subsidiaries as follows:

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

During the year, the Group operated out of its Head Quarters cum warehouse in Port Klang, Selangor, and four (4) sales and service centers located in Prai, Ipoh, Malacca, and Johor Bahru.

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

### MSS

MSS is involved in the distribution of gas and home electrical appliances under the MILUX brand. It caters mainly to the local market. MSS contributed 90% to the Group's revenue in FY 2024 (FY 2023 – 88%). Among the gas home appliances distributed by MSS are cast iron stove, gas canister, gas cooker, gas cooker hob, gas rice cooker and gas regulator. The home electrical 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 and electric iron. MSS also carries a range of fans which include ceiling fan, table fan, stand fan, wall fan, floor fan, industrial fan, and ventilation fan. During the year, thirty-eight (38) refreshed or upgraded MILUX models were introduced to the market. These refreshed or upgraded models contributed approximately 19% to the MSS's revenue for FY 2024.

For FY 2024, gas appliances accounted for approximately 37% (2023 – 42%) of MSS's revenue while electrical appliances contributed approximately 32% (2023 – 35%) with electric fans contributing the balance of 31% (2023 – 23%). MSS registered revenue of RM41.44 million in FY 2024 (FY 2023 – RM41.24 million).

### Home Tech

Home Tech is involved in the trading of gas and home electrical appliances, catering to OEM customers. For FY 2024, Home Tech contributed 10% (FY 2023 – 12%) to the Group's revenue. In FY 2024, Home Tech registered revenue of RM4.46 million compared to RM5.65 million in FY 2023.

### T5 Digital

T5 Digital focuses on the marketing and selling of home appliances on online platforms under the "EURO UNO" brand. This operation is to supplement the Group's existing online business undertaken by MSS via our own official website [www.milux.com.my](http://www.milux.com.my) which markets MILUX brand of gas and home electrical appliances. For FY 2024, T5 Digital contributed 0.1% (FY 2023 – 0.3%) to the Group's revenue.

### Others

Save for the three (3) operating subsidiaries mentioned above, the rest of the companies in the Group are dormant and do not generate any revenue except rental income from investment properties amounting to RM0.034 million in FY 2024 (FY 2023 – RM0.029 million). MCB is an investment holding company providing management services to its subsidiaries.

## Management Discussion and Analysis (cont'd)

### REVIEW OF FINANCIAL RESULTS

In FY 2024, the Group reported a loss after taxation ("LAT") of RM2.26 million. This was an improvement of RM2.71 million or 54.5% over the LAT of RM4.97 million reported in FY 2023. During the financial year, the Group carried out a series of cost optimization exercises which lead to the lower losses amidst a challenging market environment.

#### Revenue

The Group recorded revenue of RM45.94 million in FY 2024, a decrease of RM1.06 million or 2.25% in comparison with last year's revenue of RM47.00 million. The decrease was mainly attributed to lower contribution from Home Tech, where revenue decreased by 21% due to reduce orders from its OEM customer. Meanwhile, MSS's revenue saw a marginal increase of 0.5% or RM0.20 million as it remains hesitant in launching new home appliance products amidst a soft market environment during the financial year. Instead, MSS concentrated on enhancing its existing range of products by launching refreshed and upgraded models.

#### Gross profit and gross profit margin

The Group reported gross profit (GP) of RM10.26 million for FY 2024 compared to RM10.37 million reported for FY 2023. The marginally lower gross profit recorded for FY 2024 was due to slow moving and obsolete inventories written down of RM1.26 million which was mitigated by slow moving and obsolete inventories written back of RM0.20 million. For FY 2023, slow moving and obsolete inventories written down and written back amounted to RM0.52 million and RM0.33 million respectively. During the year, MSS, the Group's trading arm overhauled its stock keeping units (SKUs) to ensure a healthier inventory level going forward.

Notwithstanding the higher write down of inventories, gross profit margin (GPM) for FY 2024 was marginally higher at 22.3% compared to 22.1% for FY 2023. For FY 2024, the net write-down of inventories has shaved off GPM by approximately 2.3 percentage points compared to 0.4 percentage points for FY 2023.

#### Other operating income

Other operating income increased by RM0.23 million to RM1.02 million from RM0.79 million reported in FY 2023. This was due to higher gain on forex transactions realized and over-provision of sales incentive in prior year written back.

#### Other operating expenses

Other operating expenses decreased by RM0.33 million or 40.7% to RM0.48 million from RM0.81 million reported in FY 2023. The lower other operating expenses was due to lower loss on forex transactions realized during the year, lower impairment loss on other receivables and write back of provision of warranty provided in prior year and not utilized.

#### Administrative expenses

Administration expenses totaled RM9.25 million marking a decrease of RM1.40 million or 13.1% compared to RM10.65 million for the same period a year ago. The administrative expenses consisted mainly of directors and employee compensation, office administration and operational expenses. The 13.1% decrease in FY 2024 was principally driven by lower compensation paid out to executive directors and employees arising from lower head count during the year.

#### Selling and distribution expenses

The selling and distribution expenses (S&D) for FY 2024 amounted to RM3.56 million, reflecting a decrease of RM0.42 million or 10.6% compared to RM3.98 million for the same period last year. The lower S&D expenses was mainly due to reduced utilization of third-party warehouses resulting in lower third-party warehouse charges and lower travelling expenses incurred by the sales team. Advertising & promotion expenses were also lower in FY 2024.

#### Finance costs

Finance costs for FY 2024 was RM0.22 million or 53.7% lower at RM0.19 million compared to RM0.41 million for FY 2023. The lower finance cost was primarily due to lower bankers' acceptance commission incurred as the Group did not have the need to drawdown Bankers' acceptance facilities to finance its working capital requirement since March 2024. Lease liability interest was also lower due to decline overtime.



## Management Discussion and Analysis (cont'd)

### REVIEW OF FINANCIAL RESULTS (CONT'D)

#### Loss before taxation

The Group's LBT decreased by RM2.47 million or 52.7% to RM2.22 million for FY 2024 from RM4.69 million reported in FY 2023. With marginally lower revenue and gross profit, the Group's lower LBT was primarily due to higher other operating income, lower operating expenses, and finance costs, as detailed above.

#### Loss after taxation

Loss after taxation (LAT) for FY 2024 saw a decline of RM2.71 million or 54.5% to RM2.26 million from RM4.97 million reported in FY 2023. This was after accounting for taxation expenses of RM0.045 million for FY 2024 compared to RM0.285 million in FY 2023.

### WORKING CAPITAL

As the close of FY 2024, the Group have current assets of RM42.68 million (FY 2023 -RM49.44 million) and current liabilities of RM8.79 million (FY 2023 -RM13.82 million) with a working capital ratio of 4.9 times (FY 2023 -3.6 times).

Inventories and trade receivables accounted for 46.9% of current assets. During the year, the Group continued to actively manage its inventories by aligning its procurement decisions with current demand and addressing slow-moving stocks. This has resulted in the lowering of the inventory level to RM11.26 million as at close of FY 2024 from RM17.74 million as at close of FY 2023. Trade receivables as at close of FY 2024 was RM8.75 million. The Group's average trade receivables turnover improved to 69 days for FY 2024 from 80 days for FY 2023. Total liquid assets in fixed deposits and cash and bank balances as at close of FY 2024 amounted to RM19.31 million (FY 2023: RM21.01 million).

The Group's current liabilities as at close of FY 2024 at RM8.79 million were RM5.03 million lower than the RM13.82 million as at close of FY 2023. Trade and other payables as at close of FY 2024 amounted to RM6.94 million compared to RM8.13 million as at close of FY 2023. The Group's loans and borrowings under current liabilities as at close of FY 2024 decreased to RM0.85 million being lease liabilities from RM4.57 million as at close of FY 2023 as it has fully settled its bankers' acceptance facilities.

The Group will continue to be prudent in its working capital management.

### GEARING RATIO

The gearing ratio (total borrowing/equity) improved to 0.027 times as at close of FY 2024 compared to 0.14 times as at close of FY 2023. The lower gearing ratio was due to the repayment of all bankers' acceptance utilized upon its maturity during the first quarter of FY 2024.

### CAPITAL INVESTMENT

There were no major capital investments incurred during FY 2024.

## Management Discussion and Analysis (cont'd)

### CORPORATE DEVELOPMENT

On 8 November 2024, the Board of Directors of Milux ("Board") announced to Bursa Securities of the receipt of a notice of unconditional mandatory take-over offer ("Notice") from Maybank Investment Bank Berhad on behalf of ABS Capital Sdn Bhd ("Offeror"), to acquire all the remaining shares in Milux not already held by the Offeror and Lim Aik Hoe, Lim Aik Kiat and Mak Wai Hoong ("Joint Ultimate Offerors") ("Offer Shares") at a cash offer price of RM0.432 per Offer Share ("Offer").

On 11 November 2024, the Board announced that UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") has been appointed as the independent adviser to advise the non-interested Directors of Milux and the holders of the Offer Shares in relation to the Offer in accordance with paragraph 3.06 of the Rules.

On 20 December 2024, the Board announced to Bursa Securities that the Company has received a press notice from Maybank Investment Bank Berhad on behalf of the Offeror, informing that the Offer has closed at 5.00pm (Malaysian time) on Friday, 20 December 2024 ("Closing date") and the level of acceptances of the Offer.

On 8 January 2025, the Board through Sierac Corporate Advisers Sdn. Bhd. announced to Bursa Securities that the Company intends to seek its shareholders' approval for a General Mandate for Recurrent Related Party Transactions of a revenue or trading nature ("Proposed RRPT Mandate") at the forthcoming Extraordinary General Meeting ("EGM") of the Company.

On 17 February 2025, the Board announced to Bursa Securities that the Resolution set out in the Notice of the EGM was passed by shareholders of the Company at the EGM held on even date and that the results of the poll were validated by Sky Corporate Services Sdn. Bhd., the Independent Scrutineer appointed by the Company.

On 24 March 2025, the Board announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed Renewal of RRPTs Mandate at the 30<sup>th</sup> AGM of the Company.

### OUTLOOK AND PROSPECTS IN YEAR 2025

The International Monetary Fund ("IMF") in its March 2025 Country Report on Malaysia has projected Malaysia to grow at 4.7 percent in 2025 while Inflation, which eased to 1.8 percent in 2024, is projected to increase to 2.6 percent on account of the anticipated implementation of gasoline subsidy reforms. Bank Negara Malaysia ("BNM") in its Quarterly Bulletin for Q4 2024 expects the Malaysian economy to remain resilient in 2025 with growth being driven by robust expansion in investment activity, resilient household spending and continued expansion in exports. However, the growth outlook is subject to downside risks if growth in major trading partners slowed amid heightened risk of trade and investment restrictions, and lower-than-expected commodity production. BNM expects inflation to remain manageable in 2025. Upside risks to the inflation outlook could arise from larger spillover effects from policy reforms

The Group's revenue from the trading of gas and home appliances is derived primary from domestic sales. Hence, the Group's performance is generally dependent on domestic consumer confidence which is influenced particularly by the state of the Malaysian economy. With Malaysia's growth expected to remain resilient in 2025, the Group hopes to ride on this momentum to increase its revenue through expanding its distribution channels to enhance market penetration. With the entrance of a new major shareholder helmed by the Lim brothers of EXSIM Group of Companies and Mr. Mak Wai Hoong of Movon Sdn. Bhd., the Group is confident that it will be able to forge a mutually beneficial business relationship with them to build up its revenue, leading to better financial performance. The Lim brothers have a huge portfolio of property development projects, including residential projects and have also ventured into the hospitality industry. In addition, the Group will work towards tapping Mr. Mak's expertise and network as he has more than 14 years' experience in the household appliances industry.

Notwithstanding that the domestic economy is expected to remain resilient in 2025, the Group remain cognizant of the potential downside risks from external factors. The domestic home appliances market is extremely competitive and challenging. As such, the Group will make effective supply chain management a strategic priority to ensure costs optimization in the face of this challenging environment. We will continue to work closely with our business partners to improve our existing product range through product innovation and to create product differentiation. We will continue to serve our existing customers by maintaining a high standard of quality for its products complemented by efficient after sales service.

The Group remain in good financial health despite reporting losses for the last two years. We will continue our robust cashflow management to ensure the Group remain financially viable to carry on operating in this competitive and challenging environment.

## Management Discussion and Analysis (cont'd)

### RISK FACTORS

#### Business risk

Looking forward, the Group's operations are exposed to various business risks both internally and externally. Internally, the upside risks to inflation comes from the impending subsidy rationalization measures and rising operating costs. Higher inflation will erode disposal income, particularly for lower and middle-income households, potentially weighing on discretionary spending. Competition in the home appliances industry is expected to increase further with the entrance of more overseas brands into the domestic market. Externally, the potential downside risks come from the escalation of tariff tensions among major economies and the broader impact of global supply chain disruptions and inflationary pressures. The Group will constantly monitor and take appropriate measures to minimize the impact arising from these risks.

#### 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 stock-in-trade are imported and paid for in United States Dollar. The near-term fluctuations in the ringgit are expected as global investor sentiment remains cautious due to tariff tensions, geopolitical developments, and the United States Federal Reserve's easing cycle. The Group will seek to mitigate this risk through hedging activities as and when deemed necessary.

#### Credit risk

The Group generally provides credit terms within a range of 30 to 90 days and up to 120 days for a selected few. Our Credit Control Department proactively manages the credit risk by regularly reviewing and evaluating our customers (debtors) payment behavior and take proactive action where necessary. The Group's trade receivables as at close of FY 2024 stood at RM8.75 million compared to RM8.53 million as at close of FY 2023. The average trade receivables turnover days improved to 69 days in FY 2024 from 80 days in FY 2023. The Group will continue to actively monitor the financial standing of our customers (debtors) on an ongoing basis to minimize 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 FY 2024 and has not established a dividend payout policy.

Dated: 24 March 2025

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Yap Yen Chien - Chairman**

Independent Non-Executive Director

**Tan Chee How**

Executive Director

**Datin Yap Shin Siang**

Independent Non-Executive Director

**Ng Wei Wei**

Independent Non-Executive Director

**Mak Wai Hoong**

Non-Independent Non-Executive Director

### AUDIT AND RISK COMMITTEE

**Datin Yap Shin Siang – Chairman**

Independent Non-Executive Director

**Yap Yen Chien - Member**

Independent Non-Executive Director

**Ng Wei Wei - Member**

Independent Non-Executive Director

### NOMINATION AND REMUNERATION COMMITTEE

**Ng Wei Wei - Chairman**

Independent Non-Executive Director

**Yap Yen Chien - Member**

Independent Non-Executive Director

**Datin Yap Shin Siang - 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)

### 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

### 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  
Email: info.my@boardroomlimited.com

### 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  
Email: archer@archer.com.my

### BANKERS

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

### 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](http://www.milux.com.my)

## CORPORATE STRUCTURE



## MILUX CORPORATION BERHAD

## Subsidiaries of Milux Corporation Berhad



# SUSTAINABILITY STATEMENT

## ABOUT THIS REPORT

Milux Corporation Berhad ("Milux" or "the Group") FY 2024 Sustainability Statement ("SS2024") highlights our progress in addressing each of our Material Matters and indicators. We are committed to a better future through responsible practices, clear objectives, and efficient operations.

### Reporting Period, Scope and Boundaries

This report covers Milux's sustainability efforts across all Malaysian entities and operations from 1 January 2024 to 31 December 2024, unless specified otherwise. It details our advancements towards fulfilling the goals set forth in our Sustainability Policy.

### Reporting Guidelines, Frameworks, Standards and Sustainability-related Indices

This report is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide 3<sup>rd</sup> Edition and several international reporting guidelines, frameworks, standards, and sustainability-related indices as follows:

<b>Global Goals</b>	<ul style="list-style-type: none"> <li>United Nations Sustainable Development Goals ("SDGs")</li> </ul>
<b>Reporting Frameworks</b>	<ul style="list-style-type: none"> <li>National Sustainability Reporting Framework ("NSRF")*</li> <li>Malaysian Code on Corporate Governance ("MCCG") of Securities Commission Malaysia</li> <li>IFRS Foundation – IFRS Sustainability Disclosure Standards (S1 and S2 Principles)</li> <li>International Integrated Reporting Framework and Integrated Thinking Principles</li> <li>Task Force on Climate-related Financial Disclosures ("TCFD")</li> </ul>
<b>International Standards and Guidelines</b>	<ul style="list-style-type: none"> <li>AA1000 AccountAbility Principles</li> <li>AA1000 Stakeholder Engagement Standard</li> <li>International Workshop Agreements ("IWA")               <ul style="list-style-type: none"> <li>IWA 48:2024 – Framework for Implementing Environmental, Social and Governance ("ESG") Principles</li> <li>IWA 42:2022 – Net Zero Guidelines</li> </ul> </li> <li>International Organisation for Standardisation ("ISO")               <ul style="list-style-type: none"> <li>ISO 14064:2018 – Greenhouse Gases</li> <li>ISO 20400:2017 – Sustainable Procurement – Guidance</li> <li>ISO 59004:2024 – Circular Economy – Vocabulary, Principles, and Guidance for Implementation</li> <li>ISO 59020:2024 – Circular Economy – Measuring and Assessing Circularity Performance</li> </ul> </li> </ul>
















#### \*Note on NSRF:

The NSRF sets out Malaysia's approach to adopting the IFRS® Sustainability Disclosure Standards (IFRS S1 and S2) issued by the International Sustainability Standards Board ("ISSB"). The NSRF aims to ensure consistent, comparable, and reliable sustainability reporting, enhancing Malaysia's competitiveness and investor confidence.

Implementation will be phased from 2025 onwards, with full adoption, including Scope 1 and Scope 2 greenhouse gas ("GHG") emissions disclosures, by 2027 for larger entities. The framework also outlines the development of assurance requirements to strengthen the credibility of sustainability disclosures.

## Sustainability Statement (cont'd)

The illustration below shows the timeline and applicable entities for the NSRF, which guides the phased adoption of IFRS S1 and S2 Sustainability Disclosure Standards in Malaysia.

Implementation of the NSRF							
Applicable entities		Timeline <sup>2</sup>					
		2025	2026	2027	2028	2029	2030
Group 1	Main Market listed issuers with market capitalisation of RM2 billion and above			 Full adoption IFRS S1 and S2  Scope 3 GHG emissions disclosures			
Group 2	Main Market listed issuers (other than listed issuers in Group 1)				 Full adoption IFRS S1 and S2  Scope 3 GHG emissions disclosures		
Group 3	<ul style="list-style-type: none"><li>ACE Market listed issuers</li><li>Non-listed companies (NLCos) with annual revenue of RM2 billion and above</li></ul>			 Full adoption IFRS S1 and S2  Scope 3 GHG emissions disclosures			 Full adoption IFRS S1 and S2  Scope 3 GHG emissions disclosures
Assurance		<ul style="list-style-type: none"><li>Aim for reasonable assurance for Scope 1 and Scope 2 GHG emissions starting 2027</li><li>Accounting and non-accounting practitioners</li></ul>					
Location of disclosures and timing of reporting		Applicable entities shall adhere to their respective regulator's requirements on location and timing of reporting.					
Reliefs and exemptions to facilitate adoption							
Additional transition reliefs commencing from the first annual reporting period of the respective applicable entities			Group 1 & 2	Group 3	<div>Large NLCos whose holding company:</div> <ul style="list-style-type: none"><li>already reports using ISSB-aligned standards or equivalent standards such as the European Sustainability Reporting Standards (ESRS)<sup>4</sup> may leverage on the holding company's sustainability- and climate- related disclosures.</li><li>reports using other international standards and frameworks may be given exemption from reporting for three reporting periods, subject to the policy decision of the Registrar.</li></ul>		
 Permissible to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2)			2 years	3 years			
 Permissible to focus climate-related disclosures specifically on principal business segments							
 Permissible to not disclose Scope 3 emissions, except for categories already required by respective regulators							

### Board of Directors' Approval

The Board has reviewed and validated this SS2024, confirming it accurately reflects Milux's performance for the year. The Board takes responsibility for its integrity, supported by strong governance and internal reporting processes.

### Independent Assurance

The performance data presented in this report have been primarily sourced from the Group's internal information systems and original records to ensure their accuracy. The Group did not seek external assurance for this sustainability report but instead relied on internal management's verification to ensure the accuracy of the data.

### External Assurance

To further strengthen our commitment to transparent sustainability reporting, we have engaged ASAP Advisory PLT ("ASAP"), an independent verifier, to conduct a limited assurance review on specific indicators within this report.

### Forward-looking Statements

This report includes forward-looking statements to share our perspectives and future plans with stakeholders. These statements are not guarantees of Milux's future outcomes, and readers are advised not to place undue reliance on them.

### Feedback

We value feedback from our stakeholders as we continuously work to improve and contribute to a more sustainable future. For any comments or information or inquiries, please contact us at: [sustainability@milux.com.my](mailto:sustainability@milux.com.my)

## Sustainability Statement (cont'd)

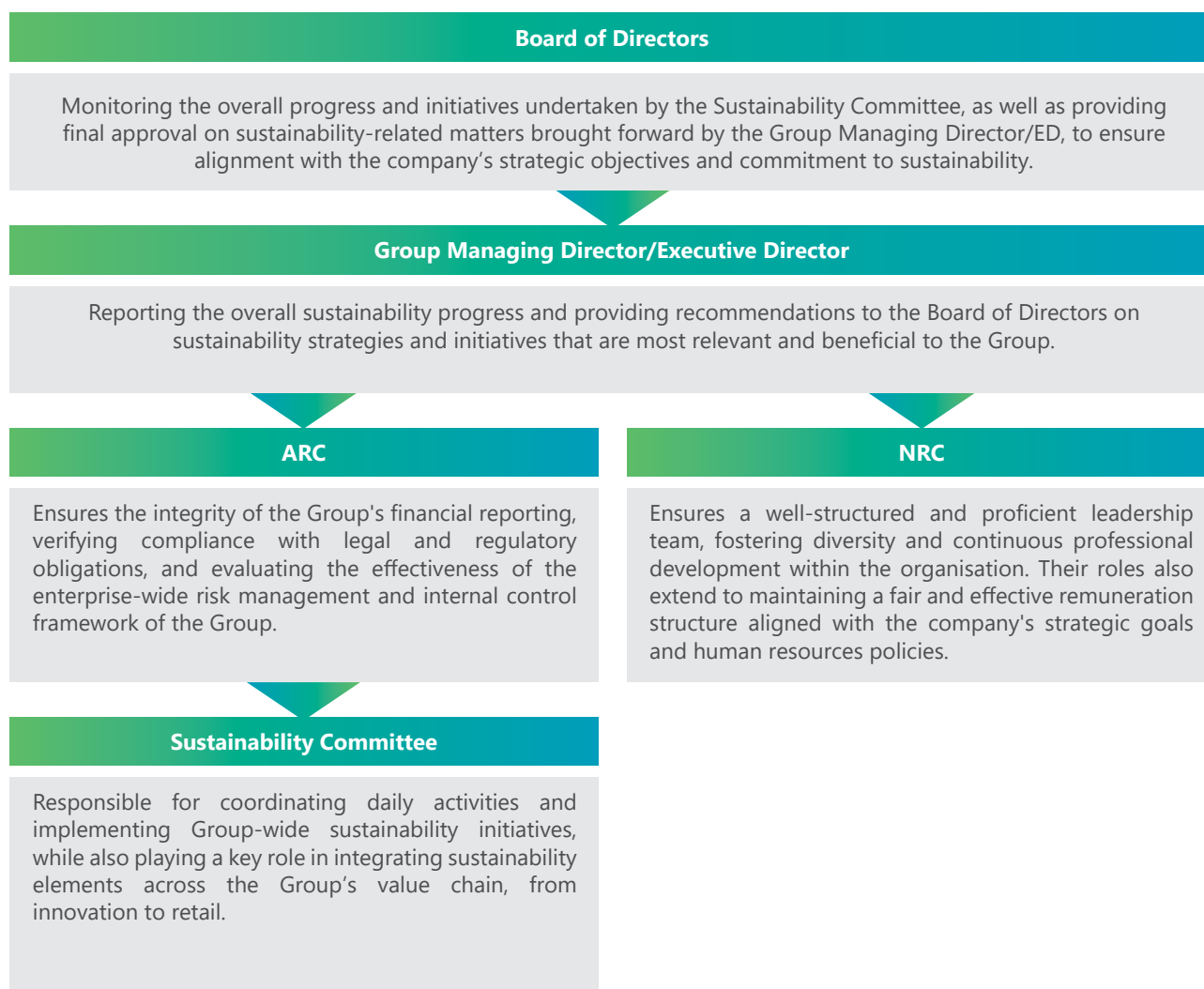
### SUSTAINABILITY STRATEGY

#### Sustainability Governance

Milux is deeply committed to sustainability, embedding it as a core component of its business strategy. To drive the achievement of its sustainability goals, the company has adopted a comprehensive two-tier governance structure. Under this framework, the Executive Director ("ED") reports directly to the Group Managing Director (resigned on 30th June 2024), who subsequently reports to the Board of Directors ("Board"). The ED is supported in managing sustainability matters by the Chief Financial Officer ("CFO"), while the Board leads the company's sustainability agenda by steering overall strategy, monitoring progress toward key goals, and ensuring the effectiveness of internal controls and risk management frameworks.

In addition, the Audit and Risk Committee ("ARC") and the Nomination and Remuneration Committee ("NRC") play critical roles in overseeing risk management and performance related to sustainability. To reinforce its commitment, Milux has also established a dedicated Sustainability Committee responsible for formulating and implementing initiatives, policies, and practices concerning Environmental, Social, and Governance ("ESG") matters.

The collective efforts of our Board and committees have strengthened our sustainability journey, delivering measurable impact and reinforcing our commitment to responsible and sustainable business practices. This robust governance framework reflects Milux's dedication to embedding sustainability at all levels of the organisation, with clearly defined roles and responsibilities assigned to the Board and its committees, as detailed in the accompanying table.





## Sustainability Statement (cont'd)

### Stakeholder Engagement

At Milux, we strive to foster strong and meaningful relationships with our stakeholders, recognising that their insights are vital in identifying areas for improvement and opportunities for growth. Regular engagement with stakeholders is essential to gather constructive feedback and address concerns, ensuring open and transparent communication at all times. To reinforce our dedication to maintaining positive stakeholder relationships and driving sustainable business practices, we have identified key stakeholder groups and are committed to engaging them through various methods and channels, as outlined in the table below.

Stakeholder	Areas of Concern/ Interest	Engagement Approach	Our Responses
Customers (End users)	<ul style="list-style-type: none"> <li>Product quality, safety and compliance</li> <li>Customer service and experience</li> <li>Efficient complaints resolution</li> <li>Best practices in product pricing</li> </ul>	<b>Ongoing/Daily</b> <ul style="list-style-type: none"> <li>Social media (Facebook, Instagram, Tik Tok etc)</li> <li>Prompt response to calls for service</li> <li>Online E-Warranty Registration</li> </ul> <b>Ad hoc/As needed</b> <ul style="list-style-type: none"> <li>Roadshows and product demo</li> <li>Pricing product to commensurate with product quality</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to quality standards (e.g. adopted ISO 9001 Quality Management Systems)</li> <li>Ensure quality product and reliable service is provided to customers</li> </ul>
Customers (Dealers)	<ul style="list-style-type: none"> <li>Efficient complaints resolution</li> <li>Customer-Company relationship management</li> <li>Timely product delivery</li> </ul>	<b>Ongoing/Daily</b> <ul style="list-style-type: none"> <li>Daily update of delivery details for outstation customers to sales personnel to communicate with dealers</li> </ul> <b>Monthly</b> <ul style="list-style-type: none"> <li>Regular client meetings through sales team</li> <li>Feedback channel through sales team</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Community and networking events</li> </ul>	<ul style="list-style-type: none"> <li>Ensure our dealers have direct access to our logistic team during the delivery process to ensure prompt delivery</li> <li>Ensure good relationship is fostered between the customer and Milux</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Welfare and remuneration</li> <li>Workplace diversity</li> <li>Training and career development</li> <li>Value equal opportunities</li> </ul>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Training programmes</li> </ul> <b>Ad hoc/As needed</b> <ul style="list-style-type: none"> <li>Management and staff meeting</li> <li>Monetary and company products to support employees affected by occurrence of natural disasters</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Performance appraisal</li> <li>Annual event</li> <li>Employee appreciation awards</li> </ul>	<ul style="list-style-type: none"> <li>Encourage transparent communication with employees</li> <li>Ensure equal employment opportunities for all individuals without discrimination</li> <li>Provide reasonable benefits and remuneration package</li> </ul>

## Sustainability Statement (cont'd)

Stakeholder	Areas of Concern/ Interest	Engagement Approach	Our Responses
Suppliers	<ul style="list-style-type: none"> <li>Transparent procurement practices</li> <li>Payment terms</li> <li>Anti-bribery</li> <li>Timely delivery of products</li> <li>Pricing of services</li> </ul>	<p><b>Ad hoc/As needed</b></p> <ul style="list-style-type: none"> <li>Contract negotiation</li> <li>Vendor registration</li> <li>Meeting with suppliers</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Evaluation on performance</li> <li>Anti-bribery commitment</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise the establishment of transparent procurement processes</li> <li>Require suppliers to undergo a Due Diligence procedure</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Business strategy</li> <li>Shareholder value</li> <li>Corporate governance</li> <li>Corporate developments</li> </ul>	<p><b>Ongoing/Daily</b></p> <ul style="list-style-type: none"> <li>Corporate website</li> </ul> <p><b>Ad hoc/As needed</b></p> <ul style="list-style-type: none"> <li>Company announcements</li> </ul> <p><b>Quarterly</b></p> <ul style="list-style-type: none"> <li>Quarterly interim financial reports</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Annual report</li> <li>Annual general meeting</li> </ul>	<ul style="list-style-type: none"> <li>Provide timely updates on the Group's strategy and financial performance through announcements</li> <li>Uphold good governance practices across the Group, and supply chain</li> </ul>
Government Agencies	<ul style="list-style-type: none"> <li>Governance compliance</li> <li>Environment management and compliance</li> <li>Fair labour practices</li> <li>Policy matters (public, health and safety)</li> </ul>	<p><b>Ad hoc/As needed</b></p> <ul style="list-style-type: none"> <li>Direct meetings</li> <li>General meeting between management and regulators</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Annual report</li> <li>Public announcement</li> <li>Inspection/audit by local authority</li> </ul>	<ul style="list-style-type: none"> <li>Full compliance with regulatory requirements</li> <li>Adoption of practices outlined in the Malaysian Code on Corporate Governance ("MCCG")</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>Impact of business operation</li> <li>Social issue</li> <li>Transparency and quality products and services</li> </ul>	<p><b>Ongoing/Daily</b></p> <ul style="list-style-type: none"> <li>Customer relationship and engagement</li> <li>Human Resources department is part of the Telok Gong's community Facebook group</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>Community programmes</li> </ul>	<ul style="list-style-type: none"> <li>Investing in welfare to enhance community well-being</li> </ul>

## Sustainability Statement (cont'd)

### Materiality Matrix

At Milux, we recognise that identifying and addressing material sustainability issues is essential to creating long-term value for both our business and stakeholders. To uphold this commitment, we conduct an annual materiality assessment to evaluate the significance of our economic, environmental, social, and governance ("EESG") impacts. This process ensures that our sustainability priorities remain relevant and aligned with changing industry dynamics, global and local challenges, and evolving stakeholder expectations.

Central to our approach is the development of a comprehensive materiality matrix, which allows us to systematically assess and prioritise the sustainability issues that matter most to Milux and our stakeholders. By examining industry trends, regulatory developments, and key sustainability risks and opportunities, we ensure that our sustainability strategies are focused, relevant, and forward-looking. The results of this assessment are then reflected in our materiality matrix, providing a clear and structured view of each issue's importance and relevance.

To further reinforce our sustainability framework, Milux has adopted the IFRS Foundation's International Integrated Reporting Framework and Integrated Thinking Principles to guide our decision-making and value creation processes. In addition, we apply the Six Capitals Model — encompassing financial, manufactured, intellectual, human, social, and natural capitals — to better integrate sustainability into our business model and translate non-financial performance into tangible value. This approach helps strengthen the link between sustainability efforts and long-term business outcomes, while ensuring alignment with international standards such as the United Nations SDGs.

By incorporating the Six Capitals Model into our materiality assessment, we adopt a holistic perspective that considers the broader impacts and interconnections of our activities. This ensures that both stakeholder concerns and business priorities are addressed in a balanced and integrated manner. Ultimately, this approach enhances our ability to drive sustainable growth, foster resilience, and create enduring value for all our stakeholders.

Outlined below is Milux's materiality matrix in FY 2024:

Level of Stakeholder Concerns		Impact on Business Operations		
		Low	Medium	High
	High		M2 – Sustainable Supply Chain Management M3 – Sustainable Operation Management H1 – Health and Safety	F1 – Economic Performance M4 – Product Quality and Safety Management G1 – Anti-corruption S2 – Customer Satisfaction
	Medium		M1 – Cybersecurity and Data Protection H3 – Diversity, Equity and Inclusion S1 – Contributing to Local Communities/CSR E3 – Water Management	H2 – Employee Management E1 – Climate Change (Energy Management and Emissions) E2 – Waste Management
	Low			
		Low	Medium	High
Impact on Business Operations				

Legend:

Low Risk

Medium Risk

High Risk

Sustainability Statement  
(cont'd)

The Material Matters are then mapped into the Six Capitals as follows:

Capitals	Aspects	Material Matters
<b>Financial</b> Funds available to firm from operations and financing	<b>Financial Highlight</b> Resources to support the Group's operation and implement other Capitals	F1 – Economic Performance
<b>Intellectual</b> Trademark, patent, R&D, innovation, human resources and external relationships, which can determine the organisation's competitive advantage	<b>Marketplace</b> Implementing sustainability through product quality and compliance	M1 – Cybersecurity and Data Protection M2 – Sustainable Supply Chain Management M3 – Sustainable Operation Management M4 – Product Quality and Safety Management
<b>Governance</b> Good governance and robust internal control system and procedures	<b>Governance</b> Board engagement on strategy and sound governance internal controls to enhance sustainability initiatives	G1 – Anti-corruption
<b>Human</b> Skills, motivation, and alignment with organisational goals	<b>Workplace</b> Creating a safe and supportive working environment, training, and self-development	H1 – Health and Safety H2 – Employee Management H3 – Diversity, Equity and Inclusion
<b>Social</b> Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate	<b>Community</b> Contributing to local community development	S1 – Contributing to Local Communities/CSR S2 – Customer Satisfaction
<b>Natural</b> 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	<b>Environment</b> Improving our environment by utilising greener alternatives	E1 – Climate Change (Energy Management and Emissions) E2 – Waste Management E3 – Water Management

## Sustainability Statement (cont'd)

### Management Approach for Material Matters

#### Financial Highlight

*Resources to support the Group's operation and implement other Capitals*

### Economic Performance

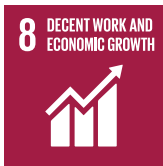
Milux recognises that robust financial performance is essential to driving long-term value creation and supporting the Group's sustainability objectives. We are committed to generating quality employment opportunities and contributing to the economic development of local communities. Our goal is to build lasting resilience by managing our resources efficiently and ensuring the equitable distribution of value among all stakeholders. Through these commitments, we aim to deliver positive impacts that extend beyond financial results, fostering inclusive growth and enhancing the well-being of our stakeholders and society as a whole.

#### Our approach and performance

In FY 2024, the Group reported total revenue and other income of RM 47 million, slightly lower than the previous year's RM 47.8 million. This decrease was mainly due to reduced contributions from our trading operations, with a notable decline in revenue from OEM trading activities. Despite these challenges, Milux remains resilient and remains dedicated to enhancing value and prosperity for our stakeholders. Through proactive measures and strategic planning, we are navigating these obstacles with the aim of consistently creating value for our stakeholders.

Please refer to Milux's Annual Report FY 2024 for our full Financial Performance Report.

#### Related UNSDGs:



#### Marketplace

*Implementing sustainability through product quality and compliance*

### Cybersecurity and Data Protection

With the rapid advancement of digitalisation in recent years, new opportunities for growth — including remote work, e-commerce, and automation — have emerged. However, these developments also introduce potential risks and vulnerabilities. In response, Milux is committed to safeguarding customer data and upholding the highest standards of cybersecurity. By implementing robust and adaptive security measures, the Group proactively addresses emerging threats while continuously strengthening and preserving the trust of our stakeholders.

#### Our approach and performance

Milux recognises that while cybersecurity risks may not currently pose a significant threat to our operations, the evolving digital landscape requires ongoing vigilance. As part of our proactive approach, we have adopted a Personal Data Protection Act ("PDPA") policy and notice, fully aligned with the requirements of the PDPA 2010.

Our PDPA notice ensures that customers are informed and provide consent for the collection and use of their personal data, reinforcing our commitment to transparency and responsible data handling. Although our initiatives may be modest, we remain dedicated to upholding regulatory compliance and protecting the integrity of our operations.

## Sustainability Statement (cont'd)

As of 31 December 2024, we are pleased to report that there were no substantiated complaints related to breaches of customer privacy or incidents of data loss.

	2023	2024
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	0	0

### Related UNSDGs:



### Sustainable Supply Chain Management

A reliable and sustainable supply chain is essential to support our business operations. We recognise the social and governance risks that may arise from supplier engagements and remain firmly committed to upholding strong governance principles. As part of our commitment to responsible procurement, we integrate sustainability considerations into our procurement processes to strengthen the resilience and integrity of our supply chain.

#### Our approach and performance

At Milux, we are dedicated to upholding high-quality standards throughout our supply chain. To ensure dependable sourcing, we actively identify potential suppliers through industry trade fairs and referrals from trusted peers. Once a potential supplier is identified, we undertake a comprehensive due diligence process that evaluates their capability, product quality, performance, and commercial terms.

Our procurement approach focuses on both quality assurance and building a resilient supply chain. This process begins with a thorough assessment of each supplier, including factory visits and channel checks to verify their operations meet our expectations. Beyond the initial evaluation, we maintain ongoing engagement and monitoring to ensure consistent quality and reliability, offering constructive feedback to drive continuous improvement.

Recognising the risks associated with supply disruptions, such as natural disasters or supplier failures, we adopt a multi-sourcing strategy — engaging multiple suppliers for each product category. This approach helps ensure an uninterrupted flow of materials and mitigates potential disruptions that may affect our operations.

In FY2024, local suppliers accounted for 41.77% of our total procurement spending. Although this marks a decrease from previous years, we remain firmly committed to increasing our engagement with local suppliers moving forward. Supporting local sourcing not only strengthens our ties to the local economy but also enhances the overall resilience of our supply chain.

	2023	2024
Proportion of spending on local suppliers (%)	45.74	41.77

Ultimately, Milux's procurement practices are driven by our commitment to quality, reliability, and sustainability. Through responsible sourcing and strong supplier relationships, we aim to secure a stable supply of materials while contributing positively to local communities.

### Related UNSDGs:



## Sustainability Statement (cont'd)

### Sustainable Operation Management

Quality control has always been a fundamental aspect of our operations, where we continuously strive to evaluate and improve our processes. Beyond ensuring operational efficiency, we are equally committed to integrating sustainable and eco-friendly practices, including reducing our carbon footprint and enhancing energy efficiency, to lessen our environmental and social impact. As climate change presents an increasingly urgent global challenge, Milux remains steadfast in our dedication to environmental stewardship, strict regulatory compliance, and ongoing research to strengthen and advance our sustainability initiatives.

#### Our approach and performance

Milux's commitment to driving sustainable practices across our operations is deeply embedded in our procurement processes, where we emphasise sustainability, transparency, and strict quality control, including factory audits conducted in collaboration with the Standard and Industrial Research Institute of Malaysia ("SIRIM") on selected suppliers. We are dedicated to operating responsibly by delivering high-quality products while reducing environmental impact and contributing to community well-being. Through ongoing monitoring and reporting, we remain focused on aligning our operations with our sustainability goals and embedding responsible practices throughout our value chain.

#### Related UNSDGs:



### Product Quality and Safety Management

At Milux, delivering and preserving superior product quality has always been at the heart of our value creation and sustainable growth strategy. Our continued dedication to upholding high industry standards not only reinforces customer trust and satisfaction but also strengthens our market reputation, drives long-term value, mitigates risks, and fosters a culture of excellence among our employees. Through this steadfast focus on quality, we aim to sustain our competitive edge and contribute to lasting business success.

#### Our approach and performance

Delivering high-quality products and services remains a top priority for Milux, and we are committed to upholding the highest industry standards. Reflecting this commitment, our OEM trading operation has successfully attained ISO 9001:2015 Quality Management Systems certification, reinforcing our dedication to robust quality control. In addition, our products are subject to stringent approval processes governed by two key regulatory bodies — SIRIM and the Energy Commission (Suruhanjaya Tenaga) — ensuring full compliance with safety and quality requirements.

Certificate	Award Body
Certificate of Approval to Import Gas Fitting/Gas Appliances/Gas Equipment and Electrical Products	Energy Commission
Certificate of Approval to Import Electrical Appliances	Energy Commission
Product Certificate License to use the Certification Mark on Electric Rice Cookers and Domestic Gas Cooker	SIRIM QAS International

## Sustainability Statement (cont'd)

These certifications underscore our unwavering dedication to maintaining exceptional quality standards across all aspects of our operations. To further support our customers, we provide comprehensive written usage guides with every product to ensure safe and effective use. Additionally, we offer visual demonstrations through step-by-step video tutorials on Milux's official YouTube channel ([https://www.youtube.com/channel/UCU\\_mv2QKbp9GPPa6soAct0Q](https://www.youtube.com/channel/UCU_mv2QKbp9GPPa6soAct0Q)). These videos not only guide customers on proper product usage but also showcase the full range of features and functions, enhancing the overall user experience. Through continuous quality assurance and customer education, we remain steadfast in delivering reliable, safe, and high-performing products to our valued customers.

### Related UNSDGs:



### Governance

*Board engagement on strategy and sound governance internal controls to enhance sustainability initiatives*



### Anti-corruption

Milux has always prioritised good governance and the highest standards of business ethics and compliance as fundamental principles guiding our operations. We recognise that a strong risk management framework and a sound internal control system are critical in upholding effective corporate governance. In line with our commitment to transparency and accountability, we actively disclose sustainability-related information to ensure responsible management practices. Through these efforts, we strive to build and maintain lasting trust with our customers, stakeholders, and the wider community.

### Our approach and performance

The Group's comprehensive Code of Ethics and Conduct ("the Code") continues to serve as a key guideline in communicating core principles and expected standards of behaviour to all employees. Milux has always maintained a zero-tolerance policy towards fraud, bribery, corruption, money laundering, and insider trading as part of our unwavering commitment to ethical business practices. To reinforce this commitment, we have in place an Anti-Bribery and Corruption ("ABC") Policy and a Whistleblowing Policy, which act as essential mechanisms to promote transparency and uphold a strong governance culture. These key policies, along with the Code, are publicly available on our corporate website to ensure accessibility for all employees and relevant stakeholders.



## Sustainability Statement (cont'd)

Milux provides clear whistleblowing channels, enabling employees or stakeholders to report concerns via a whistleblower form submitted through post or email directly to the Audit and Risk Committee Chairman, with guaranteed protection for whistleblowers. As of 31 December 2024, we are pleased to report zero incidents of corruption across our business operations.

	2023	2024
Number of confirmed corruption incidents	0	0

In FY 2024, we further strengthened our commitment by conducting in-house ABC training at our headquarters and including ABC policy briefings during induction for new hires.

Looking ahead, we are committed to annual mandatory ABC training for all employees, to reinforce ongoing awareness and compliance. The completion rate of trained employees is detailed in the table below.

Employee Category	Completion Rate (%)	
	2023	2024
Management	0	92.90
Executive	11.11	59.10
Non-executive/Technical Staff	15	40
Contractors/Temporary Staff	0	72.70

Beyond internal measures, we emphasise ethical standards across our supply chain, ensuring that all suppliers adhere to the same high standards of anti-corruption and business ethics. As part of our supplier due diligence process, all suppliers are required to sign and return a copy of our ABC Policy as an acknowledgment of their commitment to anti-bribery practices. This process is critical in mitigating risks and ensuring compliance with relevant laws, regulations, and industry standards, thereby upholding our integrity throughout the value chain.

	2023	2024
Percentage of operations assessed for corruption-related risks (%)	100	100

### Related UNSDGs:



Sustainability Statement  
(cont'd)**Workplace***Creating a safe and supportive working environment, training, and self-development***Health and Safety**

The health, safety, and well-being of our employees are fundamental to our operations. We are firmly committed to cultivating a safe, healthy, and supportive work environment that proactively prevents workplace injuries and illnesses. By adhering to stringent occupational health and safety standards across all areas of our business, we strive to safeguard our workforce while enhancing operational efficiency, productivity, and employee engagement. Our unwavering focus on employee well-being underscores our broader commitment to responsible and sustainable business practices, ensuring that our people remain at the heart of our long-term success.

**Our approach and performance**

Our Safety Committee remains entrusted with overseeing and implementing safety measures across the Group. We are deeply committed to ensuring the safe conduct of our business operations while prioritising the safety and well-being of our employees, contractors, and communities.

To reinforce this commitment, we have developed a comprehensive Health and Safety Policy, which serves as a guideline for all employees. This policy outlines clear procedures and expectations for maintaining a safe work environment, including adherence to safety regulations, proper equipment handling, emergency response, and incident reporting. Our goal is to minimise environmental impacts while upholding stringent safety standards, demonstrating our dedication to safeguarding our operations in line with sustainable business practices. In addition to our policy, the Group has conducted targeted health and safety training programmes, including Forklift Skills, Safety & Daily Maintenance Course and Occupational Safety & Health Coordinator ("OSH-C") Course.

These programmes are designed to ensure that all employees, especially those operating high-risk equipment such as forklifts and reach trucks, are well-versed in safety protocols and compliance requirements. While we acknowledge that the number of employees trained in health and safety standards is still limited, we remain steadfast in our commitment to expanding training coverage to protect our workforce better.

	2023	2024
Number of employees trained on health and safety standards	2	20

The safety and well-being of our warehouse employees, especially those operating machinery such as forklifts and reach trucks, remain a fundamental priority for the Group. Our foremost goal is to create a work environment where every employee can perform their duties safely and return home unharmed each day. In line with this commitment, we proactively assess, review, and improve our health and safety measures to ensure they remain effective and relevant. We are proud to report that in FY 2024, the Group recorded zero workplace injuries, a testament to our unwavering focus on occupational safety and health. Moving forward, we will continue strengthening our safety culture, aiming to sustain this achievement and further improve our occupational health and safety performance.

	2023	2024
Total hours worked – Employee & Contractor	2065.5	2008
Number of work-related fatalities	0	0
Number of lost time injuries	0	0
Lost time incident rate	0	0

**Related UNSDGs:**

## Sustainability Statement (cont'd)

### Employee Management

At Milux, we recognise that our employees are the cornerstone of our organisation's growth and success, and we are committed to fostering a supportive and empowering work environment where they can thrive. As part of our management strategy, we prioritise employee well-being, satisfaction, and professional growth by focusing on attracting, developing, and retaining high-performing talent. We continuously invest in development programmes to equip our employees with the skills and knowledge needed to remain competitive and future-ready, while cultivating a culture of continuous learning and growth that enables them to contribute meaningfully to the company's long-term objectives.

#### Our approach and performance

In line with our commitment to fair labour practices and standards, our Human Resources department focuses on three core areas of employee management: Training and Development, Remuneration and Performance Management, and Employee Engagement and Initiatives. These areas are integral to strengthening employee capabilities, enhancing productivity, and promoting continuous growth. Through ongoing investment in these aspects, we strive to build a highly skilled, motivated, and engaged workforce that drives the sustained success and resilience of our organisation.

- **Training and Development**

The Group continues to invest in employee development as a key pillar in attracting, nurturing, and retaining top talent, which in turn drives our business growth and enhances overall financial performance. Recognising the importance of human capital, we remain dedicated to providing continuous training and development opportunities to equip our employees with the necessary skills to meet evolving business needs.

Our aim is to deliver comprehensive and impactful training programmes that empower employees to reach their full potential and perform effectively in their roles. To ensure training remains relevant and aligned with business priorities, we foster close collaboration between department heads, managers, and the Human Resources team in identifying and addressing training needs. Training needs assessments are also carried out by Heads of Departments ("HODs") based on current and anticipated business requirements.

This ongoing engagement allows us to tailor our training initiatives to meet diverse employee needs while supporting organisational goals. In FY 2024, we invested RM 14,666.00 in training and development programmes, which include the following:

No.	Training and Development Programmes
1	Accounting Standards Make Simple – Workshop Series Part 3
2	Occupational Safety & Health Coordinator Course
3	Chapter 10 Series: Computation of Percentage Ratios
4	Forklift and Reach Truck Skills, Safety and Daily Maintenance Course
5	Awareness of Anti-Bribery & Corruption, GAP & TRUST
6	Accounting Standards Make Simple Workshop Series-Final Part
7	E-INVOICING - Compliance During the Initial 6 Months and Beyond

Employee Category	Total Training Hours	
	2023	2024
Management	128	151
Executive	108	194
Non-executive/Technical Staff	4	109
Contractors/Temporary Staff	0	101

Sustainability Statement  
(cont'd)

• **Remuneration Packages and Performance Management**

We recognise that our employees are key drivers of the Group's long-term growth and success. Thus, we are committed to fostering a workplace culture that emphasises accountability, collaboration, and shared success, ensuring that every individual is empowered to contribute meaningfully.

To encourage high performance, we conduct annual performance and career development reviews, creating a structured platform for self-assessment, feedback, coaching, and professional growth. At the same time, we strive to retain and attract top talent by offering competitive remuneration and benefits packages that reflect the value we place on our employees.

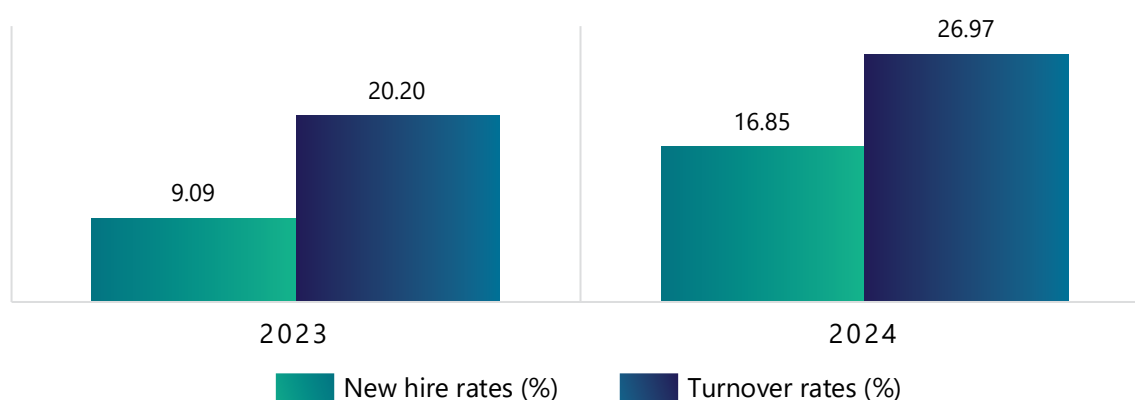
Aligned with our dedication to employee well-being, our employment practices are in line with standard industry guidelines, reinforcing our commitment to providing a supportive, fair, and engaging work environment.

Leave
<ul style="list-style-type: none"> <li>Annual leave, Medical leave, Hospitalisation leave, Maternity and Paternity leave, Compassionate leave, Marriage leave, Study leave, Industrial Accident leave</li> </ul>
Medical/Hospitalisation/Insurance Benefits
<ul style="list-style-type: none"> <li>Yearly Medical Claim, Group Personal Accident Insurance, Group Life Insurance, Group Hospitalisation Insurance with Spouse</li> </ul>
Others
<ul style="list-style-type: none"> <li>Staff Purchase for the Group's products, Long Service Award</li> </ul>

Additionally, we are proud to report that in FY 2024, 100% of our employees participated in performance reviews, highlighting our dedication to supporting employee development. The tables below illustrate the number of new hires, employee turnover, and turnover rate for the past three years.

Employee Category	Total number of new hires		Total number of employee turnover	
	2023	2024	2023	2024
Management	9	15	2	3
Executive			16	16
Non-executive/Technical Staff			1	3
Contractors/Temporary Staff			1	2

**RATES OF NEW HIRES AND TURNOVER**



## Sustainability Statement (cont'd)

### • **Employee Engagement and Initiatives**

At Milux, we are committed to fostering a positive and supportive workplace culture that prioritises the well-being of our employees. We recognise that a healthy, motivated, and engaged workforce is key to driving productivity and contributing to the Group's overall success. To support this, we actively promote work-life balance and encourage an environment where employees feel valued, respected, and empowered to grow both professionally and personally. By focusing on employee well-being, we aim to create a workplace where individuals are inspired to perform at their best.

In addition, we continue to strengthen team cohesion and employee engagement through a variety of initiatives designed to build strong connections, encourage collaboration, and enhance morale across all departments.

Among the initiatives organised throughout the year are:

Year-End Lunch	Chinese New Year ("CNY") Angpow Distribution & Lunch	Company Annual Lunch	Hari Raya Celebration
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*Year-End Lunch*



*CNY Angpow Distribution & Lunch*



*Company Annual Lunch*



*Hari Raya Celebration*

## Sustainability Statement (cont'd)

These initiatives are designed to cultivate a dynamic, engaged, and motivated workforce, driving both personal growth and the Group's sustained success.

### Related UNSDGs:



### Diversity, Equity & Inclusion

Milux has always been committed to creating a supportive and inclusive work environment that rejects all forms of unlawful discrimination. We uphold equality for all employees, regardless of race, colour, gender, religion, age, disability, or any other legally protected status. Our goal is to foster a culture of respect and inclusivity, where everyone has equal opportunities to grow, succeed, and reach their fullest potential.

### Our approach and performance

At Milux, we remain steadfast in our commitment to fostering diversity, equality, and inclusivity within the workplace. We recognise that creating a respectful and inclusive environment is an ongoing responsibility that requires consistent effort and engagement. Our Code of Conduct clearly prohibits any form of harassment, discrimination, or unfair treatment based on legally protected characteristics, underscoring our dedication to upholding fairness and dignity for all.

We strive to build a culture where employees from diverse backgrounds feel valued, respected, and empowered to contribute their unique skills and perspectives. By embracing diversity, we enhance collaboration, drive innovation, and strengthen our organisational culture. In line with our commitment to human rights and fair practices, we are proud to share that there were no reported cases of human rights violations or discrimination during FY 2024.

	2022	2023	2024
Number of substantiated complaints concerning human rights violation	0	0	0

In addition, we remain committed to ensuring equal opportunities for career advancement and leadership roles across the organisation. We believe that by creating a fair and inclusive environment for professional growth, we can attract, develop, and retain top talent, ultimately driving stronger business outcomes.

As part of our ongoing dedication to diversity and inclusion, we continuously review and analyse workforce data to identify gaps, measure progress, and guide our improvement efforts. Through these initiatives, we strive to build a diverse workforce that reflects a broad range of experiences and perspectives, encouraging greater innovation and collaboration.

The following charts illustrate the Group's board diversity and workforce demographics, reflecting our ongoing efforts to promote inclusivity and balanced representation at all levels.

Sustainability Statement  
(cont'd)

## Board Diversity

Total Directors of 5 in FY 2024

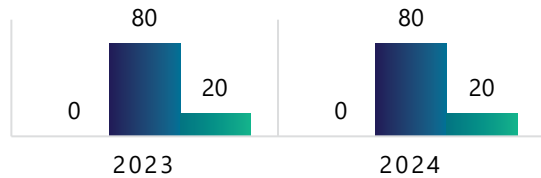
## GENDER (%)

■ Male ■ Female



## AGE (%)

■ Under 30 ■ Between 30-50 ■ Above 50



## Workforce Profile

Total Employees of 89 in FY 2024

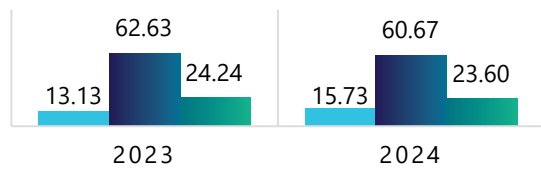
## GENDER DIVERSITY (%)

■ Male ■ Female



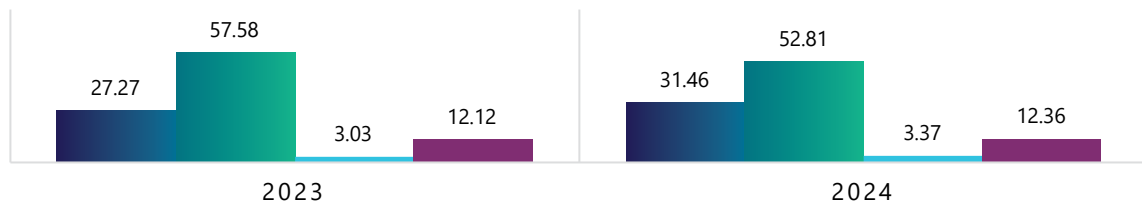
## AGE DIVERSITY (%)

■ Under 30 ■ Between 30-50 ■ Above 50



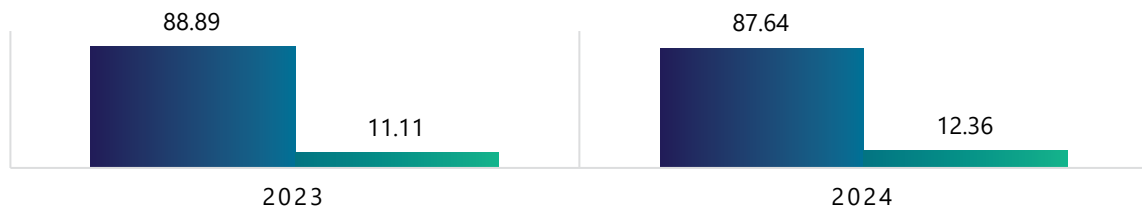
## ETHNIC DIVERSITY (%)

■ Bumiputera ■ Chinese ■ Indian ■ Others



## WORKFORCE DIVERSITY (%)

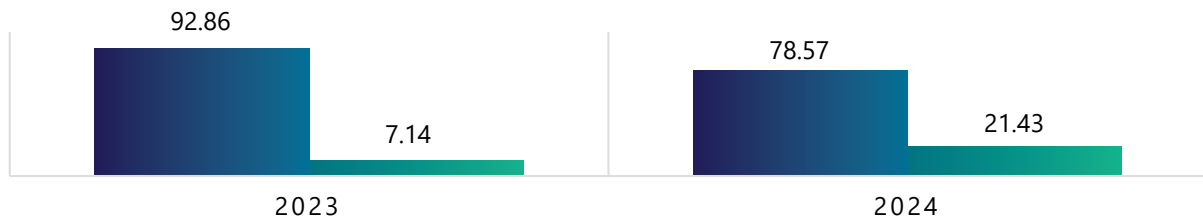
■ Full-timers ■ Contractors/Temporary Staff



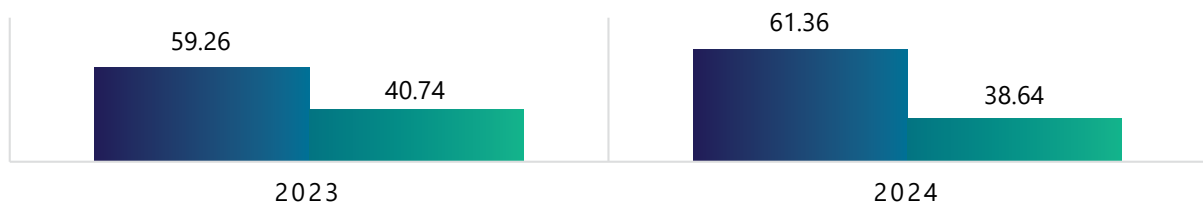
## Sustainability Statement (cont'd)

### Gender Diversity by Employee Category (%)

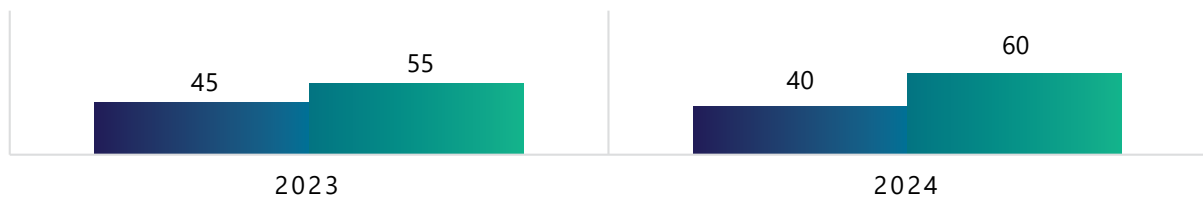
#### MANAGEMENT



#### EXECUTIVE



#### NON-EXECUTIVE/TECHNICAL STAFF



#### CONTRACTORS/TEMPORARY STAFF



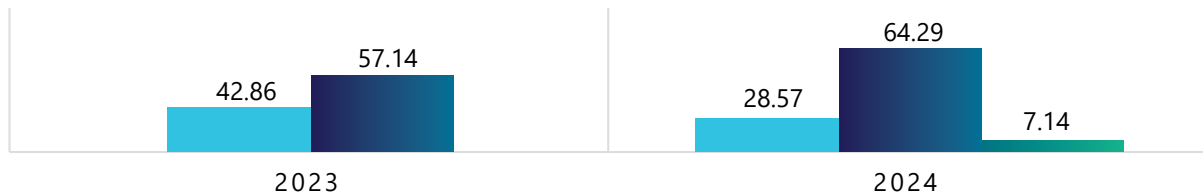
■ Male ■ Female



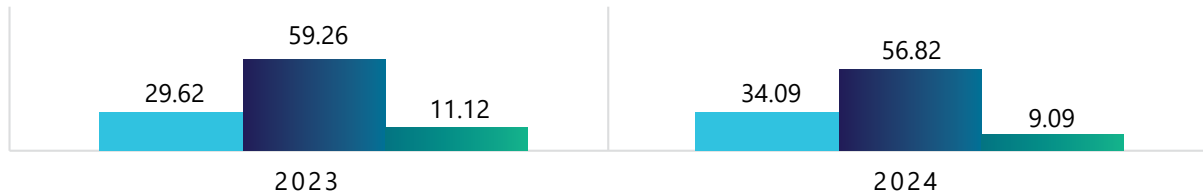
Sustainability Statement  
(cont'd)

## Age Diversity by Employee Category (%)

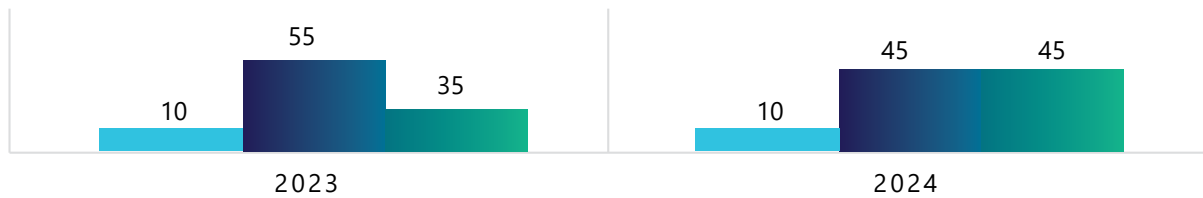
## MANAGEMENT



## EXECUTIVE



## NON-EXECUTIVE/TECHNICAL STAFF



## CONTRACTORS/TEMPORARY STAFF



■ Under 30 ■ Between 30 - 50 ■ Above 50

## Related UNSDGs:



Sustainability Statement  
(cont'd)

## Community

## Contributing to local community development

## Contributing to Local Communities/CSR

Milux recognises the importance of building strong relationships between businesses and communities to promote social inclusion and drive sustainable positive outcomes. In line with this, we are committed to engaging actively with the community through a range of initiatives and programmes. Our commitment goes beyond providing quality products and services — it also involves raising awareness about our business values and fostering trust in the work we do. Furthermore, our involvement in community welfare initiatives reflects our ongoing dedication to supporting and uplifting local communities, strengthening our connection with them.

## Our approach and performance

We remain steadfast in our commitment to being a responsible and community-oriented organisation by actively engaging with local communities through various initiatives that foster health, well-being, and social connection. In FY 2024, we contributed RM 5,622.40 towards CSR efforts, including a groceries donation to the Down Syndrome & Hyper Active Children's Care Centre. This marks a notable increase from previous years and underscores our ongoing dedication to making a positive contribution to society.

	2023	2024
Total amount invested in the community where the target beneficiaries are external to Milux (RM)	1,224.00	5,622.40
Total number of beneficiaries (institutions and categories) of the investment in the communities	1	1

We acknowledge that more can always be done and are committed to continuously exploring new ways to strengthen our community engagement. At Milux, we believe that even small acts of kindness can create meaningful impacts, and through these initiatives, we aim to uplift and support the communities we serve.



Groceries donation to the Down Syndrome

## Related UNSDGs:



## Sustainability Statement (cont'd)

### Customer Satisfaction

The Group's management philosophy is built on three essential pillars: Quality, Safety, and Reliability. These values form the foundation of our operations as we strive to deliver the highest level of customer satisfaction. We are deeply committed to serving society through products and services that meet the evolving needs of our customers. At the core of our success is the belief that customers drive our growth, and we remain focused on exceeding their expectations. By upholding stringent quality standards and continuously improving our offerings, we aim to deliver solutions that make a positive difference in people's lives while strengthening long-term trust and loyalty.

### Our approach and performance

At Milux, we are steadfast in our commitment to delivering customer satisfaction and service excellence across all facets of our operations. Our products are thoughtfully designed to meet diverse customer needs, with a strong emphasis on safety, quality, and reliability, thereby ensuring confidence and peace of mind in every purchase and interaction.

Recognising the importance of accessibility and responsive service, we have established a network of service centres strategically located across Malaysia, including Port Klang (Selangor), Prai (Penang), Johor Bahru (Johor), Ipoh (Perak), and Melaka. These centres offer personalised, face-to-face assistance to customers who seek direct engagement.

In addition to in-person services, we offer multiple online platforms to facilitate convenient and efficient communication. Customers may reach us through [customercare@milux.com.my](mailto:customercare@milux.com.my), our official website (<https://www.milux.com.my>), or via our Facebook page (<https://www.facebook.com/milux.my/>). These channels ensure that support is readily accessible, regardless of location.

Aligned with our sustainability values, we continue to integrate environmental and social considerations into our products and services. We encourage customers to engage with us through responsible and alternative communication channels that reflect our commitment to sustainable practices.

To further enhance customer experience, we offer an E-Warranty registration platform, designed to provide a seamless and efficient warranty process, underscoring our dedication to customer convenience and product assurance.

Milux is committed to transparent communication, ethical business conduct, and superior service delivery. Our aim is to foster enduring relationships with our customers, grounded in trust, integrity, and professionalism. Through these initiatives, we continue to meet and exceed the evolving expectations of our customers while upholding our responsibility as a sustainability-conscious organisation.

### Related UNSDGs:



## Sustainability Statement (cont'd)

### Environment

*Improving our environment by utilising greener alternatives*

#### Climate Change (Energy Management and Emissions)

Milux is firmly committed to environmental stewardship, placing strong emphasis on driving meaningful contributions toward environmental sustainability. We acknowledge the significant impact that energy consumption and greenhouse gas ("GHG") emissions have on environmental degradation and, as such, remain dedicated to minimising our carbon footprint and reducing energy usage across our operations. This commitment is reflected in our proactive implementation and promotion of eco-friendly initiatives designed to mitigate our environmental impact. Moreover, we continue to embrace opportunities aligned with the transition to a low-carbon economy, reinforcing our dedication to sustainable and responsible business practices.

#### Our approach and performance

The Group remains steadfast in enhancing our environmental performance and ensuring full compliance with all applicable environmental regulations. FY 2024 marks a significant milestone as our inaugural year of disclosing greenhouse gas ("GHG") emissions data, demonstrating our commitment to transparency and accountability. Our recorded data covers Scope 1 (Milux's vehicle fuel consumption), Scope 2 (electricity consumption), and Scope 3 (staff claims and business travel), providing a comprehensive overview of the Group's emissions footprint.

Total emissions by scope (tCO <sub>2</sub> e)	2024
Scope 1 (the Group's vehicle fuel consumption)	81.78
Scope 2 (electricity consumption)	188.40
Scope 3 (staff claim and business travel)	215.39

In addition, we have closely monitored our total energy consumption, which stood at 869.55 GJ (241.54 MWh) in FY 2024, representing a reduction compared to the previous year — a testament to our ongoing efforts to improve energy efficiency.

	2023	2024
Total energy consumption (GJ)	979.78	869.55
Total energy consumption (MWh)	272.16	241.54

To mitigate GHG emissions and reduce our environmental impact, we have proactively implemented pollution prevention and energy-saving initiatives, including raising awareness among employees through formal communications. Recognising that sustainability is a shared responsibility, we actively encourage our employees to adopt energy-conscious practices, such as turning off lights, computer monitors, and air conditioners during lunch breaks or when workstations are unoccupied.

Furthermore, we are exploring additional solutions to optimise energy consumption and drive further reductions. Our commitment to sustainability remains unwavering as we strive to build a greener and more responsible organisation.

Looking ahead, we are dedicated to integrating sustainable practices across all aspects of our operations. Through continuous improvement and the adoption of innovative solutions, we aim to positively contribute to global climate action while supporting the Group's long-term growth and resilience.

#### Related UNSDGs:



#### Waste Management

Recognising the importance of preserving the environment, the Group remains committed to minimising waste generation and implementing proper waste management practices. We are aware that poor waste management can lead to serious environmental and health risks, including pollution of air, water, and soil. Even though our manufacturing operations have ceased, we continue to uphold high standards of waste management to ensure ongoing environmental protection and the well-being of the communities around us.

## Sustainability Statement (cont'd)

### Our approach and performance

Although our operations do not produce significant amounts of waste, the Group is firmly committed to promoting sustainable waste management practices and raising employee awareness. We strive to minimise waste generation by reducing material usage and have implemented a recycling programme for boxes, plastic, and steel, aligning with circular economy principles. In addition, we place strong emphasis on educating and engaging employees to adopt environmentally responsible behaviours, especially within our corporate offices and sales and services centers. Through these efforts, we encourage waste reduction, reuse, and recycling to improve resource efficiency and environmental protection.

In FY 2024, we recorded a total waste generation of 18.06 metric tonnes, primarily resulting from operating activities. Despite this, we continue to strengthen our internal waste management initiatives to mitigate environmental impact, conserve natural resources, and safeguard human health. Moving forward, the Group remains dedicated to enhancing our waste management practices in support of sustainable development goals and to reducing our environmental footprint as part of our broader commitment to corporate responsibility and environmental stewardship.

Total emissions by scope (tCO <sub>2</sub> e)	2024
Waste diverted from disposal	0.26
Waste directed to disposal	17.80
Total waste generated (MT)	18.06

#### Related UNSDGs:



### Water Management

Excessive water consumption can strain natural resources and lead to wastewater pollution, posing risks to ecosystems and surrounding communities. Acknowledging these impacts, we are committed to minimising our water usage through the adoption of efficient and sustainable water management practices. By focusing on responsible water consumption, we aim to protect water quality, preserve vital resources, and contribute to the well-being of both the environment and the communities in which we operate.

### Our approach and performance

In FY 2024, the Group's average annual water consumption totalled 6.28 megalitres, reflecting a reduction compared to the previous year. While our overall water usage remains relatively modest, we acknowledge the vital importance of conserving this essential resource and the role we play in contributing to broader environmental sustainability efforts.

As part of our ongoing commitment, we continue to raise awareness among employees on the importance of water conservation and responsible usage. Through these efforts, we aim to reduce our environmental impact, preserve valuable water resources, and support the well-being of local ecosystems and communities.

	2023	2024
Total volume of water used (Megalitres)	8.58	6.28

#### Related UNSDGs:



Sustainability Statement  
(cont'd)

## PERFORMANCE DATA TABLE

Indicator	Unit	2023	2024	Target
<b>Bursa (Anti-Corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	0.00	92.90	-
Executive	Percentage	11.11	59.10	-
Non-executive/Technical Staff	Percentage	15.00	40.00	-
Contractors/Temporary Staff	Percentage	0.00	72.70	-
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	-
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	-
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,224.00	5,622.40	-
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1	1	-
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	7.14	-
Management Between 30-50	Percentage	57.14	64.29	-
Management Above 50	Percentage	42.86	28.57	-
Executive Under 30	Percentage	11.12	9.09	-
Executive Between 30-50	Percentage	59.26	56.82	-
Executive Above 50	Percentage	29.62	34.09	-
Non-executive/Technical Staff Under 30	Percentage	35.00	45.00	-
Non-executive/Technical Staff Between 30-50	Percentage	55.00	45.00	-
Non-executive/Technical Staff Above 50	Percentage	10.00	10.00	-
Contractors/Temporary Staff Under 30	Percentage	0.00	0.00	-
Contractors/Temporary Staff Between 30-50	Percentage	100.00	100.00	-
Contractors/Temporary Staff Above 50	Percentage	0.00	0.00	-
Gender Group by Employee Category				
Management Male	Percentage	92.86	78.57	-
Management Female	Percentage	7.14	21.43	-
Executive Male	Percentage	59.26	61.36	-
Executive Female	Percentage	40.74	38.64	-
Non-executive/Technical Staff Male	Percentage	45.00	40.00	-
Non-executive/Technical Staff Female	Percentage	55.00	60.00	-
Contractors/Temporary Staff Male	Percentage	100.00	100.00	-
Contractors/Temporary Staff Female	Percentage	0.00	0.00	-
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	70.00	60.00	-
Female	Percentage	30.00	40.00	-
Under 30	Percentage	0.00	0.00	-
Between 30-50	Percentage	80.00	80.00	-
Above 50	Percentage	20.00	20.00	-

Sustainability Statement  
(cont'd)

Indicator	Unit	2023	2024	Target
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	272.16	241.54	
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	-
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	-
Bursa C5(c) Number of employees trained on health and safety standards	Number	2	20	-
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	128	151	-
Executive	Hours	108	194	-
Non-executive/Technical Staff	Hours	4	109	-
Contractors/Temporary Staff	Hours	0	101	-
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	11.11	12.36	-
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	2	3	-
Executive	Number	16	16	-
Non-executive/Technical Staff	Number	1	3	-
Contractors/Temporary Staff	Number	1	2	-
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	-
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	45.74	41.77	-
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	-
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	8.58	6.28	-
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	18.06	-
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.26	-
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	17.80	-
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes		81.78	-
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes		188.40	-
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes		215.39	-
Internal assurance	External assurance	No assurance	(*) Restated	



Sustainability Statement  
(cont'd)

## ASSURANCE STATEMENT

To bolster the credibility of our Sustainability Statement, specific sections have been subjected to the following:

- Internal Review by the Group's Management;
- Independent Assurance in accordance with recognised standards for selected indicators and has been approved by the Group's Audit and Risk Management Committee (*Refer to Independent Limited Assurance Statement on page 42*)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Review by Independent Assurance Auditor	Climate Change	Total energy consumption  Scope 1 emissions in tonnes of CO <sub>2</sub> e  Scope 2 emissions in tonnes of CO <sub>2</sub> e  Scope 3 emissions in tonnes of CO <sub>2</sub> e	Operations assessed:  Malaysia	Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Milux's Sustainability Statement 2024 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.
Internal Review by Management	Anti-corruption        Cybersecurity and Data Protection        Employee Management	Percentage of employees who have received training on anti-corruption by employee category  Percentage of operations assessed for corruption-related risk  Confirmed incidents of corruption and action taken  Number of substantiated complaints concerning breaches of customer privacy and losses of customer data  Total hours of training by employee category  Total number of employee turnover by employee category	Operations assessed:  Malaysia	Currently in review by the management team.

Moving forward, we are committed to enhancing the accuracy and quality of our data to bolster our disclosures. We aim to achieve this by subjecting all indicators to independent assurance over the next five years. This proactive approach underscores our dedication to transparency and accountability in our sustainability reporting practices.

\* Note: In preparing the Subject Matter mentioned above, Milux applied the following criteria:

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles
- Task Force on Climate related Financial Disclosures ("TCFD")
- Milux's relevant policies and procedures



## Sustainability Statement (cont'd)

### LOOKING FORWARD

As a publicly listed company, Milux is firmly committed to upholding the highest standards of transparency, integrity, and ethical conduct across all areas of our business. Our Sustainability Statement reflects this commitment, serving as a key platform to engage with stakeholders and disclose our ongoing sustainability initiatives. In line with our dedication to good governance, we have put in place strong frameworks, including the Anti-Bribery and Corruption Policy and Whistleblowing Policy, to prevent and address unethical practices such as fraud, bribery, corruption, money laundering, and insider trading. These policies reinforce our zero-tolerance stance on misconduct and demonstrate our ongoing efforts to foster trust and accountability within our organisation and among our stakeholders.

As we move forward, Milux remains focused on strengthening our sustainability journey by enhancing operational excellence, meeting customer expectations, and promoting responsible business practices. We are committed to continuously improving our ESG performance, ensuring that our actions contribute to long-term value creation not only for our shareholders but also for the wider community and environment.

### RELATIONSHIP WITH UNSDGS

Sustainable Development Goals		Main Activity	Detailed Information
	No Poverty	<ul style="list-style-type: none"> <li>Implementation of ISO 9001</li> <li>Providing equal work opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Marketplace</li> <li>Workplace</li> </ul>
	Zero Hunger	-	-
	Good Health and Well-being	<ul style="list-style-type: none"> <li>Safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>Workplace</li> </ul>
	Quality Education	<ul style="list-style-type: none"> <li>Training and development for employees</li> </ul>	<ul style="list-style-type: none"> <li>Workplace</li> </ul>
	Gender Equality	<ul style="list-style-type: none"> <li>Employment policy of no discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Workplace</li> </ul>
	Clean Water and Sanitation	<ul style="list-style-type: none"> <li>Promoting water conservation</li> </ul>	<ul style="list-style-type: none"> <li>Environment</li> </ul>
	Affordable and Clean Energy	-	-
	Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>Good management</li> </ul>	<ul style="list-style-type: none"> <li>Financial</li> <li>Marketplace</li> <li>Workplace</li> <li>Community</li> </ul>
	Industry, Innovation, and Infrastructure	<ul style="list-style-type: none"> <li>Implementation of ISO 9001</li> <li>Supplier evaluation to increase transparency and enhance social conditions across the entire supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Marketplace</li> </ul>
	Reducing Inequality	<ul style="list-style-type: none"> <li>Employment policy of no discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Workplace</li> </ul>
	Sustainable Cities and Communities	<ul style="list-style-type: none"> <li>Implementation of pollution prevention initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Environment</li> </ul>
	Responsible Consumption and Production	<ul style="list-style-type: none"> <li>Implementation of ISO 9001</li> <li>Promise to deliver safe and quality products</li> </ul>	<ul style="list-style-type: none"> <li>Marketplace</li> <li>Environment</li> </ul>
	Climate Action	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emission</li> </ul>	<ul style="list-style-type: none"> <li>Environment</li> </ul>
	Life Below Water	<ul style="list-style-type: none"> <li>Implementation of ISO 9001</li> </ul>	<ul style="list-style-type: none"> <li>Marketplace</li> </ul>
	Life On Land	-	-
	Peace, Justice, and Strong Institutions	<ul style="list-style-type: none"> <li>Anti-corruption, cybersecurity and data protection</li> </ul>	<ul style="list-style-type: none"> <li>Marketplace</li> <li>Governance</li> </ul>
	Partnerships for the Goals	<ul style="list-style-type: none"> <li>Sustainability report initiative</li> </ul>	<ul style="list-style-type: none"> <li>Looking Forward</li> </ul>

Sustainability Statement  
(cont'd)

## TCFD-ALIGNED DISCLOSURES

*(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)*

TCFD Recommendation	Milux Disclosure	Reference
<b>Governance – Disclose the organisation’s governance around climate-related risks and opportunities</b>		
a) Describe the Board’s oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Risk management Board skills and experience – climate change</li> <li>Sustainability Committee – role and focus</li> </ul>	<ul style="list-style-type: none"> <li>Governance</li> </ul>
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>Risk management Climate change – managing risk and opportunity</li> <li>Sustainability Committee – role and focus FY 2024</li> </ul>	<ul style="list-style-type: none"> <li>Governance</li> <li>Supply Chain Management</li> <li>Environment</li> </ul>
<b>Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material</b>		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> <li>Climate change – managing risk and opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Materiality Matrix</li> </ul>
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> <li>Climate change – managing risk and opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Materiality Matrix</li> </ul>
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> <li>Climate change – evaluating the resilience of our portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul>
<b>Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks</b>		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Materiality Matrix</li> </ul>
b) Describe the organisation’s processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> </ul>	<ul style="list-style-type: none"> <li>Materiality Matrix</li> <li>Energy Management &amp; Emissions</li> </ul>
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation’s overall risk management.	<ul style="list-style-type: none"> <li>Risk management non-financial KPIs – sustainability KPIs</li> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> </ul>	<ul style="list-style-type: none"> <li>Materiality Matrix</li> <li>Energy Management &amp; Emissions</li> </ul>
<b>Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> <li>Non-financial KPIs – sustainability KPIs</li> <li>Climate change – Operational emissions</li> <li>Climate change – Scope 3 emissions</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul>
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> <li>Non-financial KPIs – sustainability KPIs</li> <li>Climate change – operational emissions performance</li> <li>Climate change – Scope 3 emissions performance Climate change data</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul>
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> <li>Non-financial KPIs – sustainability KPIs</li> <li>Climate change – operational emissions performance FY 2024 performance outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul>

## Sustainability Statement (cont'd)



### ASAP ADVISORY PLT

No 17-04, Blok B, Austin V, Jalan Austin Perdana 3/2,  
Taman Austin Perdana, 81100 Johor Bahru, Johor.  
Tel : 07-3595983

## INDEPENDENT LIMITED ASSURANCE STATEMENT

### Independent Limited Assurance Statement

Independent Limited Assurance Statement to the Directors of Milux Corporation Berhad on Sustainability Metrics within the Sustainability Statement 2024.

### Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Milux's Sustainability Statement 2024 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

### Scope of Work

ASAP Advisory PLT ("ASAP" or "we") was engaged by Milux Corporation Berhad ("Milux") to perform a 'limited assurance engagement,' as defined by the International Standard on Assurance Engagements ("ISAE") 3000 Revised, Assurance Engagement other than Audits or Review of Historical Financial Information, on selected subject matters ("Subject Matter") included in Milux's 2024 Sustainability Statement ("SS2024") for the financial year ended 31st December 2024.

### Subject Matter

Our limited assurance engagement was performed for the Subject Matter listed in the table below, as presented in the SS2024:

Material Matter	Subject Matter	Scope
Climate Change	Total energy consumption Scope 1 emissions in tonnes of CO <sub>2</sub> e Scope 2 emissions in tonnes of CO <sub>2</sub> e Scope 3 emissions in tonnes of CO <sub>2</sub> e	Operations assessed: Malaysia

The scope of our work was limited to the Subject Matter presented in the SS2024 and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter and related disclosures; nor did it include information reported outside of the SS2024, comparisons against historical data, or management's forward-looking statements.

### Criteria applied by Milux

In preparing the Subject Matter mentioned above, Milux applied the following criteria:

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles Task Force on Climate related Financial Disclosures ("TCFD")
- Milux's relevant policies and procedures

### Milux's Responsibilities

Milux's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

## Sustainability Statement (cont'd)

### *ASAP's responsibilities*

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter and related disclosures as presented in the SS2024 are not prepared, in all material respects, in accordance with the Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Milux, including performing the engagement in accordance with the ISAE 3000, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter and related disclosures as presented in the SS2024 are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Milux's use of the criteria specified as the basis of preparation used for the selected Subject Matter and related disclosures presented in the SS2024, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter and related disclosures in the SS2024. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### *Our Independence and Quality Control*

This assurance has been conducted at a limited level according to Global Internal Audit Standards from the IIA2, at a minimum the internal audit function should provide the following assurance over ESG reporting;

- 1) Review reporting metrics for relevancy, accuracy, timeliness and consistency;
- 2) Review reporting for consistency with formal financial disclosure filings;
- 3) Conduct materiality or risk assessments on ESG reporting;

including the Principles contained within the International Integrated Reporting Council ("IIRC"), Task Force on Climate related Financial Disclosures ("TCFD").

### *Statement of Independence and Competence*

ASAP provides a range of services, including internal audit, internal control review, risk management, and environmental, social, and ethical auditing and training. Additionally, we offer assurance services for environmental, social, sustainability, and ESG reports.

We affirm our **independence from Milux**, ensuring objectivity, freedom from bias, and the absence of conflicts of interest with the organisation, its subsidiaries, and stakeholders. For this assurance engagement, a specialised team was carefully assembled based on their expertise, experience, and relevant qualifications, ensuring a thorough and credible review.

### **Description of Procedures Performed**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

## Sustainability Statement (cont'd)

Our procedures included:

- Gaining an understanding of Milux's business, internal processes and approach to sustainability
- Conducting interviews with key personnel and collating evidence to understand Milux's process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:
  - Undertaking analytical procedures to support the reasonableness of the data
  - Checking that the calculation Criteria have been applied as per the methodologies for the Subject Matter within the Statement
  - Identifying and testing assumptions supporting calculations
  - Testing, on a sample basis, underlying source information to check accuracy of the data
  - Performing recalculations of performance indicators using input data
  - Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability statement
  - Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities

We also performed such other procedures as we considered necessary in the circumstances.

### **Inherent Limitations**

Inherent limitations of assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

### **Other Matters**

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SS2024. The maintenance and integrity of Milux's website is the responsibility of Milux's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matter and related disclosures, the SS2024 or to our independent limited assurance report that may have occurred since the initial date of presentation on the Milux's website.

### **Restriction of use**

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Milux in accordance with the terms of our engagement, and for no other purpose.

Our report is intended solely for the directors of Milux and should not be used by any other parties. To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Milux, for our work, for this report, or for the conclusion we have reached.

We agree to the publication of this assurance report in Milux's SS2024 for the financial year ended 31st December 2024, provided it is clearly understood by recipients of the SS2024 that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

**ASAP Advisory PLT**  
201804000474 (LLP0014854-LGN)  
Johor Bahru, Malaysia  
10 March 2025

## 5 – YEAR GROUP FINANCIAL HIGHLIGHTS

	2024 RM ' 000	2023 RM ' 000	2022 RM ' 000	2021 RM ' 000	2020 RM ' 000
Revenue	<b>45,944</b>	47,001	59,323	62,116	72,995
(Loss)/profit before taxation	<b>(2,216)</b>	(4,686)	3,515	5,764	(5,031)
(Loss)/profit after taxation	<b>(2,261)</b>	(4,972)	3,121	5,527	(5,047)
Basic (loss)/earnings per ordinary share (sen)	<b>(0.96)</b>	(2.12)	1.33	2.83	(8.59)
Net assets per share (RM)	<b>0.16</b>	0.17	0.19	0.18	0.63
Shareholders' funds	<b>37,845</b>	40,609	45,491	42,502	36,733
Total Assets	<b>46,824</b>	55,638	64,881	62,429	54,417
Total Liabilities	<b>8,980</b>	15,029	19,391	19,927	17,684
Gross dividend per Ordinary Share (sen)	-	-	-	-	-



## DIRECTORS' PROFILE



Malaysian

52

Aged



Male

**Date of Appointment**

31 December 2024

**Number of Board meetings attended in 2024**

Not Applicable

### Length of service

Less than 1 year

### Board Committees Membership(s)

- Member of Audit and Risk Committee
- Member of Nomination and Remuneration Committee

### Academic/ Professional Qualification / Membership(s)

- Investment Management & Corporate Finance Advising Services (Rules & Regulations), Securities Industry Development Corporation (SIDC)
- INSEAD Executive Development Program, INSEAD Asia Campus
- Certificate of PPKM (Financial Markets Association)
- Chartered Financial Analyst
- Bachelor of Science (B.S.) in Mathematics and Computer Science, The University of Western Australia

### Present Directorship(s)

#### Other Listed Entities

- WMG Holdings Berhad

### Other Public Companies

Nil

### Working experience

Mr. Yap possess extensive experience with a demonstrated history of working in the banking industry from 1996 to 2022, holding senior management positions and overseeing the treasury functions, risk management, derivatives, and investment decisions. He was the Director of Risk & Governance of MAVCAP from 2022 to 2024 overseeing the identification and mitigation of risks that may impact the organisation and its core business, particularly in managing a venture capital fund. His role is reporting directly to the Board of directors and include driving the company towards strict adherence to governance standards set by the Ministry of Finance and Ministry of Science and Technology.

Mr. Yap is a CFA holder and a licensed treasury dealer. He is also licensed by the Securities Commission to provide advisory and related services.



Directors' Profile  
(cont'd)

Malaysian

44

Aged



Male

**Date of  
Appointment**

30 May 2013

**Number of Board  
meetings attended  
in 2024**

7/7

**Length of service**

12 years

**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 was appointed as a Non-Independent Non-Executive Director of the Company on 30 May 2013. He was re-designated as an Executive Director on 12 October 2016.

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 Milux 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 as General Manager, Operations to oversee the running of the Company's subsidiaries namely, T.H. Hin Sdn. Bhd., Milux Sales & Service Sdn. Bhd., Brightfield 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.



## Directors' Profile (cont'd)



**DATIN YAP SHIN  
SIANG**

Independent Non-Executive Director



Malaysian

49

Aged



Female

**Date of  
Appointment**

31 December 2024

**Number of Board  
meetings attended  
in 2024**

Not Applicable

### Length of service

Less than 1 year

### Board Committees Membership(s)

- Chairman of Audit and Risk Committee
- Member of Nomination and Remuneration Committee

### Academic/ Professional Qualification / Membership(s)

- Master of Business Administration, University of Nottingham
- Bachelor of Commerce degree, University of Melbourne
- Certified Practising Accountant (CPA) Australia
- Malaysian Institute of Accountants
- Chartered Tax Institute of Malaysia

### Present Directorship(s)

#### Other Listed Entities

- Agmo Holdings Berhad

#### Other Public Companies

Nil

### Working experience

Datin Yap began her career in 1998 as a staff consultant with Arthur Andersen LLP (now known as Ernst & Young PLT) and subsequently joined KPMG Malaysia (now known as KPMG PLT) from 1999 to 2000 as an audit assistant where she assisted in the completion of specific audit assignments and due diligence reviews.

Datin Shin is the CEO of YYC Group, a Malaysia-home-grown accounting and business advisory group with 51-year history of empowering entrepreneurial success. Datin Shin has over 20 years of professional experience in public accounting, tax, business advisory and has rich expertise in finance, marketing strategy, sales strategy and legal matters.

As the second generation in the family business, Datin Shin has grown the team from 30 staff to a 1,100-strong team trusted by 20,000 entrepreneurs. Under her leadership, YYC is now ranked among the top 10 accountancy firms by revenue size.

A frequent speaker of many subjects including tax advisory, Datin Shin has positively impacting more than 250,000 participants through seminars and webinars she has conducted or organised by various business and trade associations, professional bodies, media and many others.

Directors' Profile  
(cont'd)

Malaysian

47

Aged



Female

**Date of  
Appointment**  
31 December 2024**Number of Board  
meetings attended  
in 2024**  
Not Applicable**Length of service**

Less than 1 year

**Board Committees Membership(s)**

- Chairman of Nomination and Remuneration Committee
- Member of Audit and Risk Committee

**Academic/ Professional Qualification / Membership(s)**

- Bachelor of Business Management, The University of Queensland, Australia

**Present Directorship(s)****Listed Entities**

Nil

**Other Public Companies**

Nil

**Working experience**

Ms. Ng has over 20 years of invaluable experience in the F&B and FMCG industry businesses. She has experience in operational leadership and negotiation, accelerating growth and expanding market opportunities. She is proficient in managing projects and formulating impactful business strategies.

She was the Product Manager, DKSH Singapore Pte Ltd from 2005 to 2007. From 2007 to 2021, she joined Zen Place Sdn Bhd and founded Jom Makan Place & Dateen Food. Currently, she is the Chief Executive Officer of Palaterium Sdn Bhd since 2021, overseeing the strategic direction and operational aspects of the company. With her leadership, Palaterium has evolved into a dynamic entity hosting two distinctive brands that have left an indelible mark on Malaysia's culinary landscape.

## Directors' Profile (cont'd)



Malaysian

41

Aged



Male

**Date of Appointment**  
31 December 2024

**Number of Board meetings attended in 2024**  
Not Applicable

### Length of service

Less than 1 year

### Board Committees Membership(s)

Nil

### Academic/ Professional Qualification / Membership(s)

- Bachelor of Business Administration, University Putra Malaysia

### Present Directorship(s)

#### Other Listed Entities

Nil

### Other Public Companies

Nil

### Working experience

Mr. Mak has more than 14 years of experience in the household appliances industry, which was gained through his tenure with the following companies:

2008 - 2014 : Coway (Malaysia) Sdn Bhd - Assistant Manager - Sales Planning

2014 - 2019 : Cuckoo International (MAL) Berhad - Director of Domestic Sales

2019 - 2023 : Cuckoo International (MAL) Berhad - Chief Revenue Officer

Currently, he is the Chief Executive Officer of Movon Sdn Bhd since 2024. Throughout his career in the household appliances industry, he has been actively involved in product development, supply chain management, quality assurance, sales and marketing (including market analysis and marketing strategies) and distribution (including distribution channel management) as well as human resource management.

Mr. Mak is a major shareholder of the Company with indirect holdings of 150,766,520 ordinary shares through ABS Capital Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

## Directors' Profile (cont'd)

### ADDITIONAL INFORMATION

#### Family Relationship with Director and Major Shareholder

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 2024.

## SENIOR MANAGEMENT'S PROFILE

### TAN YU LIANG

Group Chief Executive Officer  
Malaysian | Male | 47

Mr. Tan was appointed as the Group Chief Executive Officer on 13 January 2025. Mr. Tan joined Cuckoo International (MAL) Sdn. Bhd in 2014. While in Cuckoo, he leads as CUCKOO International's Chief Planning Officer and governs the Group Corporate Planning. A strategist and planner, he expanded Cuckoo International's footprint to strategic new territories to help realise the Company's vision to be the No. 1 Healthy Home Creator in Asia.

Mr. Tan left Cuckoo International in 2023 to become the Chief Executive Officer of Subplace, the subscription-based online shopping platform in 2024. While in Subplace, he built productive relationships with industry partners i.e., MDEC and Sidec, to support strategic business objectives. While in Subplace, Mr. Tan spearheaded initiatives to improve business metrics tracking for better decision making with real-time data. He also developed critical operational initiatives to drive and maintain substantial business growth.

### TAN CHEE HOW

Executive Director  
Malaysian | Male | 44

The profile of Mr. Tan Chee How is listed in the Directors' Profile set out in this Annual Report.

### WONG WAI KEONG

Chief Financial Officer  
Malaysian | Male | 65

Mr. Wong started his career in the financial services industry as a Credit and Marketing officer/Branch Manager in Arab Malaysian Credit Berhad from 1982 to 1989. In 1989, he joined Sogelease (Malaysia) Berhad as an Assistant Manager. He left his position as Senior Manager in Sogelease (Malaysia) Berhad in 1993 to join Artwright Marketing Sdn. Bhd as Head of Finance and was subsequently appointed General Manager, Finance of Artwright Holdings Berhad before 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.

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

Senior Management's Profile  
(cont'd)**YAP CHEE CHONG**

Financial Controller

Malaysian | Male | 33

Mr. Yap Chee Chong, joined Milux Corporation Berhad as Financial Controller on 1 January 2025. His main tasks are to assist and support the Chief Financial Officer in overseeing the Group's financial matters, including financial operations, compliance, and providing business support.

He began his career at a Big 4 accounting firm, gaining over 9 years of experience in audit, financial analysis, and risk management across various industries and is committed to maintaining financial integrity, improving processes, and supporting business growth through sound financial insights.

In 2021, he joined Shopee Express as an Assistant Finance Manager before moving to Abletech Solutions Group in 2022 as Finance Manager. He was later redesignated as Head of Finance in 2024. He was responsible for overall financial function, managing financial planning, cash flow and reporting.

Mr. Yap is a member of Malaysian Institute of Accountants and Association of Chartered Certified Accountants.

**Notes:**

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

- (a) any other directorship in public companies and listed issuers;
- (b) any family relationship with any Director/major shareholder of the Company;
- (c) any conflict of interests with the Company;
- (d) any conviction 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") remains committed to upholding the highest standard of corporate governance and integrity for the long-term success and sustainability of the Company.

The Board is pleased to present the Corporate Governance ("CG") Overview 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 2024 and up to the date of this Statement.

The CG Overview 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) key CG principles of the Malaysian Code on Corporate Governance ("MCCG"):

- (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.

The CG Overview Statement is to be read together with the CG Report 2024 which further elaborate the application of the Practices of the MCCG by the Company for the financial year 2024. The CG Report is published on the Company's website.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

The Board is collectively responsible for setting the Company's values and standards, ensuring long-term success, and delivering sustainable value to its shareholders, and acting as a governing body with oversight of management and strategy.

Besides its statutory duties and responsibilities, the key functions of the Board include reviewing and setting the Group's strategic direction and governance structure. It is imperative that the Board review the adequacy and integrity of the Group's risk management and internal control systems and management information systems, including systems for compliance with applicable laws, regulations and guidelines and ensure that the Company adheres to high standards of ethics and corporate behaviour.

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

The Board takes appropriate actions and stay abreast of sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

The Board has delegated its oversight function to the Board Committees to assist the Board with reference to specific responsibility areas, but ultimately retains collective oversight over these Board Committees.

The Audit and Risk Committee ("ARC") and Nomination and Remuneration Committee ("NRC") have been constituted by the Board with clear terms of references and under its respective functions are actively engaged to ensure that the Group is in adherence with good corporate governance. The respective terms of reference of these Board Committees are reviewed from time to time to ensure relevance and any changes to the terms of reference require the Board's approval.

On 31 December 2024, several changes to the composition of the Board and Board Committees were implemented. Following these changes, the Board now comprises five (5) members, four (4) of whom are non-executive Directors with three (3) being Independent Directors – Mr. Yap Yen Chien (Chairman), Datin Yap Shin Siang and Ms. Ng Wei Wei. Mr. Mak Wai Hoong, the Non-Independent Non-Executive Director, is a major shareholder of the Company by virtue of his direct shareholding in ABS Capital Sdn Bhd, a major shareholder of the Company. Mr. Tan Chee How remains as the Executive Director of the Company.

On 13 January 2025, the Board appointed Mr. Tan Yu Liang as the Group Chief Executive Officer in line with the corporate development and the Company's initiatives and objectives to improve the operations, prospects and financial performance of the Group.



## Corporate Governance Overview Statement (cont'd)

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

#### I. Board Responsibilities (cont'd)

The Board has access to the Company Secretaries in ensuring the effective functioning of the Board, compliance with the applicable laws and regulations and the Company's established policies and procedures. The Company Secretaries play a crucial role in ensuring the Board procedures are followed, and that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company secretaries attended training and seminars to keep abreast of the latest statutory and regulatory requirements, enabling them to advise the Board and ensure the Company's compliance.

The Company Secretaries are members of professional bodies and holders of practicing certificate pursuant to the Companies Act 2016. The appointment and removal of the Company Secretary are subject to the approval of the Board.

The Board has full and unrestricted access to Management on information and advice pertaining to the affairs of the Group in the discharge of its duties and responsibilities.

Prior to each Board and Board Committees meeting, the Directors are provided with agenda and meeting materials at least three (3) market days before the meetings to allow sufficient time for review and be prepared for discussion prior to making informed decision. The materials provided include the Group's results and performance update, management report and/or corporate proposals which is subject to review and approval of the Board. The Group Chief Executive Officer and Chief Financial Officer and/or other key senior management personnel will attend the meetings to report and provide clarification on amongst others, the performance of the Group and /or matters being discussed to facilitate effective review and deliberation by the Board.

#### Board Charter

The Board Charter sets out amongst others, the guiding principle for the Board, board governance process 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 Code of Ethics and Conduct 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 Code of Ethics and Conduct are published on the Company's website.

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

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

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

The Whistleblowing Policy is published on the Company's website.



## Corporate Governance Overview Statement (cont'd)

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

#### I. Board Responsibilities (cont'd)

##### Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy 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 published on the Company's website.

##### Fit and Proper Policy

The adopted Fit and Proper Policy provides the fit and proper criteria for the appointment and re-election of Directors to the Board of the Company and/or its subsidiaries to ensure that the Board's quality and integrity is maintained and up to expectation.

The Board believes that it is in the best interest of the Group and its stakeholders that Directors appointed to the Board are persons with the required character, integrity, experience, competence and time to effectively discharge their responsibilities and duties and contribute towards the proper governance of the Group. Fit and proper assessments could be conducted both prior to initial appointments and at regular intervals (at least annually) or whenever information arises that may compromise a person's fitness and propriety.

The Fit and Proper Policy is published on the Company's website.

#### II. Board Composition

##### Composition of the Board

The Board currently consists of an Executive Director, three (3) Independent Non-Executive Directors including the Chairman and a Non-Independent Non-Executive Director. The current composition complies with Paragraph 15.02 of the Listing Requirements and Practice 5.2 of the MCGG as the Board comprises majority Independent Directors.

The current Board is made up of members with a variety of skills and attributes, possessing a diverse range of expertise and experience to make strategic plan and decisions align with the business expansion and direction of the Group; this diversity include but not limited to industry knowledge and expertise, business network and financial acumen that the Company could strategically deploy and leverage on to strengthen the Group's operations and enhance the revenue and financial performance of the Group.

Through the Board Diversity Policy, the Board values the benefits that diversity can bring to its Board, and 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.

The Board affirms its commitment to boardroom diversity as a truly diversified Board can enhance the Board's effectiveness, its oversight function and maximise business and governance performance of the Group.

## 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)

The diversity in the race/ethnicity, gender and age of the current Board is as follows:-

Diversity	Race/Ethnicity			Gender		
	Malay	Chinese	Indian	Male	Female	Total
Number of Directors	0	5	0	3	2	5

Age Group (Years)	40-49	50-59	Total
Number of Directors	4	1	5

The two (2) female Directors on the Board comprising 40% of the total number of Directors.

The Board Diversity Policy is published on the Company's website.

##### Tenure of Independent Directors

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

The Company has no policy limiting the tenure of its Independent Directors to nine years.

##### 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. The Constitution also provides that any new Director shall hold office only until the conclusion of the next annual general meeting and shall be eligible for re-election.

The following Directors appointed on 31 December 2024 will be retiring at the upcoming AGM of the Company in accordance with Clause 116 of the Constitution and being eligible, have offered themselves for re-election:

- (i) Yap Yen Chien;
- (ii) Datin Yap Shin Siang;
- (iii) Ng Wei Wei; and
- (iv) Mak Wai Hoong.

The NRC noted that the above Directors had duly executed the requisite documents including the Fit and Proper Declaration Form in meeting the fit and proper criteria encompassing character and integrity, experience and competence, time and commitment for their appointment as the Directors of the Company.

The profiles of the above Directors are presented in this Annual Report.

## Corporate Governance Overview Statement (cont'd)

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

#### II. Board Composition (cont'd)

##### 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 annual meetings schedule would be provided to the Board in advance with the proposed scheduled date of Board and Board Committees' meetings to enable the Directors to plan in advance.

The Board held a total of seven (7) meetings in the financial year 2024. Details of Directors' attendance are as follows:

Name of Director	No. of Meetings Attended
Datuk Dr. Wong Lai Sum <sup>1</sup> (Chairman)	7/7
Datuk Wira Ling Kah Chok <sup>1</sup>	6/7
Datuk Khoo Teck Kee <sup>1</sup>	7/7
Tan Chee How	7/7
Datuk Haw Chin Teck <sup>1</sup>	6/7
Dato' Sri Ir. Ts. Dr. Liew Mun Hon <sup>1</sup>	6/7
Ho Pui Hold <sup>2</sup>	3/3
Yee Carine <sup>3</sup>	1/1
Teh Sok Hoon <sup>3</sup>	1/1
Yap Yen Chien <sup>4</sup> (Chairman)	Not applicable
Datin Yap Shin Siang <sup>4</sup>	Not applicable
Ng Wei Wei <sup>4</sup>	Not applicable
Mak Wai Hoong <sup>4</sup>	Not applicable

##### Notes:

<sup>1</sup> Resigned as Director on 31 December 2024

<sup>2</sup> Resigned as Director on 1 July 2024

<sup>3</sup> Resigned as Director on 26 February 2024

<sup>4</sup> Appointed as Director/ Chairman on 31 December 2024

The Board will 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.

## Corporate Governance Overview Statement (cont'd)

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

#### II. Board Composition (cont'd)

##### Directors' Training

The Directors had attended the following training programme/seminars/workshops during the financial year 2024:-

##### Subject of training programme/seminars/workshops

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- Frontiers of International Finance -Japanese Market in a New Phase
- Strategic Data and Frameworks in Board Governance
- E-Invoice Workshop
- Member Voluntary Winding Up of a Company (Part 1 & 2)
- Identification of Beneficial Owner
- Rights of Members
- Budget 2025
- E-invoice Implementation in Malaysia and Navigation the MyInvois Portal
- Forklift and Reach Truck Skills, Safety and Daily Maintenance Course
- Webinar Talk on "Building Information Modelling For AEC & MEP"
- Kursus Perlaksanaan Projek Menggunakan Program Kerja - Critical Path Method (CPM)
- Site Technical Visit to "Sungai Kinta Water Treatment Plant & Empangan Sultan Azlan, Ulu Kinta"
- Site Technical Visit to ICP Lumut Factory
- Seminar on "Low Voltage (LV) Electrical Protection System"
- Basic Water Treatment Plant Design & Analysis of Pumping System Course

The Board ensures that the Directors (including new Directors) attend and complete the requisite Mandatory Accreditation Programme ("MAP") prescribed under the Listing Requirements of Bursa Securities within the stipulated timeframe.

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. All Directors should attend trainings and development programmes regularly to keep abreast of regulatory updates, emerging trend and developments in the industry relevant to the Group.

##### Board Committees

The Board has delegated specific responsibilities and oversight function to two (2) board committees, namely the ARC and the NRC, 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 published on the Company's website.

##### (a) ARC

The ARC currently consists of three (3) members, all of whom are Independent Non-Executive Directors. Details of the activities carried out by ARC during the financial year 2024 are set out in the ARC Report of this Annual Report.

##### (b) NRC

The NRC currently consists of three (3) members, all of whom are Independent Non-Executive Directors.

## Corporate Governance Overview Statement (cont'd)

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

#### II. Board Composition (cont'd)

##### Board Committees (cont'd)

The current composition of both committees is tabulated as follows:

Director	ARC	NRC
Yap Yen Chien (Chairman) (Independent Non-Executive Director)	M	M
Tan Chee How (Executive Director)	-	-
Datin Yap Shin Siang (Independent Non-Executive Director)	C	M
Ng Wei Wei (Independent Non-Executive Director)	M	C
Mak Wai Hoong (Non-Independent Non-Executive Director)	-	-

C: Chairman

M: Member

During the financial year 2024, the Board through the NRC has assessed the effectiveness of the Board, Board Committees and individual Directors through questionnaires facilitated by the Company Secretary. Based on the results of the assessment the NRC and Board were satisfied that the performance of the Board, Board Committees and individual Directors for the financial year 2024 were effective as a whole in discharging their roles and responsibilities.

Through the Independent Directors' Self-Assessment Checklist, the NRC noted that the Independent Directors have declared their independence in accordance with the prescribed criteria under the Listing Requirements.

The NRC assists the Board in reviewing and ensuring the Directors possess the right mix of skills, competencies, experience and other qualities required for the functioning of an effective Board.

All nomination to the Board is first considered by the NRC, taking into account the mix of skills, competencies and experience before they are recommended to the Board. In year 2024, the NRC after having considered the corporate development and the proposed nomination to the Board, as well as the declarations by the proposed new Directors on their character and integrity, experience and competence as well as time and commitment for board positions as outlined in the Directors' Fit and Proper Declaration, has recommended to the Board the appointment of new Directors of the Company which were duly endorsed by the Board.

The NRC held two (2) meetings during the financial year 2024 on 26 February 2024 and 27 March 2024 and the attendance records of the NRC members were as follows:

NRC Members	No. of Meetings Attended
Datuk Haw Chin Teck <sup>1</sup> (Chairman)	2/2
Datuk Khoo Teck Kee <sup>2</sup> (Chairman)	Not applicable
Ho Pui Hold <sup>3</sup>	2/2
Datuk Dr. Wong Lai Sum <sup>4</sup>	2/2
Ng Wei Wei <sup>5</sup> (Chairman)	Not applicable
Yap Yen Chien <sup>5</sup>	Not applicable
Datin Yap Shin Siang <sup>5</sup>	Not applicable

Notes:

<sup>1</sup> Redesignated as Member of NRC on 1 July 2024, resigned as Director on 31 December 2024

<sup>2</sup> Appointed as Chairman of NRC on 1 July 2024, resigned as Director on 31 December 2024

<sup>3</sup> Resigned as Director on 1 July 2024

<sup>4</sup> Resigned as Director on 31 December 2024

<sup>5</sup> Appointed as Chairman/member of NRC on 31 December 2024

## Corporate Governance Overview Statement (cont'd)

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

#### II. Board Composition (cont'd)

##### Board Committees (cont'd)

For the financial year 2024, 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. The evaluation process and assessment results were properly documented and recorded.
- (iii) Assessed the independence of the Independent Directors and was satisfied with the level of independence demonstrated by the Independent Directors.
- (iv) Reviewed the term of office and performance of the ARC and noted 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 retiring pursuant to the Company's Constitution at the AGM of the Company.
- (vi) Reviewed and carried out fit and proper assessment on the retiring Directors against the criteria as set out in the Directors' Fit and Proper Policy.
- (vii) Reviewed the training needs and noted the training programs attended by the Directors of the Company.
- (viii) Reviewed the proposed nomination to the Board and recommended to the Board for endorsement.
- (ix) Reviewed the remuneration packages of the Executive Directors of the Company.
- (x) Reviewed the Directors' fees and benefits and recommended to the Board accordingly.

#### III. Remuneration

The NRC is tasked to review and recommends to the Board the remuneration package of the Executive and Non-Executive Directors to ensure that the Group attracts and retains Directors of the calibre needed to run the Group successfully. The Executive Director is 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 their level of responsibilities, 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 at the Board meeting. 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.

## Corporate Governance Overview Statement (cont'd)

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

#### III. Remuneration (cont'd)

Details of the remuneration of Directors for the financial year 2024 are as follows:-

Summary of Total Remuneration of Directors for the Financial Year 2024						
	Fee	Salary	EPF & SOCSO	Benefit-In-Kind	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
<b>COMPANY</b>						
<b>Executive Directors</b>						
Datuk Wira Ling Kah Chok (Resigned on 31 Dec 24)	32,700.00	-	-	5,214.58	4,500.00	42,414.58
Datuk Khoo Teck Kee (Ceased as GMD w.e.f. 1 July 24)	-	183,120.00	28,353.10	14,407.97	48,300.00	274,181.07
Tan Chee How	-	261,948.00	32,693.30	5,214.58	3,400.00	303,255.88
<b>Subtotal</b>	<b>32,700.00</b>	<b>445,068.00</b>	<b>61,046.40</b>	<b>24,837.13</b>	<b>56,200.00</b>	<b>619,851.53</b>
<b>Non-Executive Directors ("NED")</b>						
Datuk Dr. Wong Lai Sum (Resigned on 31 Dec 24)	54,050.00	-	-	339.99	6,250.00	60,639.99
Datuk Khoo Teck Kee (Redesignated as NED w.e.f. 1 July 2024)	18,850.00	-	-	-	3,500.00	22,350.00
Ho Pui Hold (Resigned on 1 July 24)	18,850.00	-	-	955.11	4,750.00	24,555.11
Datuk Haw Chin Teck (Resigned on 31 Dec 24)	37,700.00	-	-	1,967.11	6,500.00	46,167.11
Yee Carine (Resigned on 26 Feb 24)	5,450.00	-	-	308.89	750.00	6,508.89
Teh Sok Hoon (Resigned on 26 Feb 24)	5,450.00	-	-	308.89	750.00	6,508.89
Dato' Sri Ir. Ts. Dr. Liew Mun Hon (Resigned on 31 Dec 24)	32,700.00	-	-	1,967.11	6,000.00	40,667.11
<b>Subtotal</b>	<b>173,050.00</b>	<b>-</b>	<b>-</b>	<b>5,847.10</b>	<b>28,500.00</b>	<b>207,397.10</b>
<b>TOTAL</b>	<b>205,750.00</b>	<b>445,068.00</b>	<b>61,046.40</b>	<b>30,684.23</b>	<b>84,700.00</b>	<b>827,248.63</b>

Corporate Governance Overview Statement  
(cont'd)

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

## III. Remuneration (cont'd)

Details of the remuneration of Directors for the financial year 2024 are as follows:- (cont'd)

Summary of Total Remuneration of Directors for the Financial Year 2024						
	Fee	Salary	EPF & SOCSO	Benefit-In-Kind	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
<b>Group</b>						
<b>Executive Directors</b>						
Datuk Wira Ling Kah Chok (Resigned on 31 Dec 24)	32,700.00	-	-	5,214.58	4,500.00	42,414.58
Datuk Khoo Teck Kee (Ceased as GMD w.e.f. 1 July 24)	-	183,120.00	28,353.10	14,407.97	48,300.00	274,181.07
Tan Chee How	-	261,948.00	32,693.30	29,165.02	3,400.00	327,206.32
<b>Subtotal</b>	<b>32,700.00</b>	<b>445,068.00</b>	<b>61,046.40</b>	<b>48,787.57</b>	<b>56,200.00</b>	<b>643,801.97</b>
<b>Non-Executive Directors ("NED")</b>						
Datuk Dr. Wong Lai Sum (Resigned on 31 Dec 24)	54,050.00	-	-	339.99	6,250.00	60,639.99
Datuk Khoo Teck Kee (Redesignated as NED w.e.f. 1 July 2024)	18,850.00	-	-	-	3,500.00	22,350.00
Ho Pui Hold (Resigned on 1 July 24)	18,850.00	-	-	955.11	4,750.00	24,555.11
Datuk Haw Chin Teck (Resigned on 31 Dec 24)	37,700.00	-	-	1,967.11	6,500.00	46,167.11
Yee Carine (Resigned on 26 Feb 24)	5,450.00	-	-	308.89	750.00	6,508.89
Teh Sok Hoon (Resigned on 26 Feb 24)	5,450.00	-	-	308.89	750.00	6,508.89
Dato' Sri Ir. Ts. Dr. Liew Mun Hon (Resigned on 31 Dec 24)	32,700.00	-	-	1,967.11	6,000.00	40,667.11
<b>Subtotal</b>	<b>173,050.00</b>	<b>-</b>	<b>-</b>	<b>5,847.10</b>	<b>28,500.00</b>	<b>207,397.10</b>
<b>TOTAL</b>	<b>205,750.00</b>	<b>445,068.00</b>	<b>61,046.40</b>	<b>54,634.67</b>	<b>84,700.00</b>	<b>851,199.07</b>

Note: Other Emoluments comprised 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 for the financial year 2024 is as follows:-

Remuneration Range (RM)	Senior Management
350,001 - 400,000	1
150,001 - 200,000	1



## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. Audit and Risk Committee (ARC)

The primary role of ARC is to assist the Board with oversight of the accounting and financial reporting functions, and the quality, adequacy and effectiveness of the Group's risk management and internal control environment. It has explicit authority to investigate any matter within its terms of reference and have full and unrestricted access to information and documents/ resources required to perform its duties including to the internal and external auditors as well as the Management of the Company.

The ARC has adopted policies on Provision of Non-Audit Services by External Auditors and Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors.

The policy on Provision of Non-Audit Services by External Auditors is established to govern the circumstances under which the provision of non-audit services can be rendered by the External Auditors and the considerations to be given as to whether such provision would create a threat to the External Auditors' independence or objectivity on the statutory audit of the Company's financial statements, including any safeguards that are available to address such a threat.

The Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors sets out amongst others, the assessment criteria which the ARC should consider in assessing the suitability, objectivity and independence of the External Auditors on matters for the ARC's consideration regarding the appointment, re-appointment and removal of the External Auditors of the Company.

The ARC has carried out annual assessment on the performance of the External Auditors in respect of the financial year 2024 against the pre-set criteria which include audit scope and planning, adequacy of resources and calibre of the External Auditors, independence and objectivity and communications with the ARC; and upon being satisfied, has recommended their re-appointment as Auditors to the Board for approval. The evaluation process and assessment result were properly documented and recorded.

#### 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 oversight function of the effectiveness of the Group's risk management and internal control systems has been delegated to the ARC.

The internal audit function of the Group is outsourced to Messrs ASAP Advisory PLT, an independent consultancy firm. The Internal Auditors perform audit review in accordance with the approved internal audit plan and provide the Board and Management with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls. It shall have full and unrestricted access to information and records relevant to the performance of the audit review and scope of work approved by the ARC.

The internal audit function is independent of the activities they audit and governed by the Internal Audit Charter that sets out amongst others, 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.

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. The Internal Auditors attended two (2) meetings of the ARC during the financial year 2024 on 24 May 2024 and 26 November 2024.

The ARC carried out annual evaluation on 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, and was satisfied with the performance of the Internal Auditors.

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.

## Corporate Governance Overview Statement (cont'd)

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

#### I. Communication with Stakeholders

Through the adopted Shareholders' Communication Policy, the Company ensures 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.

In accordance with its established policy for making corporate disclosures, the Company ensures that communications to the stakeholders and investing public pertaining to the business and corporate affairs of the Group are transparent, timely, accurate and factual and are broadly disseminated and where relevant, necessary announcements of the pertinent information have been submitted to the relevant regulatory authorities in accordance with applicable regulatory requirements.

The Shareholders' Communication Policy and Corporate Disclosure Policy are published on the Company's website.

#### II. Conduct of General Meetings

The general meetings remain the main forum for the shareholders to engage with the Board and Management on the Group's plan, business activities and performance.

The Company ensures that shareholders have the opportunity to participate effectively and vote at the general meetings. For the financial year 2024, the Company continue to leverage on technology and convened its virtual AGM on 14 June 2024 through live streaming from the Broadcast Venue using Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website.

Through the RPV, shareholders participated at the AGM remotely without physical presence and submitted their questions pertaining to the proposed resolutions tabled at the meeting as well as on matters relating to the Group's business and performance, which were duly addressed by the Management.

Full attendance was recorded for the Board of Directors who were present at the Broadcast Venue and joined remotely at the 2024 AGM. The Chief Financial Officer and Company Secretary were also present at the Broadcast Venue to facilitate the conduct of the virtual AGM.

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

The notice convening the 2024 AGM together with the Annual Report 2023 was given to the shareholders at least twenty-eight (28) days prior to the AGM. The Company ensures that 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 a resolution of the Board of Directors dated 24 March 2025.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In compliance with 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 furnish the following Statement on Risk Management and Internal Control of the Group. This statement has been meticulously prepared in accordance with the Malaysian Code on Corporate Governance ("MCCG"), alongside the Corporate Governance Guide and Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Internal Control Guidelines").

### BOARD RESPONSIBILITIES

The Board is committed to its role in overseeing the Group's risk management and internal control systems, which are essential for protecting shareholders' investments, safeguarding customer interests, and preserving the Group's assets. As part of this responsibility, the Board ensures that these systems are effective, adequate, and reliable.

The Board's oversight applies to all subsidiaries within the Group and covers not only financial controls but also operational and compliance controls. This comprehensive approach reflects the Board's commitment to robust and holistic governance across all aspects of the Group's operations.

An ongoing process has been established to identify, assess, and manage significant risks that may impact the Group's ability to achieve its objectives and strategic goals. This process includes regular updates to the risk register and internal control documentation in response to evolving business conditions and regulatory developments.

The Board is supported by the Audit and Risk Committee ("ARC") and the Nomination and Remuneration Committee ("NRC"), both of which were established in previous years to strengthen the Group's governance framework. The ARC assists the Board in identifying, evaluating, and monitoring key risks, and ensures that appropriate internal controls are in place to safeguard the Group's assets and shareholder interests. The ARC is further supported by an internal audit function that conducts periodic reviews of the efficiency and effectiveness of the internal control system.

Meanwhile, the NRC oversees key areas such as leadership appointments, succession planning, and remuneration matters, operating under clearly defined roles and responsibilities to ensure sound governance practices.

### RISK MANAGEMENT FRAMEWORK

The current risk management framework is crafted to foster the evolution and execution of up-to-date management approaches, while also fostering innovation across the Group's operational and business endeavours. The risk management procedures, encompassing the identification, assessment, and mitigation of substantial risks, are seamlessly integrated into our operational and business processes. Continuous monitoring and assessment of the effectiveness of our risk management efforts are carried out by management at all levels, ensuring a dynamic and ongoing process.

The key aspects of the risk management framework are:



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

### RISK MANAGEMENT FRAMEWORK (cont'd)

<b>Risk Identification and Categorisation</b>	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.
<b>Risk Assessment</b>	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.
<b>Risk Ownership and Responses</b>	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.
<b>Risk Treatment and Control</b>	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.
<b>Reporting and Monitoring</b>	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.
<b>Assurance and Execution of Internal Audit Plan</b>	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.

The Board holds ultimate accountability for the Group's overall risk profile and has delegated the oversight of the risk management function to the ARC. During the financial year 2024, the ARC convened a total of five (5) meetings. The attendance details of the ARC members are as follows:

Members	Attendance
Ho Pui Hold <sup>1</sup> (Chairman)	3/3
Datuk Haw Chin Teck <sup>2</sup> (Chairman)	4/5
Dato' Sri Ir. Ts. Dr. Liew Mun Hon <sup>3</sup>	4/5
Datuk Khoo Teck Kee <sup>4</sup>	2/2
Datin Yap Shin Siang <sup>5</sup> (Chairman)	Not Applicable
Yap Yen Chien <sup>5</sup>	Not Applicable
Ng Wei Wei <sup>5</sup>	Not Applicable

Notes:

<sup>1</sup> Resigned as Director on 1 July 2024

<sup>2</sup> Redesignated as Chairman of ARC on 1 July 2024, resigned as Director on 31 December 2024

<sup>3</sup> Resigned as Director on 31 December 2024

<sup>4</sup> Appointed as member of ARC on 1 July 2024, resigned as Director on 31 December 2024

<sup>5</sup> Appointed as Chairman/member of ARC on 31 December 2024

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

### RISK MANAGEMENT FRAMEWORK (cont'd)

The ARC acknowledges that the Group's risk management and internal control practices are adequately implemented and effective in their execution. The ARC also ensures that the policies and frameworks established are capable of managing the risks to which the Group is exposed, with particular focus on areas identified as high-risk concentrations.

To systematically evaluate the likelihood and potential impact of these risks, an established risk matrix is utilised, based on the outcomes of the Group's formal risk assessment process. This comprehensive exercise, facilitated by ASAP Advisory PLT, enabled a structured and methodical identification of significant business risks. It also involved assigning clear responsibilities for managing these risks and objectively assessing the key controls put in place to mitigate them. The identified risks are categorised into key domains, namely Financial, Information Technology, Operational, Regulatory, Reputational, Strategic, and Human Capital risks.

All identified risks are consolidated into a centralised Risk Register, which is presented to the Board for review. The Risk Register is subject to periodic updates to reflect newly identified risks and to reassess existing risks based on their likelihood of occurrence and potential impact, particularly those deemed critical to the Group. As part of a recent risk profile update undertaken during the year, new operational risks were identified and duly incorporated into the Risk Register.

In alignment with the outcomes of this risk assessment, a risk-based annual internal audit plan was developed and approved by the ARC prior to implementation. This ensures that internal audit activities are focused on areas of highest risk exposure and that appropriate measures are taken to mitigate potential threats to the Group's business operations and objectives.

### INTERNAL CONTROL SYSTEM

The Board recognises the critical importance of establishing a robust and resilient internal control system to ensure the effective and efficient management of the Group's business operations. This commitment to strong internal controls is embedded through a top-down approach, with guiding principles cascading from strategic management to operational levels.

To uphold accountability and oversight, the Board meets at least quarterly to deliberate on key matters that require its attention, ensuring proper conduct and performance across all business units and support functions.

In line with Bursa Malaysia Securities Berhad's Main Market Listing Requirements and the Securities Commission Malaysia's Malaysian Code on Corporate Governance ("MCCG"), the Board has established the Audit and Risk Committee ("ARC") and the Nomination and Remuneration Committee ("NRC") to support its governance responsibilities.

The Group maintains a formal organisational structure with clearly defined roles, responsibilities, and accountabilities, complemented by well-established limits of authority. The internal control system is reinforced through continuous review and enhancement of policies and procedures across the Group's operating divisions.

To further strengthen governance and ethical conduct, the Board has formalised an Anti-Bribery and Corruption ("ABC") Policy, reflecting its commitment to uphold the highest standards of integrity, openness, and accountability in all business dealings and operations. This is supported by a Whistleblowing Policy, which provides employees and external parties a secure and confidential channel to report any unethical or improper conduct. Together, these policies demonstrate the Group's dedication to ethical practices and good corporate governance.

Additionally, the Board has reviewed the implementation status of the Group's anti-corruption framework, including the assessment of bribery and corruption risks. Through this exercise, the Board evaluated the performance, efficiency, and effectiveness of the Group's anti-corruption programme and is committed to ensuring its continued enforcement and improvement.

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

### INTERNAL AUDIT FUNCTION

The Board recognises the vital role of the Internal Audit function in supporting effective governance and internal control within the Group. To ensure an independent and objective assessment of the Group's internal control system, the Board has appointed ASAP Advisory PLT, an independent professional consulting firm, to carry out a comprehensive review of the adequacy, efficiency, and effectiveness of the internal controls in place.

During the financial year under review, internal audit activities were conducted in accordance with the approved internal audit plan, as endorsed by the ARC. The scope of these audits included key operational areas such as Human Resources Management, Management Information Systems, and Revenue and Credit Risk Management.

Audit findings were presented and discussed with Management, and appropriate corrective actions were taken. The ARC, in discharging its responsibilities on behalf of the Board, closely monitored these matters and reviewed the internal and external audit findings and recommendations to ensure timely and effective resolution.

While some internal control weaknesses were identified over the course of the year, Management has addressed them without delay. None of the issues identified resulted in material financial loss or required disclosure in the Group's Annual Report.

Furthermore, with the implementation of the Enterprise Risk Management ("ERM") framework, the Internal Audit function adopts a risk-based approach in developing its audit plans, ensuring that audit activities are aligned with the Group's risk exposures and operational priorities.

### REVIEW OF EFFECTIVENESS

The Executive Director and Chief Financial Officer have provided assurance to the Board and the ARC that the Group's risk management processes and internal control systems have been operating adequately and effectively in all material aspects.

Based on this assurance and its own oversight, the Board is of the view that the Group's current risk management and internal control systems are robust and have been functioning effectively throughout the financial year. These systems have successfully safeguarded shareholders' investments, protected customer interests, ensured regulatory compliance, upheld employee welfare, and secured the Group's assets.

Nonetheless, the Board remains vigilant and continues to review and assess the adequacy and effectiveness of these systems, acknowledging the evolving and dynamic nature of the 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 assurance from the Executive Director, and Chief Financial Officer on the adequacy and effectiveness of the Group's risk management and internal control systems in all material aspects.

The Board is of the opinion that the Group's risk management and internal control systems were satisfactory for the financial year under review and up to the date of issuance of the financial statements. Nonetheless, the Board recognises the need for these systems to evolve continuously in response to a dynamic business environment. Accordingly, the Board remains committed to taking appropriate actions, as necessary, to strengthen and enhance the Group's internal control and risk management frameworks.

This statement is provided in adherence to the resolution passed by the Board of Directors on 24 March 2025.

## AUDIT AND RISK COMMITTEE REPORT

### Composition of ARC

The Audit and Risk Committee ("ARC") currently consists of three (3) members, all of whom are Independent Non-Executive Directors appointed on 31 December 2024:

ARC Members	Position
Datin Yap Shin Siang	Chairman, Independent Non-Executive Director
Yap Yen Chien	Member, Independent Non-Executive Director
Ng Wei Wei	Member, Independent Non-Executive Director

The Chairman of the ARC is a member of the Malaysian Institute of Accountants. The current composition of the ARC complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

### Terms of Reference

The Terms of Reference ("TOR") of the ARC is published on the Company's website.

### Number of ARC meetings and details of attendance

A total of five (5) ARC meetings were held during the financial year ended 31 December 2024 and the attendance records of the ARC members were as follows:

ARC Members	No. of Meetings Attended
Ho Pui Hold <sup>1</sup> (Chairman)	3/3
Datuk Haw Chin Teck <sup>2</sup> (Chairman)	4/5
Dato' Sri Ir. Ts. Dr. Liew Mun Hon <sup>3</sup>	4/5
Datuk Khoo Teck Kee <sup>4</sup>	2/2
Datin Yap Shin Siang <sup>5</sup> (Chairman)	Not applicable
Yap Yen Chien <sup>5</sup>	Not applicable
Ng Wei Wei <sup>5</sup>	Not applicable

Notes:

<sup>1</sup> Resigned as Director on 1 July 2024

<sup>2</sup> Redesignated as Chairman of ARC on 1 July 2024, resigned as Director on 31 December 2024

<sup>3</sup> Resigned as Director on 31 December 2024

<sup>4</sup> Appointed as member of ARC on 1 July 2024, resigned as Director on 31 December 2024

<sup>5</sup> Appointed as Chairman/member of ARC on 31 December 2024

### Summary of Activities

During the financial year ended 31 December 2024, the activities carried out by the ARC were as follows:

#### (a) Financial Reporting

- (i) Reviewed the quarterly financial results and annual financial statements of the Group during its meetings held on 26 February 2024, 27 March 2024, 24 May 2024, 21 August 2024 and 26 November 2024 prior to submission to the Board for approval, focusing particularly on:
  - Changes in or implementation of major accounting policy and where relevant, its impact to the Group;
  - 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.



## Audit and Risk Committee Report (cont'd)

### Summary of Activities (cont'd)

#### (a) Financial Reporting (cont'd)

- (ii) Reviewed the related party transactions and/or recurrent related party transactions ("RRPTs") entered into by the Company and/or its subsidiaries (the "Group") at its meetings held every quarter and any conflict of interest (COI) situation that may arise within the Group. To this end, save for the declarations on RRPTs involving the interests of certain Directors, it was noted that none of the Directors and key senior management have declared any COI or potential COI situations within the Group.
- (iii) Reviewed 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) External Audit

- (i) Reviewed and discussed with the External Auditors of the Company the annual audit planning memorandum, focusing on amongst others, the audit approach and risk assessment of significant audit areas, reporting requirements, changes in relevant financial reporting standards and significant audit areas, and reporting timetable.
- (ii) Received confirmation from the External Auditors on their independence in accordance with the By-laws of the Malaysian Institute of Accountants ('MIA') in relation to the audit engagement; and that the provision of non-audit services would not create a threat to their independence as the Auditors of the Group.
- (iii) Assessed the performance of the External Auditors annually against the pre-set criteria which include audit scope and planning, adequacy of resources and calibre of the External Auditors, independence and objectivity and communications with the ARC; and recommended their re-appointment to the Board for approval upon being satisfied with the performance of the External Auditors.
- (iv) Reviewed the audit and non-audit fees payable to the External Auditors for the FYE2024 to ensure the level of non-audit services rendered by the External Auditors would not impair their independence.
- (v) Reviewed and discussed with the External Auditors the relevant amendments or new Malaysian Financial Reporting Standards applicable to the Group.
- (vi) Met with the External Auditors on 26 February 2024 and 27 March 2024 without the presence of the Executive Board members and the Management of the Company to review and discuss, if any, key matters observed during the course of audit and the assistance provided by the Management to the External Auditors.

#### (c) Internal Audit

- (i) Reviewed the Internal Audit Plan and scope, focusing on adequacy of scope and management of risk of the key functional areas of the business and operations of the Group and audit review cycle to be performed, taking into consideration the business size and level of activities of the Group.
- (ii) Reviewed the Internal Audit Reports and audit findings and recommendations with respect to control lapses of identified key areas and management responses, and ensure that all recommendations and/or corrective actions were addressed and/or rectified by the Management accordingly.
- (iii) Performed 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 satisfied with the performance of the Internal Auditors.



## Audit and Risk Committee Report (cont'd)

### Summary of Activities (cont'd)

#### (c) Internal Audit (cont'd)

- (iv) Met with the Internal Auditors on 24 May 2024 and 26 November 2024 without the presence of the Executive Board members and the Management of the Company to discuss, amongst others, internal control matters and/or weaknesses identified during the audit review besides the assistance provided by the Management to the Internal Auditors; and noted no significant matters and deficiencies that needs to be brought to the attention of the Committee.

#### (d) 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.

In this connection, a risk management review has been performed by the Internal Auditors in September 2024 to assess the suitability, adequacy and effectiveness of the risk management system for the Group encompassing:

- Risk Management Policy
- Risk Management Manual
- Risk Management Objectives
- Residual Risk
- Risk Appetite
- Risk Tolerance

The review process includes understanding, documenting and evaluating the business processes through interviews, observations, compliance and walk-through tests and test of transactions. It was noted and reported that policies and procedures governing the activities for risk management for the operating subsidiary have been established, with certain areas of improvements identified.

#### (e) Corporate Reporting

- (i) Reviewed the Circular to Shareholders on the RRPT mandate, the ARC Report and Statement on Risk Management and Internal Control before recommending to the Board of Directors for approval.

### Internal Audit Function

The internal audit function of the Group is outsourced to Messrs ASAP Advisory PLT, an independent consultancy firm providing governance, risk and business management services.

The adopted Internal Audit Charter formalises 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 is published on the Company's website.

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.

During the financial year 2024, risk-based internal audit reviews were performed in accordance with the approved internal audit plan covering identified key auditable areas of the major operations of the Group to ensure adequacy and integrity of the Group's system of internal controls. Ad-hoc internal audit review would be assigned on a needs basis if the situation warrants any special unscheduled reviews to be performed.

## Audit and Risk Committee Report (cont'd)

### Internal Audit Function (cont'd)

The Internal Auditors has performed audit reviews on the following identified key functions of Milux Sales & Service Sdn Bhd in 2024:-

#### Key audit areas

- Human Resource Management
- Management Information System
- Sales and Marketing
- Credit Risk Management

The audit findings noted alongside the risk and implications were presented to the ARC via the Internal Audit Report together with responses from the Management and timeline for the completion of corrective or improvement actions for the control weaknesses reported.

Follow up review on the previous audit observations was also performed by the Internal Auditors during the financial year 2024 who has reported that all the identified lapses reported had been fully rectified and/or implemented, as the case may be.

For the year under review, the Internal Auditors reported the effectiveness and adequacy of the system of internal control for the business processes and areas reviewed and there were no major issues with controls and compliance that requires the attention of the ARC.

The ARC has performed annual assessment on the internal audit function and performance of the Internal Auditors during the financial year 2024. The key areas covered under the evaluation include:-

- (i) Adequacy of the scope and function;
- (ii) Effectiveness of the financial, operational and compliance controls and processes of the Company and its subsidiaries;
- (iii) Effectiveness of risk management framework and policies, covering financial and non-financial risks, including environmental, social and governance considerations;
- (iv) Competency of the firm and sufficiency of resources; and
- (v) Performance of the internal audit function in accordance with the standards set by recognised professional bodies.

The costs incurred for the outsourced internal audit function in respect of the financial year 2024 was RM29,000.00.

### Review of Performance of ARC

The Board through the NRC has performed an annual review on the ARC in respect of the financial year ended 31 December 2024 and was satisfied that the ARC has been functioning effectively and its members have discharged their duties and responsibilities in accordance with its TOR.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

The Company did not undertake any fundraising exercise during the financial year ended 31 December 2024.

### 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 2024 are as follows:

	Group (RM)	Company (RM)
<b>Audit fees</b>	124,000	30,000
<b>Non-audit fees</b>		
• Review of Statement on Risk Management and Internal Control	8,000	8,000
• Provision of tax services	57,390	4,900
<b>Total</b>	<b>189,390</b>	<b>42,900</b>

### 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 2024 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 14 June 2024 is as follows:

Name of Company involved	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/Persons Connected to Directors / Major Shareholders	Aggregate value of transactions from 1 January 2024 to 31 December 2024 (RM)
Milux Corporation Berhad and its subsidiaries ("Milux Group") (Buyer)	Linbaq Holding Sdn Bhd and its subsidiaries ("Linbaq Group") (Seller)	Provision of construction works	a) Datuk Wira Ling Kah Chok b) Topspike Holding Sdn Bhd c) Datuk Dr. Wong Lai Sum d) Datuk Khoo Teck Kee	Nil
Milux Group (Seller)	Linbaq Group (Buyer)	Award of construction works	a) Datuk Wira Ling Kah Chok b) Topspike Holding Sdn Bhd c) Datuk Dr. Wong Lai Sum d) Datuk Khoo Teck Kee	Nil
Milux Group (Buyer)	Linbaq Group (Seller)	Purchase of building materials	a) Datuk Wira Ling Kah Chok b) Topspike Holding Sdn Bhd c) Datuk Dr. Wong Lai Sum d) Datuk Khoo Teck Kee	Nil
Milux Group (Buyer)	Pest React Sdn Bhd (Seller)	Acquisition of pest control services	a) Datuk Wira Ling Kah Chok b) Topspike Holding Sdn Bhd c) Datuk Dr. Wong Lai Sum d) Datuk Khoo Teck Kee	13,200

Nature of relationship:

- (a) Datuk Wira Ling Kah Chok ("Datuk Wira Ling") was 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) Topspike was a major shareholder of the Company and a person connected to Datuk Wira Ling.
- (c) Datuk Dr. Wong Lai Sum was the Independent Non-Executive Chairman of the Company and a Non-Executive Director of Linbaq.
- (d) Datuk Khoo Teck Kee was the Non-Independent Non-Executive Director of the Company and 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 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 2024,

- 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

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## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### 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

	<b>Group 2024 RM</b>	<b>Company 2024 RM</b>
Loss for the financial year	(2,261,389)	(52,388)
Attributable to:		
Owners of the Company	(2,261,389)	(52,388)
Non-controlling interest	-	-
	(2,261,389)	(52,388)

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' Report (cont'd)

### DIRECTORS

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

Tan Chee How	(Appointed on 31 December 2024)
Datin Yap Shin Siang	(Appointed on 31 December 2024)
Ng Wei Wei	(Appointed on 31 December 2024)
Yap Yen Chien	(Appointed on 31 December 2024)
Mak Wai Hoong	(Appointed on 31 December 2024)
Datuk Dr. Wong Lai Sum	(Resigned on 31 December 2024)
Datuk Wira Ling Kah Chok	(Resigned on 31 December 2024)
Datuk Khoo Teck Kee	(Resigned on 31 December 2024)
Datuk Haw Chin Teck	(Resigned on 31 December 2024)
Dato' Sri Ir. Ts. Dr. Liew Mun Hon	(Resigned on 31 December 2024)
Ho Pui Hold	(Resigned on 1 July 2024)
Yee Carine	(Resigned on 26 February 2024)
Teh Sok Hoon	(Resigned on 26 February 2024)
Gan Boon Lay	(Resigned on 5 January 2024)

The name of the director of the subsidiaries of the Company during the financial year and the period from the end of the financial year to the date of this report, not including those directors listed above are:

Tan Yu Liang	(Appointed on 31 December 2024)
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### 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:

Shareholdings in the name of directors	Number of ordinary shares			As at 31.12.2024/ Date of resignation
	As at 01.01.2024	Acquired	Sold	
<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
Mak Wai Hoong ****	-	150,766,520	-	150,766,520

\* 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.

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



## Directors' Report (cont'd)

### DIRECTORS' INTERESTS (cont'd)

By virtue of their interest in the shares of the Company, Tan Chee How and Mak Wai Hoong are also deemed to have interests in the shares of the subsidiary companies to the extent the Company has an interest.

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

### DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Directors' Benefits section in this report.

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 Directors' Benefits section in this report.

No payment has been paid to or payable to any third party (other than payment included in the aggregate amount of professional fees paid to companies which directors have substantial interest amounting to RM74,384) 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 and officers of the Company is as follows:

	<b>2024 RM</b>
Directors	21,395
Officer	2,970
	<b>24,365</b>

### 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 25 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 25 to the financial statements.

## Directors' Report (cont'd)

### DIRECTORS' BENEFITS (cont'd)

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 2024 RM	Company 2024 RM
<b>Executive directors</b>		
Salaries and other benefits	501,268	501,268
Fees	32,700	32,700
Defined contribution plan, social security contributions and employment insurance system	61,046	61,046
Estimated monetary value of benefits-in-kind	48,788	24,838
	643,802	619,852
<b>Non-executive directors</b>		
Fees	173,050	173,050
Meeting allowance	28,500	28,500
Estimated monetary value of benefits-in-kind	5,847	5,847
	207,397	207,397

### 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.

## Directors' Report (cont'd)

### OTHER STATUTORY INFORMATION (cont'd)

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

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

### SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

There is no significant event during and subsequent to the financial year.

### 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 2024 were as follows:

	Group RM	Company RM
Statutory audit		
- current year	124,000	30,000
Non-statutory audit	8,000	8,000
	132,000	38,000

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 24 March 2025.

.....  
**TAN CHEE HOW**

Director

.....  
**MAK WAI HOONG**

Director

## STATEMENT BY DIRECTORS

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

We, TAN CHEE HOW and MAK WAI HOONG, 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 88 to 148 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 2024 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 24 March 2025.

.....  
**TAN CHEE HOW**  
Director

.....  
**MAK WAI HOONG**  
Director

## STATUTORY DECLARATION

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

I, TAN CHEE HOW, 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 88 to 148 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 )  
**TAN CHEE HOW** )  
at Puchong in the state of Selangor Darul Ehsan )  
on 24 March 2025 )

.....  
**TAN CHEE HOW**

Before me,

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 2024 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 material accounting policies, as set out on pages 88 to 148.

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 2024, 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 for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate for the Company's standalone financial statement.

# 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)

The key audit matters identified for Group financial statements are as follows:

Key audit matters	How our audit addressed the key audit matters
<p><b>(a) Inventories valuation</b></p> <p><i>Refer to Note 4.3 – Significant Accounting Judgements, Estimates and Assumptions and Note 10 – Inventories.</i></p> <p>Inventories are significant to the Group as these represent approximately 24% 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.</p> <p>The valuation of inventories is a key audit matter because management exercises their judgement in determining appropriateness of methods used.</p> <p>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.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>i) obtained an understanding of: <ul style="list-style-type: none"> <li>- the Group's inventory management policies;</li> <li>- the Group's identification and assessment of inventory write downs; and</li> <li>- the Group's accounting estimates for inventory write downs.</li> </ul> </li> <li>ii) reviewed the consistency of the application of management's methodology in determining and estimating the provision from year to year;</li> <li>iii) attended year end stock count to observe the stock count procedures and identify damaged and obsolete inventories;</li> <li>iv) reviewed and tested the net realisable value of inventories on sampling basis;</li> <li>v) made inquiries of management pertaining to their plans to clear the slow moving and obsolete inventories; and</li> <li>vi) evaluated the reasonableness and adequacy of the inventories write downs.</li> </ul>
<p><b>(b) Impairment of trade receivables</b></p> <p><i>Refer to Note 3.5 - Summary of Material Accounting Policies, Note 4.6 – Significant Accounting Judgements, Estimates and Assumptions and Note 11 – Trade Receivables.</i></p> <p>Trade receivables are significant to the Group as these represent approximately 19% of the total assets. The management applied the expected credit loss ("ECL") model to determine the extent of ECL allowance required as at 31 December 2024.</p> <p>This is considered a key audit matter due to the inherent subjectivity that is involved in making significant judgements and critical estimates made by the management to determine the level of ECL allowance.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>i) reviewed the receivables aging analysis and tested the reliability thereof;</li> <li>ii) evaluated subsequent year end receipts and recoverability of outstanding trade receivables;</li> <li>iii) made inquiries of management pertaining to the recoverability of significant and overdue debts;</li> <li>iv) evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made;</li> <li>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;</li> <li>vi) identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; and</li> <li>vii) made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.</li> </ul>

## 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) Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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**CAS MALAYSIA PLT**

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

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**TAN WEE SIANG**

[No. 03418/02/2027(J)]  
Chartered Accountant

Date: 24 March 2025  
Puchong



**STATEMENTS OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2024

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	458,408	802,745	1,853	2,288
Right-of-use assets	6	827,201	2,013,986	-	-
Investment properties	7	257,610	270,566	-	-
Investment in subsidiary companies	8	-	-	5,736,701	5,780,547
Other investments	9	2,605,618	3,107,047	10,088	10,663
		4,148,837	6,194,344	5,748,642	5,793,498
<b>CURRENT ASSETS</b>					
Inventories	10	11,262,053	17,744,251	-	-
Trade receivables	11	8,746,874	8,525,815	-	-
Other receivables	12	2,891,103	1,832,447	8,498	9,650
Amount due from subsidiary companies	13	-	-	-	-
Tax recoverable		469,179	332,898	-	-
Fixed deposits with licensed banks	14	12,498,044	14,747,060	643,395	628,202
Cash and bank balances		6,808,369	6,260,816	16,136	11,939
		42,675,622	49,443,287	668,029	649,791
<b>TOTAL ASSETS</b>		46,824,459	55,637,631	6,416,671	6,443,289

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

# Statements Of Financial Position

## As At 31 December 2024

(cont'd)

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	15	59,066,701	59,066,701	59,066,701	59,066,701
Fair value adjustment reserve	15	(435,650)	67,285	2,290	2,865
Accumulated losses	16	(20,786,317)	(18,524,928)	(58,853,230)	(58,800,842)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		37,844,734	40,609,058	215,761	268,724
<b>NON-CURRENT LIABILITY</b>					
Lease liabilities	6	185,578	1,206,005	-	-
		185,578	1,206,005	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	18	5,881,411	5,668,752	-	-
Other payables	18	1,058,511	2,464,947	129,489	85,828
Amount due to subsidiary companies	19	-	-	6,071,421	6,088,737
Provisions	20	1,008,433	1,115,665	-	-
Loans and borrowings	17	-	3,569,000	-	-
Lease liabilities	6	845,068	1,002,496	-	-
Provision for taxation		724	1,708	-	-
		8,794,147	13,822,568	6,200,910	6,174,565
<b>TOTAL LIABILITIES</b>		8,979,725	15,028,573	6,200,910	6,174,565
<b>TOTAL EQUITY AND LIABILITIES</b>		46,824,459	55,637,631	6,416,671	6,443,289

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 2024

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Revenue	21	45,943,878	47,000,715	1,393,200	455,400
Cost of sales		(35,685,990)	(36,625,899)	-	-
<b>GROSS PROFIT</b>		10,257,888	10,374,816	1,393,200	455,400
Other operating income		952,855	703,379	15,194	15,828
- Fair value gain on investment in unit trusts		1,507	1,356	-	-
- Reversal of impairment loss on:					
Trade receivables		63,722	81,391	-	-
Amount due from subsidiary companies		-	-	110,100	250,000
Selling and distribution expenses		(3,562,569)	(3,982,060)	-	-
Administrative expenses		(9,251,148)	(10,645,338)	(1,420,329)	(1,469,876)
Other operating expenses		(278,495)	(431,963)	(43,889)	(2,489,391)
- Impairment loss:					
Trade receivables		(182,846)	(157,449)	-	-
Other receivables		(23,555)	(222,285)	-	-
Amount due from subsidiary companies		-	-	(106,664)	(34,801)
<b>LOSS FROM OPERATIONS</b>		(2,022,641)	(4,278,153)	(52,388)	(3,272,840)
Finance costs	22	(192,899)	(408,056)	-	-
<b>LOSS BEFORE TAXATION</b>	23	(2,215,540)	(4,686,209)	(52,388)	(3,272,840)
Taxation	24	(45,849)	(285,722)	-	-
<b>LOSS AFTER TAXATION</b>		(2,261,389)	(4,971,931)	(52,388)	(3,272,840)

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 2024

(cont'd)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 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	(502,935)	90,378	(575)	(2,162)
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR</b>		(2,764,324)	(4,881,553)	(52,963)	(3,275,002)
<b>LOSS AFTER TAXATION ATTRIBUTABLE TO:</b>					
Owners of the Company		(2,261,389)	(4,971,931)	(52,388)	(3,272,840)
		(2,261,389)	(4,971,931)	(52,388)	(3,272,840)
<b>TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:</b>					
Owners of the Company		(2,764,324)	(4,881,553)	(52,963)	(3,275,002)
		(2,764,324)	(4,881,553)	(52,963)	(3,275,002)
Basic and diluted loss per share attributable to owners of the Company (sen)	26	(0.96)	(2.12)		

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 2024

Attributable to owners of the Company						
Group	Note	Non-distributable			Non-controlling interest RM	Total equity RM
		Share capital RM	Fair value adjustment reserve RM	Accumulated losses RM		
2024						
Balance as at 1 January 2024		59,066,701	67,285	(18,524,928)	-	40,609,058
Loss for the financial year		-	-	(2,261,389)	-	(2,261,389)
Other comprehensive expense	9	-	(502,935)	-	-	(502,935)
Total comprehensive expense for the financial year		-	(502,935)	(2,261,389)	-	(2,764,324)
Balance as at 31 December 2024		59,066,701	(435,650)	(20,786,317)	-	37,844,734
2023						
Balance as at 1 January 2023		59,066,701	(23,093)	(13,552,997)	-	45,490,611
Loss for the financial year		-	-	(4,971,931)	-	(4,971,931)
Other comprehensive income	9	-	90,378	-	-	90,378
Total comprehensive income/ (expense) for the financial year		-	90,378	(4,971,931)	-	(4,881,553)
Balance as at 31 December 2023		59,066,701	67,285	(18,524,928)	-	40,609,058

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 2024

Company	Attributable to owners of the Company			
	Non-distributable			
	Share capital RM	Fair value adjustment reserve RM	Accumulated losses RM	Total equity RM
<b>2024</b>				
<b>Balance as at 1 January 2024</b>	59,066,701	2,865	(58,800,842)	268,724
Loss for the financial year	-	-	(52,388)	(52,388)
Other comprehensive expense 9	-	(575)	-	(575)
<b>Total comprehensive expense for the financial year</b>	-	(575)	(52,388)	(52,963)
<b>Balance as at 31 December 2024</b>	59,066,701	2,290	(58,853,230)	215,761
<b>2023</b>				
<b>Balance as at 1 January 2023</b>	59,066,701	5,027	(55,528,002)	3,543,726
Loss for the financial year	-	-	(3,272,840)	(3,272,840)
Other comprehensive expense 9	-	(2,162)	-	(2,162)
<b>Total comprehensive expense for the financial year</b>	-	(2,162)	(3,272,840)	(3,275,002)
<b>Balance as at 31 December 2023</b>	59,066,701	2,865	(58,800,842)	268,724

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 2024

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before taxation		(2,215,540)	(4,686,209)	(52,388)	(3,272,840)
Adjustments for:					
Depreciation					
Property, plant and equipment	5	361,970	480,329	392	420
Right-of-use assets	6	1,045,664	998,264	-	-
Investment properties	7	12,956	12,959	-	-
Fair value gain on investment in unit trusts	23	(1,507)	(1,356)	-	-
Gain on disposal of property, plant and equipment	23	(1,998)	-	-	-
Impairment loss					
Amount due from subsidiary companies	13	-	-	106,664	34,801
Investment in subsidiary companies	8	-	-	43,846	2,489,391
Trade receivables	11	182,846	157,449	-	-
Other receivables	12	23,555	222,285	-	-
Interest expenses	22	192,899	408,056	-	-
Interest income	23	(372,314)	(434,655)	(15,194)	(15,828)
Dividend income	23	(99,150)	(99,150)	-	-
Property, plant and equipment written off	23	3,375	247	43	-
Bad debts written off	23	192	731	-	-
Provisions for warranty	20	88,514	211,516	-	-
Provisions for incentive	20	790,431	812,339	-	-
Deposits written off	23	44,835	-	-	-
Payables written off	23	(116,018)	-	-	-
Reversal of provision for incentives	20	(191,555)	-	-	-
Reversal of impairment loss on					
Trade receivables	11	(63,722)	(81,391)	-	-
Amount due from subsidiary companies	13	-	-	(110,100)	(250,000)
Slow moving and obsolete inventories written down	10	1,256,498	523,941	-	-
Slow moving and obsolete inventories written back	10	(204,542)	(329,507)	-	-
Unrealised gain on foreign exchange	23	(23,326)	(26,451)	-	-
Unrealised loss on foreign exchange	23	48,548	27,727	-	-
Operating profit/(loss) before working capital changes		762,611	(1,802,876)	(26,737)	(1,014,056)
Decrease in inventories		5,430,243	4,767,917	-	-
(Increase)/Decrease in receivables		(1,466,149)	2,824,189	1,152	(1,006)
(Decrease)/Increase in payables		(1,097,509)	(2,549,893)	43,661	(55,214)
Cash generated from/(used in) operations		3,629,196	3,239,337	18,076	(1,070,276)
Income tax refunded		10,951	-	-	-
Income tax paid		(194,067)	(188,395)	-	-
Warranty paid	20	(130,257)	(188,068)	-	-
Incentives paid	20	(664,365)	(1,451,310)	-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>2,651,458</b>	<b>1,411,564</b>	<b>18,076</b>	<b>(1,070,276)</b>

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 2024

(cont'd)

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Change in fixed deposits with maturity of more than 3 months	14	3,663,071	(124,225)	-	-
Change in unit trust	23	1,507	1,356	-	-
Interest received	23	372,314	434,655	15,194	15,828
Dividend received	23	99,150	99,150	-	-
Purchase of property, plant and equipment	5	(22,404)	(88,045)	-	-
Proceeds from disposal of property, plant and equipment		3,394	-	-	-
<b>Net cash generated from investing activities</b>		4,117,032	322,891	15,194	15,828
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(192,899)	(408,056)	-	-
Net changes in bankers' acceptances		(3,569,000)	(374,000)	-	-
Repayment of lease liabilities	6	(1,036,734)	(929,821)	-	-
Advance from subsidiary companies		-	-	(13,880)	1,071,013
<b>Net cash (used in)/generated from financing activities</b>		(4,798,633)	(1,711,877)	(13,880)	1,071,013
<b>Net increase in cash and cash equivalents</b>		1,969,857	22,578	19,390	16,565
Effect of exchange rate fluctuations on cash held		(6,743)	1,380	-	-
Cash and cash equivalents as at beginning of the financial year		14,790,411	14,766,453	640,141	623,576
<b>Cash and cash equivalents as at end of the financial year</b>		16,753,525	14,790,411	659,531	640,141
<b>Cash and cash equivalents comprise of:</b>					
Investment in unit trusts	9	44,070	42,564	-	-
Fixed deposits with licensed banks	14	12,498,044	14,747,060	643,395	628,202
Cash and bank balances		6,808,369	6,260,816	16,136	11,939
		19,350,483	21,050,440	659,531	640,141
Fixed deposits with maturity of more than 3 months *	14	(2,596,958)	(6,260,029)	-	-
		16,753,525	14,790,411	659,531	640,141

\* Included in fixed deposits with tenure of more than 3 months, there is fixed deposits pledged to bank amounted to RMNil (2023: RM6,165,733).

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 2024  
(cont'd)

### Reconciliation of movement of liabilities to cash flow arising from financing activities

Group	At 1 January 2024 RM	Net changes from financing activities RM	Lease modification RM	Drawdown of lease liabilities RM	At 31 December 2024 RM
Bankers' acceptances	3,569,000	(3,569,000)	-	-	-
Lease liabilities	2,208,501	(1,036,734)	(218,483)	77,362	1,030,646
	5,777,501	(4,605,734)	(218,483)	77,362	1,030,646

	At 1 January 2023 RM	Net changes from financing activities RM	Drawdown of lease liabilities RM	At 31 December 2023 RM
Bankers' acceptances	3,943,000	(374,000)	-	3,569,000
Lease liabilities	3,032,967	(929,821)	105,355	2,208,501
	6,975,967	(1,303,821)	105,355	5,777,501

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 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 2024 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 2024 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 24 March 2025.

### 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 2024:

Amendments to MFRS 7	Financial Instruments: <i>Disclosures - Supplier Finance Arrangements</i>
Amendments to MFRS 16	Leases - <i>Lease liability in a Sale and Leaseback</i>
Amendments to MFRS 101	Presentation of Financial Statements - <i>Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current</i>
Amendments to MFRS 107	Statement of Cash Flows - <i>Supplier Finance Arrangements</i>

The adoption of the above new and amended IFRSs, interpretations and annual improvements did not have any significant effect on the financial statements of the Group and of the Company.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (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 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - <i>Lack of Exchangeability</i>
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##### Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - <i>Hedge accounting by a first-time adopter</i>
Amendments to MFRS 7	Financial Instruments - Disclosures - <i>Gain or loss on derecognition and Contracts referencing nature-dependent electricity and Classification and Measurement of Financial Instruments</i>
Amendments to MFRS 9	Financial Instruments - <i>Derecognition of lease liabilities and Transaction price and Contracts referencing nature-dependent electricity and Classification and Measurement of Financial Instruments</i>
Amendments to MFRS 10	Consolidated Financial Statements - <i>Determination of a 'de facto agent'</i>
Amendments to MFRS 107	Statement of Cash Flows - <i>Cost method</i>
Amendments that are part of Annual Improvements	Volume 11

##### Effective for financial periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability Disclosures

##### Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statement and Investment in Associates and Joint Ventures - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
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The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements upon adoption of the above pronouncements.

#### 2.4 Basis of measurement

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

#### 2.5 Functional and presentation currency

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

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (cont'd)

#### 2.6 Fundamental accounting concept

During the financial year, the Group and the Company reported net losses of RM2,261,389 and RM52,388 respectively.

With Malaysia's growth expected to remain resilient in 2025, the Group hopes to ride on this momentum to increase its revenue through expanding its distribution channels to enhance market penetration, leading to better financial performance. The Group and the Company will continue to implement cost control measures to ensure cost optimisation in its operation. These will ensure that it is able to preserve its current healthy cash flow position to enable the Group to take advantage of business opportunities that may arise.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period from 1 January 2025 to 31 December 2026, taking into account reasonably possible changes in the inflation rate based on forecasted market data. The Directors are of the opinion that with the cash and cash equivalents available currently, the Group and the Company will be able to finance its operations and meet its obligations as and when they fall due and to continue its business without significant curtailment of operations in the next twelve months from the approval date of the financial statements.

#### 2.7 Going concern

The Company's management have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### 3. SUMMARY OF MATERIAL 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 2024.

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 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.

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.

##### (b) 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 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.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (cont'd)

#### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

##### 3.2 Impairment of non-financial assets (cont'd)

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 cash-generating units ("CGU").

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.

The Group and the Company recognised impairment losses in profit or loss.

##### 3.3 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.

##### 3.4 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:

###### 3.4.1 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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

#### 3.4 Financial assets (cont'd)

##### (iii) Subsequent measurement (cont'd)

##### 3.4.1 Financial assets at amortised cost (cont'd)

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.

##### 3.4.2 Financial assets at FVOCI

###### *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 as disclosed in Note 9.

##### 3.4.3 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. 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.

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

The Group's and the Company's financial assets at FVTPL includes investment in unit trust fund as disclosed in Note 9.

#### 3.5 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.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

#### 3.5 Impairment of financial assets (cont'd)

The Group and the Company measure loss allowance at an amount equal to lifetime ECL, 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 ECL. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime ECL at each reporting date. The Group and the Company estimate the ECL 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 ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-month ECL are the portion of the ECL 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.

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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

#### 3.5 Impairment of financial assets (cont'd)

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

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 11 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 11 and 12 set out the measurement details of ECL.

#### 3.6 Financial liabilities

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

##### 3.6.1 Amortised cost

The Group's and the Company's financial liabilities are 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.

##### 3.6.2 Financial guarantee contracts

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

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

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

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



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

#### (cont'd)

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

#### 3.7 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.

### 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 50 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amounts of the Group's and the Company's property, plant and equipment and right-of-use assets and investment properties at the reporting date are disclosed in Note 5, Note 6 and Note 7 to the financial statements.

#### 4.2 Determining the lease term of contracts with renewal options – the Group as lessee

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

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

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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

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

#### 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 24.

#### 4.5 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

#### 4.6 Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the trading sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 11.

#### 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 2024  
(cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2024	Note	Buildings RM	Plant and equipments RM	Furniture, fittings, office equipment and renovations RM	Motor vehicles RM	Total RM
<b>At cost</b>						
Balance as at 1 January 2024		56,600	2,536,307	3,039,310	611,982	6,244,199
Additions	(i)	-	-	22,404	-	22,404
Disposal		-	-	(12,447)	-	(12,447)
Written off		-	-	(6,994)	(157,257)	(164,251)
Balance as at 31 December 2024		56,600	2,536,307	3,042,273	454,725	6,089,905
<b>Less: Accumulated depreciation</b>						
Balance as at 1 January 2024		12,452	1,887,023	2,404,893	611,980	4,916,348
Charge for the financial year		-	34,025	327,945	-	361,970
Disposal		-	-	(11,051)	-	(11,051)
Written off		-	-	(3,619)	(157,257)	(160,876)
Balance as at 31 December 2024		12,452	1,921,048	2,718,168	454,723	5,106,391
<b>Less: Accumulated impairment losses</b>						
Balance as at 1 January 2024		44,148	480,958	-	-	525,106
Balance as at 31 December 2024		44,148	480,958	-	-	525,106
<b>Net carrying amount</b>						
Balance as at 31 December 2024		-	134,301	324,105	2	458,408

(cont'd)

## Group

2023	Note	Buildings RM	Plant and equipment RM	Furniture, fittings, office equipment and renovations RM	Motor vehicles RM	Total RM
<b>At cost</b>						
Balance as at 1 January 2023		56,600	2,536,927	2,951,545	611,982	6,157,054
Additions	(i)	-	280	87,765	-	88,045
Written off		-	(900)	-	-	(900)
Balance as at 31 December 2023		56,600	2,536,307	3,039,310	611,982	6,244,199
<b>Less: Accumulated depreciation</b>						
Balance as at 1 January 2023		12,452	1,850,519	1,961,721	611,980	4,436,672
Charge for the financial year		-	37,157	443,172	-	480,329
Written off		-	(653)	-	-	(653)
Balance as at 31 December 2023		12,452	1,887,023	2,404,893	611,980	4,916,348
<b>Less: Accumulated impairment losses</b>						
Balance as at 1 January 2023		44,148	480,958	-	-	525,106
Balance as at 31 December 2023		44,148	480,958	-	-	525,106
<b>Net carrying amount</b>						
Balance as at 31 December 2023		-	168,326	634,417	2	802,745

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (cont'd)

#### 5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

##### Company

2024	Note	Furniture, fittings and office equipment RM
<b>At cost</b>		
Balance as at 1 January 2024		4,199
Write Off		(1,699)
Balance as at 31 December 2024		2,500
<b>Less: Accumulated depreciation</b>		
Balance as at 1 January 2024		1,911
Charge for the financial year		392
Write Off		(1,656)
Balance as at 31 December 2024		647
<b>Net carrying amount</b>		
Balance as at 31 December 2024		1,853
<b>2023</b>		
<b>At cost</b>		
Balance as at 1 January 2023		4,199
Balance as at 31 December 2023		4,199
<b>Less: Accumulated depreciation</b>		
Balance as at 1 January 2023		1,491
Charge for the financial year		420
Balance as at 31 December 2023		1,911
<b>Net carrying amount</b>		
Balance as at 31 December 2023		2,288

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### (i) Purchase of property, plant and equipment

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash disbursed for purchase of property, plant and equipment	22,404	88,045	-	-

#### Summary of Material Accounting Policies

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.

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.

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 and equipment	10 - 20%
Furniture, fittings, office equipment and renovations	10 - 50%
Motor vehicles	10 - 20%

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

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

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 6. LEASES

##### The Group as lessee

##### Right-of-use assets

2024	Note	Office Buildings RM	Motor vehicles RM	Total RM
<b>At cost</b>				
Balance as at 1 January 2024		5,607,567	1,269,025	6,876,592
Addition	(a)	77,362	-	77,362
Modification	(b)	(218,483)	-	(218,483)
Balance as at 31 December 2024		5,466,446	1,269,025	6,735,471
<b>Less: Accumulated depreciation</b>				
Balance as at 1 January 2024		3,863,769	998,837	4,862,606
Charge for the financial year		901,190	144,474	1,045,664
Balance as at 31 December 2024		4,764,959	1,143,311	5,908,270
<b>Net carrying amount</b>				
Balance as at 31 December 2024		701,487	125,714	827,201
<b>2023</b>				
<b>At cost</b>				
Balance as at 1 January 2023		5,502,212	1,269,025	6,771,237
Additions	(a)	105,355	-	105,355
Balance as at 31 December 2023		5,607,567	1,269,025	6,876,592
<b>Less: Accumulated depreciation</b>				
Balance as at 1 January 2023		3,009,979	854,363	3,864,342
Charge for the financial year		853,790	144,474	998,264
Balance as at 31 December 2023		3,863,769	998,837	4,862,606
<b>Net carrying amount</b>				
Balance as at 31 December 2023		1,743,798	270,188	2,013,986

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

The Group leases office buildings 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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 6. LEASES (cont'd)

#### The Group as lessee (cont'd)

#### Right-of-use assets (cont'd)

##### (a) Purchase of right-of-use assets

	Group 2024 RM	2023 RM
Cost of right-of-use assets	77,362	105,355
Less: Financed under lease liabilities	(77,362)	(105,355)
Cash disbursed for right-of-use assets	-	-

##### (b) Extension options

The Group has lease contract that include extension. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

##### (i) Modification of right-of-use assets

During the financial year, the Group has reassess the lease terms and determined that the Group will not exercise an option previously included in its determination of lease term. As a result, a lease modification of RM218,483 was adjusted to both right-of-use assets and lease liabilities.

The undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term are as follows:

	Within five years RM	Total RM
Extension options expected not to be exercised	255,600	255,600

#### Lease liabilities

##### 2024

	Office Buildings RM	Motor vehicles RM	Total RM
<b>Carrying amount</b>			
Balance as at 1 January 2024	1,878,696	329,805	2,208,501
New lease entered into during the financial year	77,362	-	77,362
Modification	(218,483)	-	(218,483)
Lease payments	(1,057,200)	(119,354)	(1,176,554)
Interest expense (Note 22)	127,128	12,692	139,820
Balance as at 31 December 2024	807,503	223,143	1,030,646

##### 2023

<b>Carrying amount</b>			
Balance as at 1 January 2023	2,601,838	431,129	3,032,967
New lease entered into during the financial year	105,355	-	105,355
Lease payments	(1,009,000)	(119,352)	(1,128,352)
Interest expense (Note 22)	180,503	18,028	198,531
Balance as at 31 December 2023	1,878,696	329,805	2,208,501



## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 6. LEASES (cont'd)

#### The Group as lessee (cont'd)

#### Lease liabilities (cont'd)

Represented by:

	2024 RM	2023 RM
<b>Current liabilities</b>		
<u>Secured</u>		
Lease liability	102,519	104,324
<u>Unsecured</u>		
Lease liability	742,549	898,172
	845,068	1,002,496
<b>Non-current liabilities</b>		
<u>Secured</u>		
Lease liability	120,624	225,481
<u>Unsecured</u>		
Lease liability	64,954	980,524
	185,578	1,206,005
<b>Total lease liabilities</b>		
<u>Secured</u>		
Lease liability	223,143	329,805
<u>Unsecured</u>		
Lease liability	807,503	1,878,696
	1,030,646	2,208,501

Rates of interest charged per annum:

	2024 %	2023 %
Lease liabilities owing to financial institutions	4.06 - 5.94	4.06 - 5.94
Lease liabilities owing to non-financial institutions	7.57 - 8.75	7.57 - 8.70

	2024 RM	2023 RM
Minimum lease payment		
- Not later than one year	886,006	1,132,616
- Later than one year and not later than five years	193,493	1,287,836
	1,079,499	2,420,452
Future finance charges on lease liabilities	(48,853)	(211,951)
Present value of lease liabilities	1,030,646	2,208,501

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 6. LEASES (cont'd)

#### The Group as lessee (cont'd)

##### Lease liabilities (cont'd)

Present value of lease liabilities is analysed as follows:

	2024 RM	2023 RM
Current liabilities		
- Not later than one year	845,068	1,002,496
Non-current liabilities		
- Later than one year and not later than five years	185,578	1,206,005
	1,030,646	2,208,501

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

	2024 RM	2023 RM
Depreciation of right-of-use assets (included in cost of goods sold and administrative expenses)	1,045,664	998,264
Interest on lease liabilities (included in finance cost)	139,820	198,531
Expense relating to lease of low-value assets and short-term leases (included in cost of goods sold and administrative expenses) (Note 23)	17,736	20,338
	1,203,220	1,217,133

- (c) At the end of the financial year, the Group had total cash outflow for leases of RM1,176,554 (2023: RM1,128,352).
- (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 RM17,736 (2023: RM20,338).

#### 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 RM33,600 (2023: RM28,800).

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

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 6. LEASES (cont'd)

##### The Group as a lessor (cont'd)

##### Summary of Material Accounting Policies

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statement of financial position.

##### (a) Group as a lessee

##### **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 liabilities except for leasehold land. Leasehold land are stated at their revalued amount, being the fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 5. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office Buildings	2 - 6 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### **Lease Liabilities**

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

##### 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.

##### Lease term

The lease term includes non-cancellable period of a lease together with periods covered by:

- (a) an option to extend if the Group and the Company are reasonably certain to exercise the option.
- (b) 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 three 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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 6. LEASES (cont'd)

#### Summary of Material Accounting Policies (cont'd)

##### (b) Group as a lessor

As a lessor, the Group determines whether a lease is finance lease or operating lease. The assessments are based on whether the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to them. Examples of indicators for finance lease are:-

- (a) Ownership is transferred at the end of lease term;
- (b) Purchase option is offered at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable;
- (c) The lease term is for the major part of the economic life of the underlying asset;
- (d) The present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; and
- (e) The underlying asset is of such a specialised nature that only the Group can use it.

##### Operating lease

Lease payments from operating lease are recognised as income by the Group on straight-line basis over the lease term of the lease. Initial direct costs incurred in obtaining the assets that are leased out are included in the carrying amount of the underlying assets, and the subsequent costs incurred is recognised as expense for the period of earning the income. Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets.

### 7. INVESTMENT PROPERTIES

Group	2024 RM	2023 RM
<b>Freehold building, at cost</b>		
Balance as at beginning and end of the financial year	609,040	609,040
<b>Less: Accumulated depreciation</b>		
Balance as at beginning of the financial year	338,474	325,515
Charge for the financial year	12,956	12,959
Balance as at end of the financial year	351,430	338,474
<b>Net carrying amount</b>		
Balance as at end of the financial year	257,610	270,566

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

	2024 RM	2023 RM
Rental income	33,600	28,800
<u>Direct operating expenses</u>		
Income generating investment properties	19,200	18,922

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 7. INVESTMENT PROPERTIES (cont'd)

#### Fair value hierarchy information

	Level 1 RM	Level 2 RM	Group Level 3 RM	Total RM
<b>2024</b>				
Building	-	625,000	-	625,000
<b>2023</b>				
Building	-	644,802	-	644,802

#### Policy on transfer between levels

The fair value of an asset 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 investment properties that the entity can assess 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 investment properties, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are 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.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

### **Summary of Material Accounting Policies**

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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2024 RM	2023 RM
<b>Unquoted shares, at cost</b>		
Balance as at beginning of the financial year	40,475,715	40,475,715
Balance as at end of the financial year	40,475,715	40,475,715
<b>Less: Accumulated impairment losses</b>		
Balance as at beginning of the financial year	34,695,168	32,205,777
Impairment losses recognised during the financial year	43,846	2,489,391
Balance as at end of the financial year	34,739,014	34,695,168
<b>Net carrying amount</b>		
Balance as at end of the financial year	5,736,701	5,780,547

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		Principal activities
	2024	2023	
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 (Inactive)
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. *	100%	100%	Carry out the business of agriculture farming, poultry farming, animal husbandry and related plantations and crops activities (Inactive)
T5 Digital Sdn. Bhd. *	100%	100%	Carry out the business of retail sale and all kind of products over the internet

\* Audited by CAS Malaysia PLT

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 8. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

##### (a) Impairment on investment in subsidiary companies

During the financial year, the management performed an impairment test on the investment in certain subsidiaries as these subsidiaries have been persistently making losses. Impairment losses of RM43,846 (2023: RM2,489,391) 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 amounting to RM23,309,746 (2023: RM23,317,337) has been determined based on their fair value less cost to sell.

#### 9. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current</b>				
Fair value through profit or loss:-				
- Unit trust fund	44,070	42,564	-	-
Financial assets at fair value through other comprehensive income:-				
-quoted shares in Malaysia	2,561,548	3,064,483	10,088	10,663
	2,605,618	3,107,047	10,088	10,663

- (a) The average effective interest rates of the placement with an unit trust fund management company is 3.46% (2023: 2.73%) 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 RM502,935 of fair value loss and RM575 of fair value loss respectively (2023: RM90,378 of fair value gain and RM2,162 of fair value loss respectively) to other comprehensive income.

#### 10. INVENTORIES

	Group	
	2024 RM	2023 RM
<b>At cost</b>		
Spare parts	2,917	1,880
Finished goods	8,333,926	16,939,836
Goods in transit	901,426	286,253
	9,238,269	17,227,969
<b>At net realisable value</b>		
Spare parts	1,096	1,096
Finished goods	2,022,688	515,186
	2,023,784	516,282
	11,262,053	17,744,251

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 10. INVENTORIES (cont'd)

	Group 2024 RM	2023 RM
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	35,685,990	35,109,021
Slow moving and obsolete inventories written down	1,256,498	523,941
Slow moving and obsolete inventories written back *	(204,542)	(329,507)

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 current and previous financial 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.

#### **Summary of Material Accounting Policies**

Inventories are stated at the lower of cost and net realisable value. Costs of finished goods and consumables are determined on the weighted average basis. Cost of finished goods comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 11. TRADE RECEIVABLES

Group	2024 RM	2023 RM
Trade receivables - gross	9,751,030	9,547,322
Less: Allowance for impairment losses	(1,004,156)	(1,021,507)
Trade receivables - net	8,746,874	8,525,815

#### **Group**

#### Movement in the allowance for impairment losses

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

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



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 11. TRADE RECEIVABLES (cont'd)

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

2024	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	57,811	963,696	1,021,507
Allowance for impairment losses	-	182,846	182,846
Reversal of allowance for impairment losses*	(57,811)	(5,911)	(63,722)
Written off of allowance for impairment losses	-	(136,475)	(136,475)
Balance as at end of the financial year	-	1,004,156	1,004,156

2023	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	120,020	825,429	945,449
Allowance for impairment losses	5,182	152,267	157,449
Reversal of allowance for impairment losses*	(67,391)	(14,000)	(81,391)
Balance as at end of the financial year	57,811	963,696	1,021,507

\* 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:

2024	Gross carrying amount RM	Provision for impairment losses ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	7,529,384	-	-	7,529,384
Past due 1 - 30 days	938,471	-	-	938,471
Past due 31 - 60 days	279,019	-	-	279,019
	8,746,874	-	-	8,746,874
<b>Credit Impaired</b>				
Past due 31 - 60 days	338,938	(338,938)	-	-
Past due 61 - 90 days	7,789	(7,789)	-	-
More than 90 days past due	657,429	(373,650)	(283,779)	-
	9,751,030	(720,377)	(283,779)	8,746,874

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 11. TRADE RECEIVABLES (cont'd)

#### Group (cont'd)

The ageing of the receivables and allowance for impairment losses provided for above are as follows: (cont'd)

#### 2023

	Gross carrying amount RM	Provision for impairment losses ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Neither past due	8,066,906	-	-	8,066,906
Past due 1 - 30 days	449,592	(12,351)	(5,183)	432,058
Past due 31 - 60 days	67,128	(40,277)	-	26,851
	8,583,626	(52,628)	(5,183)	8,525,815
<b>Credit Impaired</b>				
Past due 1 - 30 days	71	-	(71)	-
Past due 31 - 60 days	12,366	(12,366)	-	-
More than 90 days past due	951,259	(529,005)	(422,254)	-
	9,547,322	(593,999)	(427,508)	8,525,815

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 (2023: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.

### 12. OTHER RECEIVABLES

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Other receivables	69,553	28,023	-	-
Deposits	349,689	214,241	1,000	1,000
Prepayments (a)	2,717,701	1,812,468	7,498	8,650
	3,136,943	2,054,732	8,498	9,650
Less: Allowance for impairment losses	(245,840)	(222,285)	-	-
	2,891,103	1,832,447	8,498	9,650

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

	2024 RM	2023 RM
Balance as at beginning of the financial year	222,285	-
Allowance for impairment losses	23,555	222,285
Balance as at end of the financial year	245,840	222,285

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 12. OTHER RECEIVABLES (cont'd)

The impairment losses on prepayments was due to an over stock situation for the product in the Group's warehouse. The Group requested the supplier not to proceed to manufacture and allowed the supplier to forfeit the deposit paid in return.

- (a) Included in the prepayments of the Group is an amount of prepayments to suppliers amounting to RM2,590,263 (2023: RM834,472).

#### 13. AMOUNT DUE FROM SUBSIDIARY COMPANIES

Company	2024 RM	2023 RM
Amount due from subsidiary companies	29,078,768	29,082,204
Less: Allowance for impairment losses	(29,078,768)	(29,082,204)
Amount due from subsidiary companies - net	-	-

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:

	2024 RM	2023 RM
Balance as at beginning of the financial year	29,082,204	29,297,403
Impairment losses recognised during the financial year	106,664	34,801
Reversal of allowance for impairment losses *	(110,100)	(250,000)
Balance as at end of the financial year	29,078,768	29,082,204

The impairment losses on amount due from subsidiary companies was due to default payments. They are not secured by any collateral or credit enhancement.

- \* During the current 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 current financial year.

#### 14. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
With maturity of 1 to 3 months	9,901,086	8,487,031	643,395	628,202
With maturity of more than 3 months	2,596,958	6,260,029	-	-
	12,498,044	14,747,060	643,395	628,202

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 14. FIXED DEPOSITS WITH LICENSED BANKS (cont'd)

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

	2024	Group 2023
Effective interest rates	2.20% - 3.00%	1.80% - 3.00%
Maturity period	one month to one year	one month to one year

	2024	Company 2023
Effective interest rates	2.20% - 2.60%	2.45% - 2.70%
Maturity period	one to three months	one to three months

Included in fixed deposits of the Group with licensed banks is an amount of RMNil (2023: RM6,165,733) which were pledged with licensed bank as security for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

### 15. CAPITAL AND RESERVES

	2024 Number of shares	Group and Company 2023 2024 RM	2023 RM
<b>Issued and fully paid (no par value):</b>			
Balance as at beginning of the financial year	235,056,788	235,056,788	59,066,701
Balance as at end of the financial year	235,056,788	235,056,788	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.

#### Summary of Material accounting policies

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.

### 16. ACCUMULATED LOSSES

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

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 17. LOANS AND BORROWINGS

Group	2024 RM	2023 RM
<b>Current liabilities</b>		
<u>Secured</u>		
Bankers' acceptance	-	3,569,000
	-	3,569,000
<b>Total borrowings</b>		
<u>Secured</u>		
Bankers' acceptance	-	3,569,000
	-	3,569,000
Rates of interest charged per annum:		
	2024 %	2023 %
Bankers' acceptance	-	6.46 - 6.68

(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 14 to the financial statements; and
- (ii) corporate guarantee by the Company.

#### **Summary of Material Accounting Policies**

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 has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 18. TRADE AND OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Trade payables	5,881,411	5,668,752	-	-
Add:				
Other payables	420,145	404,574	61,118	56,675
Accruals	520,566	546,383	68,371	29,153
Deposits received (a)	117,800	1,513,990	-	-
	1,058,511	2,464,947	129,489	85,828
Total trade and other payables	6,939,922	8,133,699	129,489	85,828

(a) Included in the deposits received of the Group is an amount of deposit from customer amounting to RM96,887 (2023: RM1,487,106)

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 90 days (2023: 30 to 90 days).

### 19. AMOUNT DUE TO SUBSIDIARY COMPANIES

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

### 20. PROVISIONS

<b>Group</b>	<b>Warranty RM</b>	<b>Incentives RM</b>	<b>Total RM</b>
<b>2024</b>			
Balance as at beginning of the financial year	251,905	863,760	1,115,665
Charge for the financial year	88,514	790,431	878,945
Utilised during the financial year	(130,257)	(664,365)	(794,622)
Reversal of provision	-	(191,555)	(191,555)
Balance as at end of the financial year	210,162	798,271	1,008,433
<b>2023</b>			
Balance as at beginning of the financial year	228,457	1,502,731	1,731,188
Charge for the financial year	211,516	812,339	1,023,855
Utilised during the financial year	(188,068)	(1,451,310)	(1,639,378)
Balance as at end of the financial year	251,905	863,760	1,115,665

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 20. PROVISIONS (cont'd)

##### Summary of Material Accounting Policies

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 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.

#### 21. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue comprises the following:				
- Revenue from contract with customers	45,943,878	47,000,715	-	-
- Revenue from other sources				
Management fees income	-	-	1,393,200	455,400
	45,943,878	47,000,715	1,393,200	455,400

##### 21.1 Disaggregation of revenue from contract with customers

The Group's and the Company'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 29 Segment Information.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Principal geographical areas</u>				
Malaysia	45,455,473	46,506,166	1,393,200	455,400
Asian countries	488,405	494,549	-	-
	45,943,878	47,000,715	1,393,200	455,400

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 21. REVENUE (cont'd)

#### 21.1 Disaggregation of revenue from contract with customers (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Major products and service line</u>				
Sales of home appliances	45,742,767	46,754,670	-	-
Management fee income	-	-	1,393,200	455,400
Others*	201,111	246,045	-	-
	45,943,878	47,000,715	1,393,200	455,400
<u>Timing of revenue recognition:</u>				
At point in time	45,943,878	47,000,715	1,393,200	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.

### Summary of Material Accounting Policies

#### Revenue recognition

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

##### (a) 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.

##### (b) Management fees

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

#### Nature of goods and services

The following information reflects the typical transaction of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for return and refunds	Warranty
Gas and electrical appliances	Revenue is recognised when the goods are delivered and accepted by dealers/ customers at their premises.	Credit period of 30 to 90 days from invoice date and up to 120 days for a selected few. As such, no significant element of financing is deemed presented.	Discounts given to dealers where these dealers pay in the month before the invoice falls due the following month.	Returns are allowed for defective products, either through one-to-one exchange or issuance of credit notes.	Assurance warranty of up to 13 months.



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (cont'd)

#### 21. REVENUE (cont'd)

##### Nature of goods and services (Cont'd)

The following information reflects the typical transaction of the Group: (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for return and refunds	Warranty
Rice cooker	Revenue is recognised when the goods are delivered and accepted by dealers/ customers at their premises.	Credit period of 30 to 90 days from invoice date and up to 120 days for a selected few. As such, no significant element of financing is deemed presented.	Discounts given to dealers where these dealers pay in the month before the invoice falls due the following month.	Returns are allowed for defective products, either through one-to-one exchange or issuance of credit notes.	Assurance warranty of up to 25 months.
Chimney Hoods	Revenue is recognised when the goods are delivered and accepted by dealers/ customers at their premises.	Credit period of 30 to 90 days from invoice date and up to 120 days for a selected few. As such, no significant element of financing is deemed presented.	Discounts given to dealers where these dealers pay in the month before the invoice falls due the following month.	Returns are allowed for defective products, either through one-to-one exchange or issuance of credit notes.	Assurance warranty of up to 37 months for motor only.
All types of fans	Revenue is recognised when the goods are delivered and accepted by dealers/ customers at their premises.	Credit period of 30 to 90 days from invoice date and up to 120 days for a selected few. As such, no significant element of financing is deemed presented.	Discounts given to dealers where these dealers pay in the month before the invoice falls due the following month.	Returns are allowed for defective products, either through one-to-one exchange or issuance of credit notes.	Assurance warranty of up to 37 months for products. For fans with DC motors, assurance warranty is up to 60 months.
Original Equipment Manufacturer ("OEM") products	Revenue is recognised when the goods are delivered and accepted by OEM customers at their premises.	Credit period of 30 to 60 days from the invoice date. As such, no significant element of financing is deemed presented.	Not applicable.	Returns allowed for defective products due to manufacturing defect.	Assurance warranty of 12 months.

#### 22. FINANCE COSTS

	2024 RM	Group 2023 RM
Interest expenses on		
Lease liabilities (Note 6)	139,820	198,531
Bankers' acceptances	67,681	218,965
Unwinding of discount on other receivables	(14,418)	(12,557)
Other interest	(184)	3,117
	192,899	408,056

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

### 23. LOSS BEFORE TAXATION

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Loss before taxation is arrived at:					
<u>after charging</u>					
Auditors' remuneration:					
Statutory audit					
- current year		124,000	109,000	30,000	22,000
Non-statutory audit		8,000	7,000	8,000	7,000
Depreciation:					
Property, plant and equipment	5	361,970	480,329	392	420
Right-of-use assets	6	1,045,664	998,264	-	-
Investment properties	7	12,956	12,959	-	-
Directors' remuneration:					
<b>- Executive:</b>					
Fees	25	32,700	32,700	32,700	32,700
Salaries and other benefits	25	501,268	754,113	501,268	754,113
Defined contribution plans	25	59,250	90,057	59,250	90,057
Social security costs	25	1,796	2,317	1,796	2,317
<b>- Non-executive:</b>					
Fees	25	173,050	260,250	173,050	260,250
Meeting allowance	25	28,500	34,000	28,500	34,000
Impairment loss:					
Amount due from subsidiary companies	13	-	-	106,664	34,801
Investment in subsidiary companies	8	-	-	43,846	2,489,391
Trade receivables	11	182,846	157,449	-	-
Other receivables	12	23,555	222,285	-	-
Deposit written off		44,835	-	-	-
Bad debts written off		192	731	-	-
Interest expenses	22	192,899	408,056	-	-
Property, plant and equipment written off		3,375	247	43	-
Provision for warranty	20	88,514	211,516	-	-
Provision for incentives	20	790,431	812,339	-	-
Expenses relating to lease of low value assets and short term leases:					
Office equipment	6	17,736	20,338	-	-
Loss on foreign exchange:					
Realised		95,174	195,967	-	-
Unrealised		48,548	27,727	-	-
Slow moving and obsolete inventories written down	10	1,256,498	523,941	-	-
Staff costs:					
Salaries and other benefits	25	3,927,083	5,022,567	212,328	-
Commission	25	540,917	474,313	-	-
Defined contribution plans	25	588,954	678,209	37,482	-
Social security costs	25	70,674	78,855	1,047	-
<u>after crediting</u>					
Dividend income		(99,150)	(99,150)	-	-
Fair value gain on investment in unit trusts		(1,507)	(1,356)	-	-
Gain on foreign exchange:					
Realised		(280,636)	(93,974)	-	-
Unrealised		(23,326)	(26,451)	-	-
Interest income		(372,314)	(434,655)	(15,194)	(15,828)
Payable written off		(116,018)	-	-	-
Rental income	7	(33,600)	(28,800)	-	-
Gain on disposal of property, plant and equipment		(1,998)	-	-	-

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024 (cont'd)

#### 23. LOSS BEFORE TAXATION (cont'd)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Loss before taxation is arrived at: (cont'd)					
<u>after crediting (cont'd)</u>					
Reversal of impairment loss on:					
Trade receivables	11	(63,722)	(81,391)	-	-
Amount due from a subsidiary company	13	-	-	(110,100)	(250,000)
Reversal of provision for incentives	20	(191,555)	-	-	-
Slow moving and obsolete inventories written back	10	(204,542)	(329,507)	-	-

- (a) The estimated monetary value of benefits-in-kind received by the directors of the Group and the Company amounted to RM54,635 and RM30,685 respectively (2023: RM69,564 and RM45,614 respectively).

#### Summary of Material Accounting Policies

##### Other Income

##### (a) Dividend income

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

##### (b) Interest income

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

##### (c) Rental income

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

#### 24. TAXATION

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<u>Income tax</u>				
Provision for current financial year	117,991	233,558	-	-
(Over)/Under provision in previous financial year	(72,142)	52,164	-	-
Tax expenses for current financial year	45,849	285,722	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 24. TAXATION (cont'd)

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Loss before taxation	(2,215,540)	(4,686,209)	(52,388)	(3,272,840)
Tax at the statutory tax rate of 24% (2023: 24%)	(531,730)	(1,124,690)	(12,573)	(785,482)
Non-deductible expenses	289,467	384,304	84,598	660,897
Non-taxable income	(52,727)	(30,791)	(26,434)	-
Deferred tax assets not recognised during the financial year	462,986	1,007,483	-	124,585
Utilisation of previously unrecognised deferred tax assets	(50,005)	(2,748)	(45,591)	-
(Over)/Under provision of taxation in previous financial year	(72,142)	52,164	-	-
Tax expenses for the current financial year	45,849	285,722	-	-

#### Summary of Material accounting policies

Current income 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 at the reporting date in the countries where the Group operates and generates taxable income.

#### **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 and the Company:

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Unutilised tax losses	42,609,675	42,148,266	4,868,275	5,058,671
Unabsorbed capital allowances	6,662,585	6,512,519	3,699	3,199
Other temporary differences	2,914,501	1,805,222	(1,354)	(1,288)
	52,186,761	50,466,007	4,870,620	5,060,582
Unrecognised deferred tax assets at 24% (2023: 24%)	12,524,823	12,111,842	1,168,949	1,214,540

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward for a maximum period of ten (10) consecutive years of assessment ("YA") and it can only be utilised against income from the same business source pursuant to Section 8 of the Finance Act 2021. 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 2024

(cont'd)

#### 24. 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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Utilisation period</b>				
Indefinite	9,577,086	8,317,741	2,345	1,911
Expired by YA 2028	28,931,297	29,118,248	1,145,147	1,335,543
Expired by YA 2029	1,325,376	1,338,596	281,863	281,863
Expired by YA 2030	2,173,402	2,173,402	940,026	940,026
Expired by YA 2031	1,095,680	1,095,680	824,582	824,582
Expired by YA 2032	3,908,323	3,908,323	861,557	861,557
Expired by YA 2033	4,514,017	4,514,017	815,100	815,100
Expired by YA 2034	661,580	-	-	-
	52,186,761	50,466,007	4,870,620	5,060,582

#### Summary of Material Accounting Policies

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

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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 25. EMPLOYEES BENEFIT EXPENSES

Employees benefit expenses including the aggregate amount of emoluments received and receivable by the Directors of the Group and of the Company during the financial year were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b><u>Executive directors</u></b>				
Salaries and other benefits	501,268	754,113	501,268	754,113
Fees	32,700	32,700	32,700	32,700
Pension costs: defined contribution plans	59,250	90,057	59,250	90,057
Social security costs	1,796	2,317	1,796	2,317
Estimated monetary value of benefits-in-kind	48,788	57,495	24,838	33,545
	643,802	936,682	619,852	912,732
<b><u>Non-executive directors</u></b>				
Fees	173,050	260,250	173,050	260,250
Meeting allowance	28,500	34,000	28,500	34,000
Estimated monetary value of benefits-in-kind	5,847	12,069	5,847	12,069
	207,397	306,319	207,397	306,319
<b><u>Staffs</u></b>				
Salaries, bonuses, incentives, overtime and allowances	3,927,083	5,022,567	212,328	-
Commission	540,917	474,313	-	-
Pension costs: defined contribution plans	588,954	678,209	37,482	-
Social security costs	70,674	78,855	1,047	-
	5,127,628	6,253,944	250,857	-

### **Summary of Material Accounting Policies**

#### **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.

#### **Defined contribution plans**

The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 26. LOSSES PER SHARE

##### (a) Basic losses per ordinary share

The calculation of basic losses per ordinary share at 31 December 2024 is based on the loss attributable to owners of the Company and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	2024	Group 2023
Loss attributable to owners of the Company (RM)	(2,261,389)	(4,971,931)
Weighted average number of ordinary shares (units)	235,056,788	235,056,788
Basic losses per ordinary share attributable to owners of the Company (sen)	(0.96)	(2.12)

##### (b) Diluted losses per ordinary share

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

#### Summary of Material Accounting Policies

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.

#### 27. RELATED PARTY DISCLOSURES

##### (a) Identities of 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 of 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);
- (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; or
- (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.

The Group and the Company have related party relationships with its directors and entities within the same group of companies.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 27. RELATED PARTY DISCLOSURES (cont'd)

- (b) 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	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Subsidiary companies</u>				
Management fee	-	-	1,393,200	455,400
<u>Other related parties</u>				
Rental expenses paid to a company in which a director has substantial interest	840,000	792,000	-	-
Salaries paid to persons connected to certain directors	83,083	84,667	-	-
Purchases from companies in which directors has substantial interest	74,384	40,703	-	-
Sales to companies in which directors has substantial interest	6,274	14,289	-	-

- (c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 25.

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.

### 28. FINANCIAL GUARANTEE CONTRACTS

	Group	
	2024 RM	2023 RM
<u>Secured</u>		
Bank guarantee issued to third parties	58,050	58,050
	Company	
	2024 RM	2023 RM
<u>Unsecured (Note 17)</u>		
Corporate guarantee granted to subsidiary companies	-	3,627,050



## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 29. 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	
	2024 RM	2023 RM
<u>Revenue</u>		
Malaysia	45,455,473	46,506,166
Asian countries	488,405	494,549
	45,943,878	47,000,715

##### (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.

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 29. SEGMENT INFORMATION (cont'd)

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

Group	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
<b>2024</b>					
<u>Revenue</u>					
External revenue	45,943,878	-	45,943,878	-	45,943,878
Inter-segment revenue	16,398	1,393,200	1,409,598	(1,409,598)	-
Total revenue	45,960,276	1,393,200	47,353,476	(1,409,598)	45,943,878
<u>Results</u>					
Segment results	(2,162,378)	(200,680)	(2,363,058)	(31,897)	(2,394,955)
Finance income	350,014	22,300	372,314	-	372,314
Finance costs	(192,899)	-	(192,899)	-	(192,899)
Loss before taxation	(2,005,263)	(178,380)	(2,183,643)	(31,897)	(2,215,540)
Income tax expenses	(42,810)	(3,039)	(45,849)	-	(45,849)
Loss after taxation	(2,048,073)	(181,419)	(2,229,492)	(31,897)	(2,261,389)
<u>Assets</u>					
Segment assets	40,768,079	15,597,625	56,365,704	(29,316,837)	27,048,867
Tax recoverable	465,192	3,987	469,179	-	469,179
Fixed deposits with licensed banks	11,565,508	932,536	12,498,044	-	12,498,044
Cash and bank balances	6,707,779	100,590	6,808,369	-	6,808,369
Total assets	59,506,558	16,634,738	76,141,296	(29,316,837)	46,824,459
<u>Liabilities</u>					
Segment liabilities	44,523,203	53,335,165	97,858,368	(89,910,013)	7,948,355
Tax payable	724	-	724	-	724
Lease liabilities	1,030,646	-	1,030,646	-	1,030,646
Total liabilities	45,554,573	53,335,165	98,889,738	(89,910,013)	8,979,725

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 29. SEGMENT INFORMATION (cont'd)

Group	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
<b>2024</b>					
<u>Other information</u>					
Capital expenditure	99,766	-	99,766	-	99,766
Depreciation	1,406,259	14,331	1,420,590	-	1,420,590
Fair value gain on investment in unit trusts	(1,507)	-	(1,507)	-	(1,507)
Impairment loss:					
Trade receivables	182,846	-	182,846	-	182,846
Other receivables	23,555	-	23,555	-	23,555
Bad debts written off	192	-	192	-	192
Deposit written off	43,035	1,800	44,835	-	44,835
Payable written off	(116,018)	-	(116,018)	-	(116,018)
Property, plant and equipment written off	3,332	43	3,375	-	3,375
Provision for warranty	88,514	-	88,514	-	88,514
Provision for incentives	790,431	-	790,431	-	790,431
Reversal of provision or incentives	(191,555)	-	(191,555)	-	(191,555)
Reversal of impairment loss on:					
Trade receivables	(61,722)	(2,000)	(63,722)	-	(63,722)
Slow moving and obsolete inventories written back	(204,542)	-	(204,542)	-	(204,542)
Slow moving and obsolete inventories written down	1,256,498	-	1,256,498	-	1,256,498
Realised foreign exchange loss	95,174	-	95,174	-	95,174
Realised foreign exchange gain	(280,636)	-	(280,636)	-	(280,636)
Unrealised foreign exchange loss	48,517	31	48,548	-	48,548
Unrealised foreign exchange gain	(23,326)	-	(23,326)	-	(23,326)

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 29. SEGMENT INFORMATION (cont'd)

Group	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
<b>2023</b>					
<u>Revenue</u>					
External revenue	47,000,715	-	47,000,715	-	47,000,715
Inter-segment revenue	136,195	455,400	591,595	(591,595)	-
Total revenue	47,136,910	455,400	47,592,310	(591,595)	47,000,715
<u>Results</u>					
Segment results	(3,622,441)	(3,358,781)	(6,981,222)	2,268,414	(4,712,808)
Finance income	398,721	35,934	434,655	-	434,655
Finance costs	(408,056)	-	(408,056)	-	(408,056)
(Loss)/Profit before taxation	(3,631,776)	(3,322,847)	(6,954,623)	2,268,414	(4,686,209)
Income tax expenses	(280,005)	(5,717)	(285,722)	-	(285,722)
(Loss)/Profit after taxation	(3,911,781)	(3,328,564)	(7,240,345)	2,268,414	(4,971,931)
<u>Assets</u>					
Segment assets	43,520,935	15,858,178	59,379,113	(25,082,256)	34,296,857
Tax recoverable	331,875	1,023	332,898	-	332,898
Fixed deposits with licensed banks	13,836,824	910,236	14,747,060	-	14,747,060
Cash and bank balances	6,157,939	102,877	6,260,816	-	6,260,816
Total assets	63,847,573	16,872,314	80,719,887	(25,082,256)	55,637,631
<u>Liabilities</u>					
Segment liabilities	41,566,914	53,389,772	94,956,686	(85,707,322)	9,249,364
Tax payable	724	984	1,708	-	1,708
Loan and Borrowings	3,569,000	-	3,569,000	-	3,569,000
Lease liabilities	2,208,501	-	2,208,501	-	2,208,501
Total liabilities	47,345,139	53,390,756	100,735,895	(85,707,322)	15,028,573

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 29. SEGMENT INFORMATION (cont'd)

Group	Home appliances RM	Others RM	Total operations RM	Elimination RM	Total RM
<b>2023</b>					
<u>Other information</u>					
Capital expenditure	193,400	-	193,400	-	193,400
Depreciation	1,477,190	14,362	1,491,552	-	1,491,552
Fair value gain on investment in unit trusts	(1,356)	-	(1,356)	-	(1,356)
Impairment loss:					
Trade receivables	157,449	-	157,449	-	157,449
Other receivables	222,285	-	222,285	-	222,285
Bad debts written off	-	731	731	-	731
Property, plant and equipment written off	247	-	247	-	247
Provision for warranty	211,516	-	211,516	-	211,516
Provision for incentives	812,339	-	812,339	-	812,339
Reversal of impairment loss on:					
Trade receivables	(67,391)	(14,000)	(81,391)	-	(81,391)
Slow moving and obsolete inventories written back	(329,507)	-	(329,507)	-	(329,507)
Slow moving and obsolete inventories written down	523,941	-	523,941	-	523,941
Realised foreign exchange loss	195,967	-	195,967	-	195,967
Realised foreign exchange gain	(93,974)	-	(93,974)	-	(93,974)
Unrealised foreign exchange loss	27,727	-	27,727	-	27,727
Unrealised foreign exchange gain	(26,400)	(51)	(26,451)	-	(26,451)

#### (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.

#### 30. 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:

##### 30.1 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 2024 (cont'd)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### 30.1 Interest rate risk (cont'd)

The 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 17 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.

As at 31 December 2024, the Group and the Company do not have significant exposure in interest rate risk.

##### Sensitivity analysis for interest rate risk

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's loss before taxation would increase/decrease by approximately RMNil (2023: RM35,690) as a result of exposure to floating rate borrowings.

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's equity would change by approximately RMNil (2023: RM27,124) as a result of exposure to floating rate borrowings.

#### 30.2 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, 20% (2023: 23%) of the Group's trade receivables were due from three (3) (2023: three (3)) major customers. The maximum exposure to credit risk is disclosed in Note 11 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 12 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 2024, 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.

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

##### 30.2 Credit risk (cont'd)

###### (d) Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits 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.

###### (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 28 and liquidity and cash flow risk is disclosed in Note 30.4 to the financial statements, representing the outstanding banking facilities of the subsidiaries as at the reporting date.

##### 30.3 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	USD RM	EURO RM	Others RM	Total RM
<b>2024</b>				
Cash and bank balances	82,522	11,897	47,075	141,494
Trade and other receivables	66,391	-	-	66,391
Trade and other payables	(1,595,128)	-	-	(1,595,128)
	(1,446,215)	11,897	47,075	(1,387,243)
<b>2023</b>				
Cash and bank balances	82,878	12,475	46,383	141,736
Trade and other receivables	1,128,467	-	-	1,128,467
Trade and other payables	(1,421,196)	-	-	(1,421,196)
	(209,851)	12,475	46,383	(150,993)

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### 30.3 Foreign currency risk (continued)

##### Sensitivity analysis for foreign currency risk

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's (loss)/profit before taxation would increase/(decrease) by approximately RM139,000 (2023: RM15,000).

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's equity would change by approximately RM102,035 (2023: RM8,074).

##### Summary of Material accounting policies

##### **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.

##### **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.

#### 30.4 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 2024

(cont'd)

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

##### 30.4 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	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
<b>2024</b>						
Trade and other payables	6,939,922	-	6,939,922	6,939,922	-	-
Lease liabilities	1,030,646	4.06 - 8.75	1,079,499	886,006	193,493	-
Financial guarantee contracts	-	-	58,050	58,050	-	-
	7,970,568		8,077,471	7,883,978	193,493	-
<b>2023</b>						
Trade and other payables	8,133,699	-	8,133,699	8,133,699	-	-
Bankers' acceptances	3,569,000	6.46 - 6.68	3,645,103	3,645,103	-	-
Lease liabilities	2,208,501	4.06 - 8.70	2,420,452	1,132,616	1,287,836	-
Financial guarantee contracts	-	-	58,050	58,050	-	-
	13,911,200		14,257,304	12,969,468	1,287,836	-
<b>Company</b>						
<b>2024</b>						
Other payables	129,489	-	129,489	129,489	-	-
Amount due to subsidiary companies	6,071,421	-	6,071,421	6,071,421	-	-
	6,200,910		6,200,910	6,200,910	-	-
<b>2023</b>						
Other payables	85,828	-	85,828	85,828	-	-
Amount due to subsidiary companies	6,088,737	-	6,088,737	6,088,737	-	-
Financial guarantee contracts	3,569,000	6.46 - 6.68	3,645,103	3,645,103	-	-
	9,743,565		9,819,668	9,819,668	-	-

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### 30.5 Classification of financial instruments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	44,070	42,564	-	-
Financial assets at fair value through other comprehensive income	2,561,548	3,064,483	10,088	10,663
	2,605,618	3,107,047	10,088	10,663
<b>Amortised costs</b>				
Trade receivables	8,746,874	8,525,815	-	-
Other receivables	419,242	242,264	1,000	1,000
Fixed deposits with licensed banks	12,498,044	14,747,060	643,395	628,202
Cash and bank balances	6,808,369	6,260,816	16,136	11,939
	28,472,529	29,775,955	660,531	641,141
	31,078,147	32,883,002	670,619	651,804
<b>Financial liabilities</b>				
<b>Amortised costs</b>				
Trade payables	5,881,411	5,668,752	-	-
Other payables	1,058,511	2,464,947	129,489	85,828
Amount due to subsidiary companies	-	-	6,071,421	6,088,737
Loans and borrowings	-	3,569,000	-	-
Lease liabilities	1,030,646	2,208,501	-	-
	7,970,568	13,911,200	6,200,910	6,174,565

#### 30.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables, payables and bankers' acceptance 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.

Group	Financial instruments that are carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
<b>Financial assets</b>				
Investments at FVTPL	-	44,070	-	44,070
Investments at FVOCI	2,561,548	-	-	2,561,548
	2,561,548	44,070	-	2,605,618

## Notes To The Financial Statements

### For The Financial Year Ended 31 December 2024

(cont'd)

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

##### 30.6 Fair value of financial instruments (cont'd)

Group	Financial instruments that are carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2023</b>				
<b>Financial assets</b>				
Investments at FVTPL	-	42,564	-	42,564
Investments at FVOCI	3,064,483	-	-	3,064,483
	3,064,483	42,564	-	3,107,047
<b>Company</b>				
<b>2024</b>				
<b>Financial asset</b>				
Investments at FVOCI	10,088	-	-	10,088
<b>2023</b>				
<b>Financial asset</b>				
Investments at FVOCI	10,663	-	-	10,663
<b>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</b>				
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
<b>Financial liabilities</b>				
Lease liabilities	-	-	1,030,646	1,030,646
	-	-	1,030,646	1,030,646
<b>2023</b>				
<b>Financial liabilities</b>				
Loans and borrowings	-	-	3,569,000	3,569,000
Lease liabilities	-	-	2,208,501	2,208,501
	-	-	5,777,501	5,777,501

## Notes To The Financial Statements For The Financial Year Ended 31 December 2024 (cont'd)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### 30.6 Fair value of financial instruments (cont'd)

Company	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
<b>Financial liability</b>				
Amount due to subsidiary companies	-	-	6,071,421	6,071,421
<b>2023</b>				
<b>Financial liability</b>				
Amount due to subsidiary companies	-	-	6,088,737	6,088,737

#### 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 (2023: 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 2024

(cont'd)

#### 31. 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 2024.

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.

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Net (cash)/debt	(7,774,524)	236,454	5,541,379	5,534,424
Total equity attributable to owners of the Company	37,844,734	40,609,058	215,761	268,724
Net debt against equity ratio	*	0.01	26	21

\* The Group are in net cash position. Therefore, gearing ratio does not apply.

**ANALYSIS OF SHAREHOLDINGS**

AS AT 3 APRIL 2025

**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	136	10.33	3,316	0.00
100 - 1,000	185	14.04	97,104	0.04
1,001 - 10,000	521	39.56	2,987,240	1.27
10,001 - 100,000	374	28.40	12,931,600	5.50
100,001 - 11,752,838	100	7.59	68,271,008	29.05
11,752,839 and above	1	0.08	150,766,520	64.14
<b>Total</b>	<b>1,317</b>	<b>100.00</b>	<b>235,056,788</b>	<b>100.00</b>

**DIRECTORS' SHAREHOLDINGS**

(As per Register of Directors' Shareholdings)

Name of Directors	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
Yap Yen Chien	-	-	-	-
Tan Chee How	7,241,012	3.08	-	-
Datin Yap Shin Siang	-	-	-	-
Ng Wei Wei	-	-	-	-
Mak Wai Hoong	-	-	150,766,520 <sup>(1)</sup>	64.14

Notes:

- Deemed interested by virtue of his shareholding in ABS Capital Sdn Bhd pursuant to Section 8(4) of the Act.

**SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

(As per Register of Substantial Shareholders' Shareholdings)

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
ABS Capital Sdn Bhd	150,766,520	64.14	-	-
Lim Aik Hoe	-	-	150,766,520 <sup>(1)</sup>	64.14
Lim Aik Kiat	-	-	150,766,520 <sup>(1)</sup>	64.14
Mak Wai Hoong	-	-	150,766,520 <sup>(1)</sup>	64.14

Notes:

- Deemed interested by virtue of his shareholding in ABS Capital Sdn Bhd pursuant to Section 8(4) of the Act.

## Analysis Of Shareholdings As At 3 April 2025 (cont'd)

### 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for ABS Capital Sdn Bhd	150,766,520	64.14
2.	Tan Chee How	7,241,012	3.08
3.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Meng	6,000,000	2.55
4.	Tan Chee Siang	4,827,342	2.05
5.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Meng	4,403,800	1.87
6.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign)	4,133,100	1.76
7.	Tossavorn Vivatsurakit	2,585,400	1.10
8.	Wong Lee Phin	2,000,000	0.85
9.	Wan Kin Kee	1,991,000	0.85
10.	Zhao, Xiaodan	1,613,600	0.69
11.	Lee Boon Tong	1,204,600	0.51
12.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Chee Meng (MF00592)	1,135,446	0.48
13.	Lai Thiam Poh	1,123,400	0.48
14.	Kenanga Nominees (Asing) Sdn Bhd Pledged Securities Account for Ra Wha Hyun (009)	955,400	0.41
15.	Voo Vun Lan	923,500	0.39
16.	Kelrix Sdn. Bhd.	921,700	0.39
17.	Saw Beng Lam	914,500	0.39
18.	Phang Siew Pin	853,700	0.36
19.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Yoon Peck	780,000	0.33
20.	Hoon Tai Woei	768,200	0.33
21.	Lim Chin Sean	766,300	0.33
22.	Tan Ze Chuan	733,100	0.31
23.	Soo Cham Bock	690,000	0.29
24.	Tiong En Chee	670,000	0.29
25.	Huan Mee Kiew	650,000	0.28
26.	Tan King Tai @ Tan Khoon Hai	631,200	0.27
27.	Pang Eng Chai	595,000	0.25
28.	Tai Hong Lim	582,700	0.25
29.	Ng Meow San	575,500	0.25
30.	Soh Kok Leong	542,600	0.23
<b>TOTAL</b>		<b>201,578,620</b>	<b>85.76</b>

## LIST OF GROUP PROPERTIES

Location	Description	Approximate size	Approximate age of building	Tenure	Existing use	Net Book Value as at 31.12.2024 RM' 000	Year of acquisition
<b>T.H.HIN SDN BHD</b>							
Lot 5.31, 4th Floor, Imbi Plaza, Jalan Imbi Kuala Lumpur	one unit office lot	345 sq ft	44 years	Freehold	Let out	17	1981
<b>BRIGHTYIELD SDN BHD</b>							
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	25 years 25 years 25 years 25 years 25 years	Freehold	Vacant	-	2008
<b>MILUX INTERNATIONAL SDN BHD</b>							
BG-1, Ground Floor, Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,128 sq ft	36 years	Leasehold (99 years expiring 19-01-2077)	Let out	127	1990
B1-4, First Floor Jalan 2/57b, Segambut 51200 Kuala Lumpur	1 unit of Shoplot	1,296 sq ft	36 years	Leasehold (99 years expiring 19-01-2077)	Let out	114	1990



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QUALITY • SAFETY • RELIABILITY

**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 30th Annual General Meeting ("AGM") of the Company to be held at Lot 753, Jalan Subang 3, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor on Monday, 23 June 2025 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 RM162,000.00 for the period from 1 July 2025 to 30 June 2026.		
2.	To approve the payment of benefits payable to the Directors up to an amount of RM120,000.00 from 1 July 2025 to 30 June 2026.		
3.	To re-elect Yap Yen Chien as Director.		
4.	To re-elect Datin Yap Shin Siang as Director.		
5.	To re-elect Ng Wei Wei as Director.		
6.	To re-elect Mak Wai Hoong as Director.		
7.	To re-appoint Messrs CAS Malaysia PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.		
8.	Authority for Directors to Issue Shares.		
9.	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.)

Dated this ..... day of ....., 2025

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 16 June 2025 shall be eligible to attend, speak and vote at the AGM.

**2. 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 AGM 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.

**3. Lodgement of Form of Proxy**

To be valid, the original Proxy Form, duly completed must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the AGM or any adjournment thereof.

**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 AGM (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 has disclosed and/ or processed in connection with the foregoing.

Please  
Affix  
Stamp

The Company Secretaries  
**MILUX CORPORATION BERHAD**  
[Reg. No. 199401027937 (313619-W)]  
c/o Archer Corporate Services Sdn. Bhd.  
Lot 5, Level 10  
Menara Great Eastern 2  
No. 50, Jalan Ampang,  
50450 Kuala Lumpur



QUALITY • SAFETY • RELIABILITY

**MILUX CORPORATION BERHAD**

[Registration No. 199401027937 (313619-W)]

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