THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

MILUX

Quality • Safety • Reliability

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED ACQUISITION BY MILUX CORPORATION BERHAD ("MILUX" OR "COMPANY") OF 298,145,977 ORDINARY SHARES IN MOVON SDN BHD ("MOVON") FROM ABLETECH SOLUTIONS SDN BHD AND DATUK IR. DR. LIM JEE GIN, REPRESENTING THE ENTIRE ISSUED ORDINARY SHARES IN MOVON, FOR A TOTAL PURCHASE CONSIDERATION OF RM150.0 MILLION, TO BE SATISFIED ENTIRELY VIA THE ALLOTMENT AND ISSUANCE OF 220,588,235 NEW ORDINARY SHARES IN MILUX ("CONSIDERATION SHARES") AT AN ISSUE PRICE OF RM0.68 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION")

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF MILUX IN RELATION TO THE PROPOSED ACQUISITION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

Maybank Investment Bank
Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B

TA SECURITIES
AN UNWAVERING COMMITMENT
TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The extraordinary general meeting ("**EGM**") of the Company will be held at Lot 753, Jalan Subang 3, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 29 September 2026 at 9.00 a.m. or any adjournment thereof. The Circular, Notice of EGM, Proxy Form and the Administrative Guide for the EGM ("**Administrative Notes**") can be downloaded from the website at https://milux.com.my/investor-relations/.

As a shareholder of the Company, you are entitled to attend and vote at the EGM. If you unable to attend the EGM in person, you may appoint a proxy or proxies to attend and vote on your behalf by completing the Proxy Form and deposit the Proxy Form at the office of the Company's share registrar, Boardroom Share Registrars Sdn Bhd ("**Share Registrar**") at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof. Alternatively, you may submit the proxy appointment electronically via the Share Registrar's email at bsr.proxy@boardroomlimited.com before the proxy appointment cut off time as mentioned above. You may also submit the proxy appointment electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy appointment cut off time as mentioned herein. For further information on electronic lodgment of the Proxy Form, please refer to the Administrative Notes. The lodging of the Proxy Form for the EGM will not preclude you from attending and voting in person at the forthcoming EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form for the EGM	:	Sunday, 27 September 2026 at 9.00 a.m.
Day, date and time of the EGM	:	Tuesday, 29 September 2026 at 9.00 a.m. or any adjournment thereof

This Circular is dated 7 September 2026

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

1st Guaranteed Period	:	The FYE 2026 in respect of the Profit Guarantee
1st Guaranteed Profit	:	An audited PAT of not less than RM8.0 million, being the amount of audited PAT to be achieved by the Movon Group for the 1st Guaranteed Period as part of the Profit Guarantee provided by the Guarantors
2nd Guaranteed Period	:	The FYE 2027 in respect of the Profit Guarantee
2nd Guaranteed Profit	:	An audited PAT of not less than RM15.0 million, being the amount of audited PAT to be achieved by the Movon Group for the 2nd Guaranteed Period as part of the Profit Guarantee provided by the Guarantors
ABS Capital	:	ABS Capital Sdn Bhd (Registration No. 202401037396 (1583243-P)), being the controlling shareholder of Milux
Act	:	Companies Act 2016
Additional Securities	:	Any new securities of any type (whether convertible or otherwise, including stocks, shares, convertible securities, options and warrants), rights over new securities of any type (whether convertible or otherwise), issued or to be issued to the Trustee on behalf of the Guarantors and/or accruing to the Guarantors from time to time by way of bonus or capitalisation of profits or reserves and/or other similar entitlements accruing on, deriving from or attributable to the Pledged Shares which are pledged to the Trustee, all of which are to be deposited by the Guarantors with the Trustee into the securities account maintained by the Trustee, but excluding any rights issue
Amount Due	:	An amount equivalent to the Shortfall and any ancillary cost thereto
Angel One	:	Abletech Angel One PLT (Registration No. 202104002205 (LLP0028837-LGN))
Angel One Investor Partners	:	The limited liability partners of Angel One as prescribed under the terms of the Angel One Partnership Agreement who/which have invested in the RCPS – ASSB through Angel One
Angel One Partnership Agreement	:	The partnership agreement between Angel One, ASSB and the Angel One Investor Partners relating to the investment by Angel One in ASSB dated 28 September 2021
Angel Two	:	Abletech Angel Two PLT (Registration No. 202104002206 (LLP0028838-LGN))
Angel Two Investor Partners	:	The limited liability partners of Angel Two as prescribed under the terms of the Angel Two Partnership Agreement who/which have invested in the RCPS – ASSB through Angel Two
Angel Two Partnership Agreement	:	The partnership agreement between Angel Two, ASSB and the Angel Two Investor Partners relating to the investment by Angel Two in ASSB dated 28 September 2021

ASSB	:	Abletech Solutions Sdn Bhd (Registration No. 201901022986 (1332315-V))
ASSB Advances	:	The outstanding amount of RM15,914,414 due and owing from Movon to ASSB as at the date of the SSA which shall be fully settled by Movon by (i) payment of cash; and (ii) Proposed Capitalisation 1
ASSB OS	:	Ordinary shares in ASSB
ASSB's Nominated Parties	:	Collectively, TPSB, LAH, LAK, Proven Venture Capital PLT, TYS, KPS, Angel One, Angel Two and Movon Angel. In the case of Angel One, Angel Two and Movon Angel, the respective Investment LLPs will in turn nominate the Investor Partners as identified in accordance with the terms of the SSA to receive and accept the Consideration Shares in proportion to their respective ownership interests held in the Investment LLPs respectively
Audited Aggregate PAT	:	The cumulative audited PAT of the Movon Group for the Guaranteed Periods
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound Annual Growth Rate
Capitalisation Amount	:	The outstanding amount of RM12,458,000 due and owing from Movon to ASSB under the ASSB Advances which will be fully settled by Movon via the Proposed Capitalisation 1
Cash Top-Up	:	Any outstanding portion of the Amount Due remaining unpaid following the Disposal of the Pledged Shares, which shall be payable by the Guarantors to Milux in cash pursuant to the terms of the SSA
Circular	:	This circular to shareholders of the Company in relation to the Proposed Acquisition dated 7 September 2026
CMSA	:	Capital Markets and Services Act 2007
Completion Date	:	The business day falling 30 days after the SSA becomes unconditional or such other date as may be mutually agreed upon between the parties to the SSA
Conditions Precedent	:	The conditions precedent under the SSA as set out in **Section 7** of **Appendix I** of this Circular to be obtained/fulfilled or waived (as the case may be) by the parties to the SSA in accordance with the terms of the SSA
Consideration Shares	:	A total of 220,588,235 new Milux Shares to be allotted and issued by Milux to the Vendors and/or their nominees (including ASSB's Nominated Parties) at the Share Issue Price pursuant to the Proposed Acquisition as satisfaction of the entire Purchase Consideration
COVID-19	:	Coronavirus disease 2019
Datuk Lim	:	Datuk Ir. Dr. Lim Jee Gin, being one of the Vendors
DCF	:	Discounted cashflow

Director	:	A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the CMSA
Disposal of Pledged Shares	:	The disposal by the Trustee of such number of Pledged Shares together with the Additional Securities that is equivalent in value to the Amount Due in accordance with the terms and conditions of the SSA and the Stakeholder Agreement
Dividends & Distributions	:	All dividends, distributions, interests, bonuses (whether in the form of moneys or shares or otherwise), or other benefits and any other sum, right, interest or entitlement declared by Milux or subscribed for by the Trustee on behalf of the Guarantors pursuant to any rights or entitlement in respect of the Pledged Shares or any of them (if any) and includes all stocks, shares (and the dividends or interest thereon), rights, money accruing or offered at any time by way of redemption, bonus, rights, preference, option or otherwise (if any)
EGM	:	Extraordinary general meeting
Excess Year 1 Profit	:	The amount of audited PAT achieved by the Movon Group during the 1st Guaranteed Period which exceeds the 1st Guaranteed Profit
EPS	:	Earnings per share
First Tranche Pledged Shares	:	An aggregate of 11,764,706 Pledged Shares to be released to the Guarantors pursuant to the terms of the SSA
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
GDP	:	Gross domestic product
Guaranteed Periods	:	Collectively, the 1st Guaranteed Period and the 2nd Guaranteed Period
Guarantors	:	Collectively, LAH and LAK
IAL	:	Independent advice letter prepared by TA Securities in relation to the Proposed Acquisition, as set out in Part B of this Circular dated 7 September 2026
IMR	:	Frost & Sullivan GIC Malaysia Sdn Bhd (Registration No. 200701010645 (768648-K)), the independent market researcher in relation to the Proposed Acquisition
Industry Overview	:	The industry overview letter on the home appliances market dated 1 September 2026 prepared by the IMR as set out in **Section 4** of Part A of this Circular
Interested Director	:	MWH
Interested Major Shareholders	:	Collectively, ABS Capital, MWH, LAH and LAK
Investment LLPs	:	Collectively, Angel One, Angel Two and Movon Angel
Investor Partners	:	Collectively, the Angel One Investor Partners, the Angel Two Investor Partners and the Movon Angel Investor Partners

KPS	:	Koh Poh Seng
LAH	:	Lim Aik Hoe
LAK	:	Lim Aik Kiat
LAT	:	Loss after tax
LATAMI	:	Loss after tax attributable to the owners of the company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LLP Act	:	Limited Liability Partnerships Act 2012
LPD	:	26 August 2026, being the latest practicable date prior to the printing of this Circular
LTD	:	10 July 2026, being the last market day prior to the date of the SSA
MainStreet or **Valuer**	:	MainStreet Advisers Sdn Bhd (Registration No. 200701032292 (790320-P))
Market Day(s)	:	Any day(s) between Monday and Friday (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
Maybank IB or **Principal Adviser**	:	Maybank Investment Bank Berhad (Company Registration No. 197301002412)
Milux or **Company**	:	Milux Corporation Berhad (Registration No. 199401027937 (313619-W))
Milux Board	:	Board of Directors of Milux
Milux Group	:	Collectively, Milux and its subsidiaries
Milux Share(s)	:	Ordinary share(s) in Milux
Movon	:	Movon Sdn Bhd (Registration No. 202101019895 (1420195-K))
Movon Angel	:	Movon Angel PLT (Registration No. 202304003260 (LLP0037219-LGN))
Movon Angel Investor Partners	:	The limited liability partners of Movon Angel as prescribed under the terms of the Movon Angel Partnership Agreement who/which have invested in the RCPS – Movon through Movon Angel
Movon Angel Partnership Agreement	:	The partnership agreement between Movon Angel, ASSB, Movon and the Movon Angel Investor Partners dated 4 January 2024
Movon Board	:	Board of directors of Movon
Movon Debt	:	The amount of RM20.0 million due and owing from Movon to ASSB arising from the completion of the conversion of the RCPS – Movon into new ASSB OS for the RCPS – Movon Conversion CP in accordance with the RCPS – Movon Terms under the terms of the SSA which will be fully settled by Movon via the Proposed Capitalisation 2
Movon Group	:	Collectively, Movon and its subsidiary

Movon Share(s)	:	Ordinary share(s) in Movon
MWH	:	Mak Wai Hoong
NA	:	Net assets
NL	:	Net liabilities
Nomination	:	The nomination made by ASSB to appoint the ASSB's Nominated Parties to receive and accept in entirety its portion of the Consideration Shares in accordance with the terms of the SSA
PAC(s)	:	Person(s) acting in concert with ABS Capital pursuant to subsections 216(2) and/or 216(3) of the CMSA
Partnership Agreements	:	Collectively, the Angel One Partnership Agreement, the Angel Two Partnership Agreement and the Movon Angel Partnership Agreement
Partnership Units	:	In the case of the Investment LLPs, the ownership interests held by each of the Investor Partners in the Investment LLPs respectively
PAT	:	Profit after tax
PATAMI	:	Profit after tax attributable to the owners of the company
PBT	:	Profit before tax
P/E Multiple	:	Price to earnings multiple
Pledged Shares	:	A total of 33,823,530 Consideration Shares to be deposited in the securities account maintained by the Trustee to be held as security for the performance of the obligations of the Guarantors in respect of the Profit Guarantee, in accordance with the terms of the SSA and the Stakeholder Agreement
Projection Period	:	The period for the projected cashflow of Movon, being from the FYE 31 December 2026 to the FYE 31 December 2030
Profit Guarantee	:	Profit guarantee obligations of the Guarantors, where the Guarantors irrevocably and unconditionally guarantee, jointly and severally to Milux that the Movon Group shall achieve the Total Guaranteed Profit for the Guaranteed Periods in the manner as set out in **Section 2.6** of Part A of this Circular
Proposed Acquisition	:	Proposed acquisition by Milux of 298,145,977 Movon Shares, representing the entire issued Movon Shares, from the Vendors for the Purchase Consideration to be satisfied entirely via the allotment and issuance of the Consideration Shares in accordance with the terms of the SSA
Proposed Capitalisation 1	:	Proposed capitalisation of the Capitalisation Amount via the allotment and issuance by Movon of 21,479,310 new Movon Shares at an issue price of RM0.58 per Movon Share to ASSB
Proposed Capitalisation 2	:	Proposed capitalisation of the Movon Debt via the allotment and issuance by Movon of 20,000,000 new Movon Shares at an issue price of RM1.00 per Movon Share to ASSB

Proposed Capitalisation	:	Collectively, the Proposed Capitalisation 1 and the Proposed Capitalisation 2
Purchase Consideration	:	Total purchase consideration of RM150.0 million payable by Milux pursuant to the terms of the SSA
R2O	:	Rent to Own
RCPS	:	Redeemable convertible preference shares
RCPS – ASSB	:	RCPS in ASSB
RCPS – ASSB Conversion CP	:	The condition precedent relating to the conversion of all of the RCPS – ASSB held by Angel One, Angel Two and TYS into new ASSB OS as well as allotment and issuance of new ASSB OS at RM1.00 per ASSB OS to Angel One, Angel Two and TYS under the terms of the SSA
RCPS – ASSB Conversion Trigger Event	:	The relevant event as prescribed under the RCPS – ASSB Terms which provides the sole option to ASSB to convert the RCPS – ASSB into new ASSB OS upon occurrence of such event, being the entry by ASSB of a definitive share sale agreement or business sale agreement, as the case may be, with any party for the sale and purchase of a controlling stake in the equity interest in, or the assets and business held by ASSB, which would result in the buyer obtaining control over ASSB or ASSB's assets and business, as the case may be
RCPS – ASSB Terms	:	The terms, rights, privileges and restrictions governing the RCPS – ASSB as provided in the constitution of ASSB
RCPS – Movon	:	RCPS in Movon
RCPS – Movon Conversion CP	:	The condition precedent relating to the conversion of the RCPS – Movon held by Movon Angel into new ASSB OS as well as allotment and issuance of new ASSB OS at RM1.00 per ASSB OS to Movon Angel under the terms of the SSA
RCPS – Movon Conversion Trigger Event	:	The relevant event as prescribed under the RCPS – Movon Terms which provides the sole option to Movon to convert the RCPS – Movon into new ASSB OS upon occurrence of such event, being the entry by ASSB and/or Movon (as the case may be) of a definitive share sale agreement or business sale agreement, as the case may be, with any party for the sale and purchase of a controlling stake of the equity interest in, or the assets and business held by ASSB and/or Movon (as the case may be), which would result in the buyer having control over ASSB and/or Movon (as the case may be) or their respective assets and business, as the case may be
RCPS – Movon Terms	:	The terms, rights, privileges and restrictions governing the RCPS – Movon as provided in the constitution of Movon
RCPS Conversion	:	The conversion of all of the RCPS – ASSB and RCPS – Movon held by Angel One, Angel Two, TYS and Movon Angel respectively into new ASSB OS in accordance with the respective RCPS Terms under the terms of the SSA
RCPS Conversion CP	:	Collectively, the RCPS – ASSB Conversion CP and the RCPS – Movon Conversion CP

RCPS Conversion Trigger Event	:	Collectively, the RCPS – Movon Conversion Trigger Event and the RCPS – ASSB Conversion Trigger Event
RCPS Holders	:	Collectively, holders of the RCPS – Movon (being Movon Angel) and RCPS – ASSB (being Angel One, Angel Two and TYS)
RCPS Terms	:	Collectively – (a) in the case of ASSB, the RCPS – ASSB Terms; and (b) in the case of Movon, the RCPS – Movon Terms
Remaining Pledged Shares	:	The balance of the Pledged Shares held by the Trustee after the 1st Guaranteed Period
RM and **sen**	:	Ringgit Malaysia and sen respectively
Sale Shares	:	A total of 298,145,977 Movon Shares, representing the entire issued Movon Shares, to be sold by the Vendors to Milux pursuant to the Proposed Acquisition
SC	:	Securities Commission Malaysia
Second Tranche Pledged Shares	:	An aggregate of 22,058,824 Pledged Shares to be released to the Guarantors pursuant to the terms of the SSA
Selected Comparable Companies	:	The companies listed on Bursa Securities that are (i) principally involved in the manufacturing, trading and distribution of electrical home appliances, with at least 80% of total revenue being generated from such business; (ii) sale of electrical home appliances under their own proprietary brands; and (iii) recorded profits in the trailing 12-months prior to the valuation date as listed in **Section 2.5** of Part A of this Circular which were selected by the Valuer for the purpose of the P/E Multiple method of the valuation
Settlement Movon Shares	:	An aggregate of 41,479,310 new Movon Shares (comprising 21,479,310 new Movon Shares at an issue price of RM0.58 per Movon Share and 20,000,000 new Movon Shares at an issue price of RM1.00 per Movon Share) to be allotted and issued to ASSB pursuant to the Proposed Capitalisation prior to the completion of the Proposed Acquisition, which shall form part of the Sale Shares
Share Issue Price	:	The issue price of RM0.68 per Consideration Share
Share Registrar	:	Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
Shareholders	:	Shareholders of Milux
Shortfall	:	The amount equivalent to the difference between the Audited Aggregate PAT and the Total Guaranteed Profit, which shall be payable by the Guarantors to Milux in cash pursuant to the terms of the SSA
SSA	:	Conditional share sale agreement between Milux, the Vendors, Movon and the ASSB's Nominated Parties for the Proposed Acquisition dated 13 July 2026
Stakeholder Agreement	:	The stakeholders' agreement to be entered into between the Trustee, the Company and the Guarantors pursuant to the SSA

TA Securities or **Independent Adviser**	:	TA Securities Holdings Berhad (Registration No. 197301001467 (14948-M))
Total Guaranteed Profit	:	A minimum Audited Aggregate PAT of RM23.0 million, being the amount of minimum Audited Aggregate PAT to be achieved by the Movon Group for the Guaranteed Periods as part of the Profit Guarantee provided by the Guarantors
TPSB	:	Theta Property Sdn Bhd (Registration No. 202301013303 (1507225-U))
Trustee	:	A trust company in Malaysia to be appointed by the Company and the Guarantors at any time prior to the Unconditional Date
TYS	:	Tan Yee Soon
Unconditional Date	:	The relevant date upon which the SSA becomes unconditional
USD	:	United States Dollar
Valuation Letter	:	Valuation letter on the entire equity interest in Movon dated 10 July 2026 prepared by MainStreet
Valuation Range	:	The fair value of the entire equity interest in Movon of between RM140.0 million to RM171.4 million as appraised by the Valuer
Vendors	:	Collectively, ASSB and Datuk Lim
VWAP	:	Volume weighted average price

References to "**Company**", "**we**", "**us**" and "**our**" in this Circular are to the Company. References to the "**Group**" in this Circular are to the Company and its subsidiaries. All references to "**you**" and "**your**" in this Circular are to the Shareholders.

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

Any reference in this Circular to any statutes, rules, regulations, enactments, rules of the stock exchange or guidelines is a reference to such statutes, rules, regulations, enactments, rules of the stock exchange or guidelines currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the time of day and date in this Circular are references to Malaysian time of day and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates, indications and assumptions made by the Milux Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements.

In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Milux's plans and objectives will be achieved.

CONTENTS

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSED ACQUISITION AS SET OUT IN PART A OF THIS CIRCULAR. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR, AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED ACQUISITION BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

No.	Key Information	Summary	Reference to Part A of this Circular
1.	**Details of the Proposed Acquisition**	The Proposed Acquisition entails the acquisition of 298,145,977 Movon Shares, representing the entire issued Movon Shares, by Milux from the Vendors for the Purchase Consideration to be satisfied entirely by Milux via the allotment and issuance of the Consideration Shares at the Share Issue Price. Pursuant to the Profit Guarantee, the Guarantors irrevocably and unconditionally guarantee, jointly and severally to Milux that the Movon Group shall achieve the following: (a) an audited PAT of not less than RM8.0 million for the 1st Guaranteed Period; (b) an audited PAT of not less than RM15.0 million for the 2nd Guaranteed Period; and (c) a minimum Audited Aggregate PAT of RM23.0 million for the Guaranteed Periods, on a combined basis. The Pledged Shares will be deposited in the securities account maintained by the Trustee as security in respect of the Profit Guarantee.	Sections 2.1 and 2.6

No.	Key Information	Summary	Reference to Part A of this Circular
2.	**Basis and justification for the Purchase Consideration**	The Purchase Consideration was arrived at on a willing buyer-willing seller basis, after taking into consideration, inter-alia, the following: (i) the fair value of the entire equity interest in Movon as appraised by the Valuer of between RM140.0 million to RM171.4 million as set out in the Valuation Letter; and (ii) the Profit Guarantee. The Purchase Consideration translates into an implied P/E Multiple of 13.04 times (being the Purchase Consideration of RM150.0 million divided by the average profit guarantee of RM11.5 million per annum).	Section 2.5
3.	**Rationale and benefits of the Proposed Acquisition**	(i) The Proposed Acquisition is aligned with the Milux Group's strategy to strengthen its position in the home appliances and household products segment by offering a more comprehensive range of products and services; (ii) The Proposed Acquisition will enable Milux to expand its distribution channel with immediate access to Movon's direct selling and distribution network which is supported by nationwide registered sales agents; (iii) The Proposed Acquisition will enable the Company to tap into Movon's more established and proven R2O infrastructure which offers greater payment flexibility to customers (as compared to traditional outright sales), wherein it involves lower upfront costs; (iv) The Proposed Acquisition will enable Milux to leverage on Movon's existing R2O ecosystem and established sales force, together with their operational experience and know-how, without having to develop such capabilities from ground up as well as Movon's existing digitalised R2O end to end platform which covers the entire customer lifecycle; (v) The Proposed Acquisition is expected to strengthen the enlarged Milux Group's market coverage within the home appliances segment, customer access as well as enabling the enlarged Milux Group in penetrating new target markets which include households with limited income and consumers that are tech-savvy; and (vi) The Movon Group is an operating business with an established revenue base, and the consolidation of its financial results is expected to enhance the earnings base of the enlarged Milux Group going forward.	Section 3

No.	Key Information	Summary	Reference to Part A of this Circular
4.	**Risk factors**	The Proposed Acquisition is not expected to materially change the risk profile of the enlarged Milux Group as the Milux Group is already involved in the rental and retail of home appliances and household products. However, there are additional risks that may arise from or associated with the Proposed Acquisition, as follows: (a) Non-completion risk The completion of the Proposed Acquisition is subject to, among others, the fulfilment of the Conditions Precedent and the performance by the relevant parties of their respective obligations within the stipulated timeframe as set out in the SSA. (b) Investment risk There can be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Milux Group will be able to generate sufficient returns to offset the cost of investment. (c) Achievability of the Profit Guarantee The Profit Guarantee is based on various bases and assumptions which are deemed reasonable and realistic by Milux Board (save for the Interested Director), but nevertheless is subject to uncertainties and contingencies, which are beyond Movon's control. There can be no assurance that the Profit Guarantee will be met. (d) Integration risk The Proposed Acquisition may potentially expose the Milux Group to various risks, including challenges associated with integrating new operations with differing business models, aligning management teams as well as visions and business processes.	Section 5
5.	**Conditionality of the Proposed Acquisition**	The Proposed Acquisition is not conditional upon any other corporate exercise/scheme of the Company.	Section 9

No.	Key Information	Summary	Reference to Part A of this Circular
6.	**Directors' statement and recommendation**	The Milux Board (save for the Interested Director), having considered and deliberated on all aspects of the Proposed Acquisition, including the salient terms of the SSA, basis and justification for the Purchase Consideration and the Share Issue Price, rationale, benefits and effects of the Proposed Acquisition, as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Acquisition is in the best interest of the Company. Accordingly, the Milux Board (save for the Interested Director) recommends that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.	Section 13
7.	**Approvals/ Consents required**	The Proposed Acquisition is subject to the following approvals being obtained: (i) Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities. Bursa Securities' approval was obtained vide its letter dated 20 August 2026 and subject to the conditions as set out in **Section 8** of Part A of this Circular; (ii) non-interested Shareholders at the forthcoming EGM; and (iii) any other relevant authorities and/or parties, if applicable.	Section 8

PART A

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITION

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

Registered Office
No. D-09-02, Level 9, EXSIM Tower
Millerz Square @ Old Klang Road, Megan Legasi
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

7 September 2026

Board of Directors
Datin Yap Shin Siang (*Independent Non-Executive Chairman*)
Tan Chee How (*Executive Director*)
Mak Wai Hoong (*Non-Independent Non-Executive Director*)
Ng Wei Wei (*Independent Non-Executive Director*)

To: The Shareholders

Dear Sir/Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On 13 July 2026, Maybank IB had, on behalf of the Milux Board, announced that the Company had on even date entered into the SSA with the Vendors, Movon and the ASSB's Nominated Parties for the Proposed Acquisition.

In view of the interest of the Interested Director and the Interested Major Shareholders in the Proposed Acquisition, the Proposed Acquisition is a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, the Milux Board had, on 6 April 2026, appointed TA Securities to act as the independent adviser to advise the non-interested Directors and non-interested Shareholders in respect of the Proposed Acquisition. The IAL is set out in Part B of this Circular.

On 21 August 2026, Maybank IB had, on behalf of the Milux Board, announced that Bursa Securities had, vide its letter dated 20 August 2026, granted its approval for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in **Section 8** of Part A of this Circular.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION, TO SET OUT THE VIEWS AND RECOMMENDATION OF THE MILUX BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM FOR THE EGM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR, BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the Proposed Acquisition

The Proposed Acquisition entails the acquisition of 298,145,977 Movon Shares, representing the entire issued Movon Shares, by Milux from the Vendors for the Purchase Consideration to be satisfied entirely by Milux via the allotment and issuance of the Consideration Shares at the Share Issue Price, as follows:

(a) 186,764,705 new Milux Shares shall be issued to the Vendors and/or their nominees (including the ASSB's Nominated Parties) on the Completion Date; and

(b) the Pledged Shares will be deposited in the securities account maintained by the Trustee to be held as security for the performance of the obligations of the Guarantors in respect of the Profit Guarantee in accordance with the terms of the SSA and the Stakeholder Agreement.

The Sale Shares will be acquired free from all claims, liens, charges and encumbrances and with full legal and beneficial title, together with all rights attaching thereto (including all dividends and distributions, whether declared or undeclared, in respect thereof) with effect from the Completion Date, in accordance with the terms and conditions of the SSA.

Subject to the obligations of the Guarantors with respect to the Profit Guarantee under the SSA, the Guarantors shall remain the beneficial owners of the Pledged Shares which shall be deposited in the securities account operated by the Trustee and the Pledged Shares will be released to the Guarantors in the manner stipulated in **Section 2.6** of Part A of this Circular.

Upon completion of the Proposed Acquisition, Movon will become a wholly-owned subsidiary of the Company.

The salient terms of the SSA are set out in **Appendix I** of this Circular.

2.2 Information on Movon

Movon was incorporated on 28 May 2021 as a private limited company in Malaysia under the Act and commenced its business operations on 24 August 2021.

As at the LPD, the total issued share capital of Movon is RM35,999,600 comprising 256,666,667 Movon Shares and 20,000,000 RCPS – Movon. Save for the outstanding 20,000,000 RCPS – Movon held by Movon Angel, Movon does not have any other outstanding convertible securities.

In accordance with the terms of the SSA, Movon will undertake the Proposed Capitalisation and upon completion of the Proposed Capitalisation, the issued ordinary share capital of Movon will be as follows:

	No. of Movon Shares	**Ordinary share capital (RM)**
As at the LPD	256,666,667	15,999,600
To be issued pursuant to the Proposed Capitalisation*(1)*	41,479,310	32,458,000
After the Proposed Capitalisation	**298,145,977**	**48,457,600**

Note:

(1) Prior to the date of the SSA, ASSB has extended the ASSB Advances to Movon. Pursuant to the terms of the SSA, the Capitalisation Amount as well as the Movon Debt shall be settled by way of capitalisation into an aggregate of 41,479,310 new Movon Shares to be allotted and issued by Movon to ASSB prior to the completion of the Proposed Acquisition. The Settlement Movon Shares will form part of the Sale Shares.

For information purposes, the entire RCPS – Movon will be converted into new ASSB OS prior to the completion of the Proposed Acquisition in the manner stipulated under Note (iii) of **Section 2.4** of Part A of this Circular.

As at the LPD, Movon has only 1 subsidiary, namely Ablerent Sdn Bhd and does not have any associated company.

Movon is mainly involved in the rental and retail of home appliances and household products under the "Movon" brand. Movon employs multi-channel distribution strategy to maximise market reach through retail outlets, sales agent network and targeted events such as home living exhibitions and family lifestyle expos.

Movon offers a comprehensive product line-up, which is broadly categorised into Movon Space and Movon Baby. Movon Space focuses on smart appliances such as washer and/or dryer, refrigerators, air conditioners and smart door locks as well as other home living products such as vacuum designed to enhance everyday comfort, convenience, and modern home living. Movon Baby focuses on premium high quality strollers and baby car seats.

Movon's revenue is primarily derived from the rental and outright sales of its products as well as the provision of aftersales maintenance and repair services. Under Movon's R2O model, customers are able to use the products by making periodic rental payments over the contract tenure, with ownership of the products transferred to the customers upon full settlement of the agreed rental payments. Alternatively, Movon customers may also opt for outright purchases by making full payment upfront.

The products sold under Movon Space and Movon Baby contributed approximately 94.0% and approximately 6.0% of the Movon Group's revenue, respectively, for the FYE 31 December 2025.

As at the LPD, the directors of Movon are MWH, Mak Foong Lan and Tay Jie Yun, all of whom are Malaysian.

Further information of the Movon Group is set out in **Appendix II** of this Circular.

2.3 Information on the Vendors

(i) ASSB

ASSB was incorporated on 1 July 2019 as a private limited company in Malaysia under the Act.

ASSB is principally involved in the advertising and media services (including media planning and buying), event management, and e-commerce (including marketplace operations), and information technology solutions and trading or retailing of a wide range of consumer products (including electronic home appliances, baby and children's products and mother care products) via retail and online channels.

As at the LPD, the total issued share capital of ASSB is RM96,708,859 comprising 305,088,031 ASSB OS and 10,907,500 RCPS – ASSB.

As at the LPD, the ordinary shareholders of ASSB and their respective direct shareholding of ASSB OS are as follows:

		Direct	
	Nationality/ Place of incorporation	**No. of ASSB OS**	**%**
TPSB[(i)]	Malaysia	149,999,999	49.2
LAH	Malaysian	48,099,160	15.8
LAK	Malaysian	48,099,160	15.8
Proven Venture Capital PLT	Malaysia	32,450,000	10.6
TYS	Malaysian	11,577,632	3.8
KPS	Malaysian	14,862,080	4.8
Total		**305,088,031**	**100.0**

Note:

(i) TPSB is 50.0% owned directly by LAH and 50.0% owned directly by LAK.

As at the LPD, save for the outstanding 10,907,500 RCPS – ASSB, ASSB does not have any outstanding convertible securities. The holders of the RCPS – ASSB and their respective holding of RCPS – ASSB as at the LPD are as follows:

		Direct	
	Nationality / Place of Incorporation	**No. of RCPS – ASSB**	**%**
Angel One	Malaysia	9,000,000	82.5
Angel Two	Malaysia	907,500	8.3
TYS	Malaysian	1,000,000	9.2
Total		**10,907,500**	**100.0**

As at the LPD, the directors of ASSB are Tan Yu Liang and MWH, both of whom are Malaysian.

(ii) Datuk Lim

Datuk Lim, Malaysian, aged 52, is a major shareholder and Group Managing Director of Nestcon Berhad, which is listed on the ACE Market of Bursa Securities.

2.4 Mode of settlement for the Purchase Consideration

The Purchase Consideration is to be satisfied entirely via the allotment and issuance of the Consideration Shares at the Share Issue Price in the manner as set out below:

	No of Sale Shares to be acquired	%	No of Consideration Shares	Amount (RM)
ASSB	272,479,310	91.4	201,598,327	137,086,862
Datuk Lim	25,666,667	8.6	18,989,908	12,913,138
Total	**298,145,977**	**100.0**	**220,588,235**	**150,000,000**

Pursuant to the terms of the SSA, ASSB had nominated the following parties (being existing ordinary shareholders of ASSB as well as new ordinary shareholders of ASSB arising from the RCPS Conversion under the terms of the SSA) to receive and accept in entirety its portion of the Consideration Shares ("**Nomination**") as follows:

		Direct	
	Note	**No. of Consideration Shares**	**%**
TPSB	(i)	90,000,450	44.6
LAH	(i)	28,859,640	14.3
LAK	(i)	28,859,640	14.3
Proven Venture Capital PLT	(i)	19,470,097	9.7
TYS	(i) / (ii)	7,546,617	3.7
KPS	(i)	8,917,292	4.4
Angel One	(ii)	5,400,027	2.7
Angel Two	(ii)	544,503	0.3
Movon Angel	(iii)	12,000,061	6.0
Total		**201,598,327**	**100.0**

Notes:

(i) Being the ordinary shareholders of ASSB as at the LPD.

For information purposes, the shareholdings of the shareholders of ASSB following the conversion of all of the RCPS – ASSB and RCPS – Movon into ASSB OS, are as follows :-

	No. of ASSB OS	***%***
TPSB	*149,999,999*	*44.6*
LAH	*48,099,160*	*14.3*
LAK	*48,099,160*	*14.3*
Proven Venture Capital PLT	*32,450,000*	*9.7*
TYS	*12,577,632*	*3.7*
KPS	*14,862,080*	*4.4*
Angel One	*9,000,000*	*2.7*
Angel Two	*907,500*	*0.3*
Movon Angel	*20,000,000*	*6.0*
Total	***335,995,531***	***100.0***

(ii) *As at the LPD, Angel One, Angel Two and TYS are the existing holders of RCPS – ASSB. Both Angel One and Angel Two are limited liability partnerships which were registered under the LLP Act on 23 August 2021, as the investment holding vehicles which were established to invest and hold RCPS – ASSB in ASSB on behalf of their respective Investor Partners in proportion to their respective capital contributions/investments in ASSB pursuant to the terms of the Angel One Partnership Agreement and the Angel Two Partnership Agreement respectively.*

For information purposes, Angel One was established to facilitate investment in ASSB through an equity crowdfunding exercise conducted via an equity crowdfunding platform operated by Mystartr Sdn Bhd which is approved by and registered with the SC, with the Angel One Investor Partners comprising the participating crowdfunders. Angel Two was established to facilitate investment in ASSB pursuant to a private equity fundraising exercise undertaken by ASSB.

As at the LPD, Angel One and Angel Two have 271 and 7 Investor Partners respectively.

Pursuant to the RCPS – ASSB Terms, the RCPS – ASSB (either in whole or in part) may, at the sole option of ASSB, being the issuer of the RCPS – ASSB, be converted into new ASSB OS upon the occurrence of the RCPS – ASSB Conversion Trigger Event. As the execution of the SSA constitutes a RCPS – ASSB Conversion Trigger Event, ASSB undertakes to exercise its option to convert all of the RCPS – ASSB into new ASSB OS, which shall constitute as one of the Conditions Precedent under the SSA.

The RCPS – ASSB Conversion CP is conditional upon the approval of the Shareholders at the forthcoming EGM for the Proposed Acquisition being obtained/fulfilled. The RCPS – ASSB Conversion CP shall only be implemented after Milux has obtained the Shareholders' approval for the Proposed Acquisition.

Upon completion of the RCPS – ASSB into new ASSB OS in accordance with the RCPS – ASSB Terms, the ordinary shares in ASSB held by TYS will increase and Angel One and Angel Two will become new ordinary shareholders of ASSB and are entitled to the Consideration Shares in proportion to their respective shareholdings in ASSB by way of the Nomination. Angel One and Angel Two will in turn nominate the Angel One Investor Partners and Angel Two Investor Partners who/which have invested in the RCPS – ASSB through them and as identified in accordance with the terms of the SSA, to receive and accept the Consideration Shares in proportion to their respective Partnership Units held in Angel One and Angel Two respectively pursuant to the provisions of the Angel One Partnership Agreement and the Angel Two Partnership Agreement respectively.

(iii) *As at the LPD, Movon Angel is the holder of RCPS – Movon. Movon Angel is a limited liability partnership which was registered under the LLP Act on 6 December 2023, as the investment holding vehicle which was established to invest and hold shares in Movon on behalf of the Movon Angel Investor Partners in proportion to their respective capital contributions/investments in Movon pursuant to the terms of the Movon Partnership Agreement.*

For information purposes, Movon Angel was established to facilitate investment in Movon through an equity crowdfunding exercise conducted via an equity crowdfunding platform operated by Mystartr Sdn Bhd which is approved by and registered with the SC, with the Movon Angel Investor Partners comprising the participating crowdfunders.

As at the LPD, Movon Angel has 245 Movon Angel Investor Partners.

Pursuant to the RCPS – Movon Terms, the RCPS – Movon (either in whole or in part) may, at the sole option of Movon, being the issuer of the RCPS – Movon, be converted into new ASSB OS upon the occurrence of the RCPS – Movon Conversion Trigger Event. As the execution of the SSA constitutes a RCPS – Movon Conversion Trigger Event, Movon undertakes to exercise its option to convert all of the RCPS – Movon into new ASSB OS, which shall constitute as one of the Conditions Precedent under the SSA.

The RCPS – Movon Conversion CP is conditional upon the approval of the Shareholders at the forthcoming EGM for the Proposed Acquisition being obtained/fulfilled. The RCPS – Movon Conversion CP shall only be implemented after Milux has obtained the Shareholders' approval for the Proposed Acquisition.

Upon the completion of the conversion of the RCPS – Movon into new ASSB OS in accordance with the RCPS – Movon Terms, Movon Angel will become the new ordinary shareholder of ASSB and is entitled to the Consideration Shares in proportion to its shareholdings in ASSB by way of the Nomination. Movon Angel will in turn nominate the Movon Angel Investor Partners who/which have invested in the RCPS – Movon through it and as identified in accordance with the terms of the SSA, to receive and accept the Consideration Shares in proportion to their respective Partnership Units held in Movon Angel pursuant to the provisions of the Movon Angel Partnership Agreement.

The Movon Debt, being an amount owing from Movon to ASSB of RM20.0 million will arise from the completion of the conversion of the RCPS – Movon into new ASSB OS for the RCPS – Movon Conversion CP. As part of the terms of the SSA, the Movon Debt will be capitalised into new 20,000,000 Movon Shares at an issue price of RM1.00 per Movon Share and such Movon Shares shall form part of the Sale Shares.

For the avoidance of doubt, the Consideration Shares will be issued concurrently to the ASSB's Nominated Parties and Datuk Lim on the Completion Date.

2.5 Basis and justification for the Purchase Consideration

The Purchase Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, inter-alia, the following:

(i) the fair value of the entire equity interest in Movon as appraised by MainStreet, the Valuer appointed by the Milux Board of between RM140.0 million to RM171.4 million as set out in the Valuation Letter. MainStreet adopted the income approach using the DCF valuation methodology as the primary method of valuation, which takes into consideration both the time value of money and the cashflow of Movon over the Projection Period. The Purchase Consideration falls within the Valuation Range.

The DCF valuation methodology was considered the most appropriate as Movon's R2O business model provides visibility of future cash flows. On average, the R2O contract generates consistent cash flows over a contract period of 4 years, providing a reasonable basis for projecting Movon's future cash flows over the Projection Period. Further, there is ample historical financial data of the Movon Group encompassing the financial information since FYE 31 December 2023.

Under the DCF method, the projected cashflow of Movon for the Projection Period is discounted at a specified discount rate to arrive at its net present value. A terminal value based on the maintainable cashflows with reference to the recent historical and immediate forecast cashflows after taking into account the inherent risks associated with achieving the estimated growth over the long-term horizon was then applied accordingly.

In arriving at the Valuation Range, MainStreet has taken into consideration, inter-alia:

(a) The Movon Group's revenue is expected to grow at a CAGR of 26.1% during the Projection Period. For the avoidance of doubt, the CAGR was derived after taking into consideration the expectations of the management of Movon and analyses of historical sales trends.

The revenue growth assumption is premised on, inter-alia, the following:

(aa) monthly average sales of approximately 7,333 units for the FYE 31 December 2030 as compared to approximately 3,500 units for the FYE 31 December 2026;

(bb) an average total number of successful applications (excluding rejected and/or cancelled applications) ("**Successful Applications**") under its R2O scheme of 2,357 Successful Applications per month during the FYE 31 December 2025 to 3,466 Successful Applications per month during the 6-month FPE 30 June 2026 representing a growth rate of 47.0%;

(cc) the Movon Group's continued planned expansion of its product portfolio across multiple categories of home and lifestyle appliances, targeting at least two new appliances per year (excluding any upgrades on existing product categories) throughout the Projection Period; and

(dd) the estimated blended average selling price across all its products of RM5,210 throughout the Projection Period is derived based on the actual blended selling price of all its products of RM5,196 for the FYE 31 December 2025;

(b) cost of sales as a percentage of outright sales and rental contract of the Movon Group is expected to increase from approximately 78% for the FYE 31 December 2026 to 83% for the FYE 31 December 2030. Cost of sales mainly comprise product costs as well as agent commissions, and was derived after taking into consideration the following:

(aa) product margin and agent commission rates during the Projection Period are expected to be consistent with the FYE 31 December 2025 and total amount of agent commission are expected to increase from 18% of the value of outright sales and rental contract for the FYE 31 December 2026 to 22% for the FYE 31 December 2030;

(bb) in line with the increase in sales, warranty and servicing expenses are also expected to increase from 2.4% of the value of outright sales and rental contract for the FYE 31 December 2026 to 4.4% for the FYE 31 December 2030;

(cc) installation costs are estimated at approximately 6.5% of the value of outright sales and rental contract for the FYE 31 December 2026 and the FYE 31 December 2027, in line with the FYE 31 December 2025, and reducing to 5.5% from the FYE 31 December 2028 onwards as the Movon Group's new product lines require lesser installation; and

(dd) warehousing and product handling costs to approximate 2.5% of the value of outright sales and rental contract for the FYE 31 December 2026 and the FYE 31 December 2027, which is higher than the FYE 31 December 2025, and reducing to 2.0% from the FYE 31 December 2028 onwards;

(c) bad debt is estimated at approximately 10% over total billings. The assumed bad debt rate is conservatively set above historical level;

(d) operating costs to be incurred by the Movon Group during the Projection Period are expected to be proportionate to the revenue generated in each respective financial year and mainly comprises staff costs, rental as well as marketing costs;

(e) there are no significant capital expenditures expected to be incurred over the Projection Period;

(f) the Movon Group is expected to require incremental financing facilities of between RM85.0 million to RM220.0 million during the Projection Period.

Notwithstanding the projected increase in borrowings, Movon's gearing ratio is expected to remain within the financial covenants imposed by its financiers throughout the Projection Period.

The increase in borrowings is attributable to the nature of Movon's R2O business model, whereby upfront capital is required for inventory procurement while cash inflows are received progressively over contractual tenures of the R2O contracts of approximately 3 to 5 years;

(g) risk-free rate of 3.5% based on the yield of 10-year Malaysian Government Securities;

(h) expected market return of 9.5% based on the risk free rate of 3.5% and equity risk premium of 6.0% (based on Aswath Damodaran's estimates); and

(i) beta of 1.0 calculated based on 5-year historical beta of the average unlevered beta of the Selected Comparable Companies; and

(ii) the Profit Guarantee as detailed in **Section 2.6** of Part A of this Circular. The Purchase Consideration translates into an implied P/E Multiple of 13.04 times (being the Purchase Consideration divided by the average profit guarantee of RM11.5 million per annum).

The Milux Board (save for the Interested Director) is of the view that the Purchase Consideration is justifiable after taking into consideration the following:

(a) the Purchase Consideration falls within the Valuation Range;

(b) the P/E Multiple of 13.04 times represented by the Purchase Consideration is lower than the average P/E Multiple of the Selected Comparable Companies of 13.74 times and is within the range of the P/E Multiple of the Selected Comparable Companies of between 11.20 times to 16.28 times.

The P/E Multiple method takes into consideration the Selected Comparable Companies as follows:

Name of company	**Country of listing**	**Principal activities**	**P/E Multiple[(i)]**
Khind Holdings Berhad	Malaysia	Manufacture and sale of electrical home appliances and wiring accessories, manufacture and assembly of wire harness and power supply cords, and wholesale, distribution and trading in electrical products	**11.20**
Panasonic Manufacturing Malaysia Berhad	Malaysia	Manufacture and sale of electrical home appliances and related components	**16.28**
		Average	**13.74**
		Range	**11.20 – 16.28**

Note:

(i) Based on a 5-year P/E Multiple of the Selected Comparable Companies (excluding outliers) and computed based on the information extracted from Speeda and publicly available financial statements of the Selected Comparable Companies.

Nevertheless, the Selected Comparable Companies are not an exhaustive list and also may not necessarily be directly comparable to Movon in terms of its composition of business activities, geographical area, scale of operations, track record, financial performance, risk profile, future prospects and other criteria;

(c) rationale and benefits of the Proposed Acquisition as set out in **Section 3** of Part A of this Circular; and

(d) prospects of the Movon Group as set out in **Section 4** of Part A of this Circular.

2.6 Profit Guarantee

In consideration of Milux acquiring the Sale Shares, the Guarantors irrevocably and unconditionally guarantee, jointly and severally to Milux that the Movon Group shall achieve the Profit Guarantee in the following manner:

(i) an audited PAT of not less than RM8.0 million for the 1st Guaranteed Period;

(ii) an audited PAT of not less than RM15.0 million for the 2nd Guaranteed Period; and

(iii) a minimum Audited Aggregate PAT of not less than RM23.0 million for the Guaranteed Periods, on a combined basis.

For the avoidance of doubt, in the event the Movon Group achieves an Audited Aggregate PAT that is higher than the Profit Guarantee during the Guaranteed Periods, the maximum amount payable to the Vendors via the allotment and issuance of the Consideration Shares shall remain unchanged at 220,588,235 Milux Shares, which is equivalent to RM150.0 million.

The salient features of the mechanism of the Profit Guarantee are as follows:

(A) In respect of the 1st Guaranteed Period

(a) In the event that the audited PAT of the Movon Group for the 1st Guaranteed Period is equivalent to or exceeds the 1st Guaranteed Profit, the Trustee shall be authorised to release and transfer to the Guarantors the First Tranche Pledged Shares together with any Additional Securities and Dividends & Distributions.

For avoidance of doubt, in the event the audited PAT of the Movon Group for the 1st Guaranteed Period exceeds the 1st Guaranteed Profit, the Trustee is only authorised to release the First Tranche Pledged Shares to the Guarantors;

(b) In the event that the audited PAT of the Movon Group is below the 1st Guaranteed Profit or the Movon Group records an audited LAT during the 1st Guaranteed Period, there will not be any release of the First Tranche Pledged Shares to the Guarantors. Such amount of audited PAT or audited LAT shall be carried forward to the 2nd Guaranteed Period for the purpose of calculating the Total Guaranteed Profit for the Guaranteed Periods; and

(c) The Excess Year 1 Profit shall be carried forward to the 2nd Guaranteed Period for the purpose of calculating the Total Guaranteed Profit for the Guaranteed Periods.

(B) In respect of the 2nd Guaranteed Period

If the Audited Aggregate PAT is equivalent to or exceeds the Total Guaranteed Profit, the Trustee shall be authorised to release and transfer to the Guarantors the First Tranche Pledged Shares (if it was not earlier released) pursuant to Section 2.6(A) above and the Second Tranche Pledged Shares together with Additional Securities and Dividends & Distributions.

In the event that the Audited Aggregate PAT is less than the Total Guaranteed Profit for the Guaranteed Periods, the Guarantors shall jointly and/or severally, upon receipt of a notice in writing issued by the Company ("**Shortfall Claim Notice**"), pay the Company the Shortfall in cash within 14 days from the date of the Shortfall Claim Notice. In the event of an aggregate LAT position being achieved by the Movon Group for the Guaranteed Periods, the amount of LAT will accordingly be added to the amount payable by the Guarantors as Shortfall which is to be made good by the Guarantors.

For illustrative purposes, the Shortfall shall be computed in accordance with the following formula:

A = B - C

where:

"A" is the Shortfall to be paid by the Guarantors to the Company;

"B" is the Total Guaranteed Profit; and

"C" is the Audited Aggregate PAT or the LAT achieved for the Guaranteed Periods (as the case may be).

For the avoidance of doubt, in the event of a LAT, "C" will be represented as a negative sum and accordingly the amount of the LAT shall be added to the Shortfall.

Should the Guarantors jointly and/or severally fail to pay the Shortfall within 14 days from the date of the Shortfall Claim Notice, the Company is entitled (but not obliged) to give notice in writing to the Trustee of the breach by Guarantors and the Trustee shall dispose such number of Pledged Shares (including Dividends & Distributions, if such Dividends & Distributions are in the form of Milux Shares or other securities issued by the Company, and Additional Securities) that is equivalent in value to the Amount Due whereby any remaining Pledged Shares after the settlement of the Amount Due shall be released to the Guarantors.

Conversely, any further shortfall (following the Disposal of Pledged Shares) shall be payable in cash by the Guarantors to the Company within 14 days from the date of demand in writing by the Company, failing which the Guarantors shall be liable for liquidated damages on the Cash Top-Up at the rate of 10.0% per annum calculated on a daily basis, commencing from the day falling immediately after the lapse of the aforesaid period of 14 days until the date on which full payment is made towards the satisfaction of the Cash Top-Up to the Company.

For illustrative purposes:

(i) in the event the Shortfall is settled via the proceeds from the disposal of the Pledged Shares, the number of the Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be computed in accordance with the following formula:

$$Y = W - Z - Q$$

where:

"Y" is the number of Pledged Shares to be released to the Guarantors;

"W" is the total number of Pledged Shares pursuant to the Profit Guarantee (i.e., 33,823,530 Pledged Shares);

"Z" is the number of First Tranche Pledged Shares released; and

"Q" is the number of Pledged Shares disposed to meet the Shortfall, which is computed in accordance with the following formula:

$$Q = \left(\frac{\text{Shortfall}}{\text{MP}}\right)$$

where:

"MP" is the market price of the disposed Pledged Shares; and provided always that "Q" shall not exceed the Remaining Pledged Shares and in the event that Q exceeds the Remaining Pledged Shares, a Cash Top-Up is required.

(ii) the Cash Top-Up shall be computed in accordance with the following formula:

$$A = R - S$$

where:

"A" is the amount of Cash Top-Up;

"R" is the amount of Amount Due; and

"S" is the amount of the proceeds received from the disposal of the Remaining Pledged Shares (Q x MP).

The Milux Board (save for the Interested Director) is of the opinion that the Profit Guarantee is reasonable and realistic after taking into consideration the following:

(i) the audited PAT of the Movon Group for the FYE 31 December 2025 of RM 2.498 million as well as the unaudited PAT of the Movon Group of RM3.726 million for the 6 months FPE 30 June 2026, representing an increase of RM2.68 million or approximately 256.0% from the same period last year. During the 6 months FPE 30 June 2026, the Movon Group had also managed to improve its PAT margin from 2.70% in the FYE 31 December 2025 to 5.03% for the FPE 30 June 2026, largely due to cost management initiatives undertaken by the management of the Movon Group.

(ii) the Movon Group which predominantly offers R2O products has seen significant growth in applicants for rental contracts, averaging 1,126 successful applicants per month for the FYE 31 December 2024 to 2,357 successful applicants for the FYE 31 December 2025 and 3,466 successful applicants during the 6-months FPE 30 June 2026. Given the encouraging growth rate of approximately 47.0% in successful applicants, the management of Milux is optimistic about the achievability of the Total Guaranteed Profit;

(iii) Movon's ability to scale up its operations during the Guaranteed Periods by leveraging on the additional financing obtained in the FYE 31 December 2026 whereby the Movon Group managed to drawdown a total of RM89.9 million of borrowings up to the FPE 30 June 2026 (as compared to RM6.5 million for the same period last year) to fulfil growing customer demand that were previously limited by working capital constraints;

(iv) Movon has a dynamic product portfolio management where it regularly introduces new products (including existing products with enhanced features and/or upgraded version) while systematically phasing out older ones. The Movon Group had, in the FYE 31 December 2025 introduced 3 new products and is expected to introduce an additional 3 and 2 products in the FYE 31 December 2026 and FYE 31 December 2027 respectively. Such new products are expected to expand the Movon Group's revenue and customer base and likewise, improve its overall financial performance during the Guaranteed Periods; and

(v) Overview and outlook of the home appliances market in Malaysia, which currently stands at RM9.2 billion in 2025 and forecasted to grow to RM12.0 billion in 2030. The growth of e-commerce, with gross merchandise value forecasted to increase from RM85.6 billion in 2025 to approximately RM124.1 billion by 2030, further underpinning the expansion of the home appliances market in Malaysia.

The other details of the Profit Guarantee are set out in **Appendix I** of this Circular.

2.7 Basis and justification for the Share Issue Price

The Share Issue Price was arrived at a 'willing buyer-willing seller' basis after taking into consideration the closing price and the 5-day VWAP of Milux Shares up to and including the LTD prior to the execution of the SSA, as follows:

		Premium/(Discount)	
	RM	**RM**	**%**
Closing price as at the LTD	0.6950	(0.0150)	(2.1583)
5-day VWAP of Milux Shares up to and including the LTD	0.6884	(0.0084)	(1.2202)

(Source: Bloomberg)

The Milux Board (save for the Interested Director) is of the view that the Share Issue Price is justifiable after taking into consideration that the Share Issue Price represents a discount of 1.2202% to the 5-day VWAP of Milux Shares up to and including the LTD of RM0.6884.

For information purposes, the Share Issue Price falls within the range of the historical closing prices of Milux Shares over the past 12 months up to and including the LPD of between RM0.390 and RM0.705.

As at the LPD, the dilution to the existing Shareholders arising from the issuance of the Consideration Shares is as follows:

	As at the LPD		After the Proposed Acquisition	
	No. of Milux Shares ('000)	[(i)]%	No. of Milux Shares ('000)	[(ii)]%
Number of Milux Shares held by the existing Shareholders	235,057	100.0	235,057	51.6

Notes:

(i) Based on the total number of 235,056,788 Milux Shares in issue.
(ii) Based on the enlarged number of 455,645,023 Milux Shares after the Proposed Acquisition.

As illustrated in the table above, the issuance of the Consideration Shares will result in a dilution of approximately 48.4% to the Shareholders.

2.8 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the then existing issued Milux Shares, save and except that the new Milux Shares shall not be entitled to any dividends, rights, benefits, entitlement, allotments and/or any other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Consideration Shares.

2.9 Listing and quotation of the Consideration Shares

Bursa Securities had, vide its letter dated 20 August 2026, granted its approval for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities.

2.10 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by Milux pursuant to the Proposed Acquisition.

2.11 Additional financial commitment

The Company does not expect to incur any additional material financial commitment to put the business of the Movon Group on-stream as the Movon Group is already in operations and generating revenue.

2.12 Public shareholding spread

Pursuant to Paragraph 8.02(1) of the Listing Requirements, the Company must ensure that at least 25.0% of the Company's total listed share, are in the hands of public shareholders.

As at the LPD, the public shareholding spread of Milux is approximately 25.8%. Upon completion of the Proposed Acquisition and the Nomination, the public shareholding spread of the Company will increase to approximately 29.2%, which is still in compliance with Paragraph 8.02(1) of the Listing Requirements.

2.13 Take-overs implication

As at the LPD, the controlling shareholder of Milux is ABS Capital which holds approximately 64.1% equity interest in the Company. The shareholders of ABS Capital are LAH, LAK and MWH.

Pursuant to the Proposed Acquisition and the Nomination, the equity interest of ABS Capital in Milux will be diluted to approximately 33.1% while its PACs (including LAH, LAK and TPSB (an investment vehicle that is jointly owned by LAH and LAK)) will hold in aggregate approximately 32.5% equity interest in Milux. Post the Proposed Acquisition and the Nomination, the collective shareholding of ABS Capital and the PACs will be approximately 65.6% and hence, there is no change in the controlling shareholder of Milux arising from the Proposed Acquisition and the Nomination.

Accordingly, ABS Capital and the PACs will not trigger any take-over offer obligation under the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC.

2.14 Original date and cost of investment by the Vendors

The cost of investment by the Vendors in Movon are as follows:

Vendor	Date of investment	No. of Movon Shares	Cost of investment (RM)
ASSB	28 May 2021	100 (subscriber's shares)	100.0
	23 December 2021	499,900	499,900.0
	1 September 2022	500,000	500,000.0
	12 July 2024	230,000,000	Nil(i)
	(ii)	21,479,310	12,458,000.0
	(ii)	20,000,000	20,000,000.0
	Total	**272,479,310**	**33,458,000.0**
Datuk Lim	7 July 2026	25,666,667	14,999,600.2

Notes:

(i) The 230,000,000 Movon Shares were allotted and issued to ASSB at no consideration as part of a bonus issue exercise undertaken by Movon.

(ii) Being the Settlement Movon Shares to be issued pursuant to the Proposed Capitalisation.

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is aligned with the Milux Group's strategy to strengthen its position in the home appliances and household products segment by offering a more comprehensive range of products and services. Milux predominantly offers traditional household appliances, with a focus on small kitchen appliances (i.e. blenders and toasters), gas appliances (gas hobs, cooker hoods and stoves) as well as home and electrical appliances (fans and irons) whereas Movon specialises in Internet-of-Things enabled smart home appliances i.e. smart washer and/or dryers, refrigerators and air conditioners. Movon also offers premium high-quality baby strollers and baby car seats.

At present, Milux relies on authorised dealer stores nationwide for product distribution which is complemented by a smaller presence on e-commerce platforms. The Proposed Acquisition will enable Milux to expand its distribution channel with immediate access to Movon's direct selling and distribution network which is supported by nationwide registered sales agents. Additionally, the Milux Group's revenue is currently generated predominantly via conventional outright sales where products are sold to the authorised dealers for onward retail sale to the end-customers with a smaller portion contributed by R2O schemes. The Proposed Acquisition will enable the Company to tap into Movon's more established and proven R2O infrastructure which offers greater payment flexibility to customers (as compared to traditional outright sales), where it involves lower upfront costs.

Milux acknowledges that establishing a comprehensive R2O agency network organically would require significant time and resources, including the recruitment, training and retention of an effective sales force supported by experienced sales leadership, as well as the development of the requisite information technology infrastructure to support the end-to-end R2O operations.

In this regard, the Proposed Acquisition will enable Milux to leverage on Movon's existing R2O ecosystem and established sales force, together with their operational experience and know-how, without having to develop such capabilities from the ground up. In addition, following the Proposed Acquisition, Milux will be able to also tap on Movon's existing digitalized R2O end-to-end platform which covers the entire customer lifecycle. This platform, which was developed in-house, enables Movon to manage its entire R2O programme including data collection, credit worthiness analysis, agent management (via an in-built agent commission scheme and live performance tracking) as well as provides real-time interaction with Movon's agents all across Malaysia resulting in faster processing and approval of consumer purchases, better post sales customer experience (including post-sales service and warranty claims) as well as better management of sales collections.

Following the Proposed Acquisition, the enlarged Milux Group will be able to offer greater product diversity, multi-channel distribution network as well as more innovative payment structures under Movon's more established R2O schemes. Hence, the Proposed Acquisition is expected to strengthen the enlarged Milux Group's market coverage within the home appliances segment, customer access as well as enabling the enlarged Milux Group in penetrating new target markets which include households with limited income and consumers that are tech-savvy.

In addition, Milux is also able to integrate its operations with the Movon Group, leveraging on their established billing, supply chain and inventory management, collections, customer credit processing and data analytics.

The Movon Group is an operating business with an established revenue base and the consolidation of its financial results is expected to enhance the earnings base of the enlarged Milux Group going forward.

Further, the allotment and issuance of the Consideration Shares will allow the Company to avoid any cash outlay, thereby preserving its cash reserves which can be used to finance the Milux Group's on-going and future operations. Based on its audited financial statements for the FYE 31 December 2025 and unaudited results for the 6-month FPE 30 June 2026, the Milux Group's cash, deposits and bank balances were RM8.3 million and RM10.8 million, respectively. In this respect, the Milux Group intends to utilise the existing cash balances to fund the on-going and future operations of the existing Milux Group.

4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy is estimated to have grown from 2020 to 2025 at a CAGR of 5.2%. There was a setback in 2020 with a recorded decline of 5.5% due to the initial political uncertainty at the beginning of the year and the economic impact of the COVID-19 pandemic. In 2021, the Malaysian economy rebounded by 3.3% and this positive trend continued into 2022 and 2023, with the easing of COVID-19 restrictions and strong trading activity, contributing to a higher average monthly household income.

The Malaysian economy demonstrated resilient growth in 2024, and subsequently in 2025, growing by 5.2%. This robust performance can be attributed to the continued strength of the domestic demand, which was driven by positive labour market conditions and income-related policy support. Subsequent to the escalation of Middle East tensions in February 2026, Bank Negara Malaysia maintained Malaysia's GDP growth forecast for 2026 at 4.0% to 5.0% and stated that the impact on Malaysia remains contained, with the outlook continuing to be supported by consumption, investment and exports. The Malaysian economy is supported by government initiatives such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Thirteenth Malaysia Plan. The Malaysian economy is forecasted to grow at a CAGR of 4.4% in the period from 2025 to 2030F.

The average monthly household income in Malaysia grew from RM7,901 in 2019 to RM9,155 in 2024 at a CAGR of 3.0%. With higher household income, consumers may seek to upgrade their lifestyles by renting or purchasing appliances that they previously could not afford.

Household expenditure in Malaysia grew in tandem with household income. From 2019 to 2024, the total average monthly household expenditure increased from RM4,609 to RM5,566 at a CAGR of 3.8%. In particular, the total average monthly household expenditure for furnishings, household equipment, and routine household maintenance increased from RM201 to RM259 at a CAGR of 5.2% during the same period.

The Malaysian population is estimated to have grown from 32.4 million in 2020 to 33.9 million in 2025, at a CAGR of 0.9%. It is forecasted that the population will further increase to 35.7 million by 2030F, growing at a CAGR of 1.0% from 2025. With the expectation of a larger Malaysian population, the home appliances market will also expand further due to the increased consumer base.

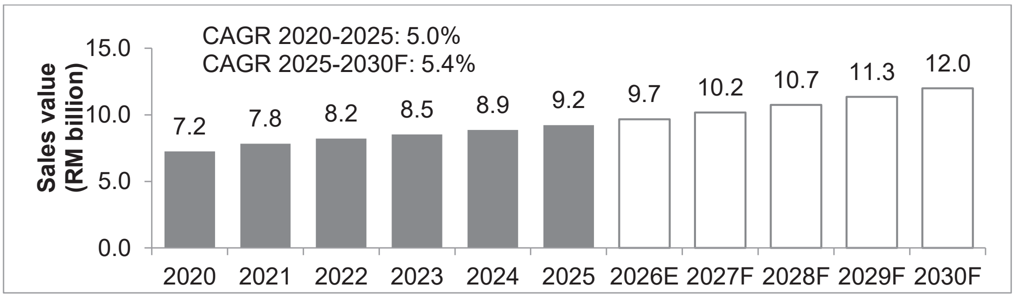
(*Source: Industry Overview)*

4.2 Overview and outlook of the home appliances market in Malaysia

The home appliances market in Malaysia is estimated to have grown from RM7.2 billion in 2020 to RM9.2 billion in 2025. The growth in 2021 was the strongest recorded during this period, driven by shifts in consumer lifestyles during the pandemic, which led to home appliances being regarded as essential items. As consumers spent more time at home, this resulted in increased usage, which may have contributed to greater wear and tear, therefore, needing replacements and upgrades. The market subsequently experienced more moderate growth as conditions normalised and demand stabilised following the surge during the pandemic period. Overall, the home appliances market in Malaysia can be characterised as a mature market with steady growth, supported by ongoing household formation and replacement demand.

Moving forward, the home appliances market in Malaysia is forecasted to grow at a CAGR of 5.4%, from RM9.2 billion in 2025 to a forecasted RM12.0 billion in 2030. New products with automated, multifunctional, internet-connected, and energy-efficient features continue to attract consumers. In addition, online platforms facilitate easier product comparisons and access to promotions, making purchases more convenient and supporting future market growth. The growth of e-commerce is particularly significant, with gross merchandise value forecasted to increase from RM85.6 billion (USD 20 billion) in 2025 to approximately RM124.1 billion (USD29 billion) by 2030, further underpinning the expansion of the home appliances market in Malaysia.

Market Size of the Home Appliances Market in Malaysia, 2020–2030F



Within the home appliances market, the segment corresponding to the R2O model (excluding revenue from after-sales maintenance services) is estimated at around 10.0% to 15.0%. This indicates potential for the rental model to expand within the home appliances market in the coming years. The R2O segment of home appliances is estimated to grow at a faster pace during the forecasted period from 2025 to a forecasted 2030 at a CAGR range of 8.0% to 10.0%. The growth of the R2O segment will be driven by newer products such as air conditioners and kitchen appliances, and the availability of attractive packages from industry players. The rental packages provide financial flexibility for households due to the convenience of monthly payments, while bundled services such as repair and maintenance provide a hassle-free experience.

Demand drivers

Population growth and a resilient economic outlook, which lead to higher income and expenditure by households, are key factors supporting the growth of the home appliances market in Malaysia. In addition, other drivers contributing to the growth of the home appliances market in Malaysia, including those specific to the rental model, include:

Increasing disposable income signifies growth potential for the home appliances industry: Malaysia's mean household disposable income grew at a CAGR of 2.3%, from RM6,764 in 2019 to RM7,584 in 2024. The increase in disposable income would create demand for discretionary and semi-discretionary purchases from households, including home appliances, as part of improving overall living standards. Rising disposable income encourages households to move beyond basic appliances toward premium appliances, where performance, efficiency, and aesthetics become part of the considerations. However, purchasing behaviour remains value-driven, with consumers spending more selectively, which is more evident in small domestic appliances.

Growing residential property activity supporting demand for home appliances: Malaysia recorded 256,512 residential property transactions in 2025, with a total value of RM108.3 billion, compared to 191,354 transactions valued at RM65.9 billion in 2020. The increase in residential property transactions may indicate higher activity in the residential property market, which is likely to support demand for home appliances. Demand is supported by new homebuyers purchasing appliances for owner-occupied units, as well as property owners acquiring appliances for rental purposes. Renovation and refurbishment activities by existing homeowners may also contribute to demand for appliances to furnish updated living spaces. In addition, property developers offering fully furnished residential units may contribute to bulk procurement of home appliances, as such developments typically include appliances as part of ready-to-move-in packages. Government initiatives, including the Housing Credit Guarantee Scheme (SJKP) and affordable housing programmes, may improve access to home ownership, particularly among first-time buyers. This is likely to support residential property demand and, in turn, contribute to sustained demand for home appliances.

Changing lifestyle supporting innovative home appliances demand: Malaysia's urban population is projected at 83.1% in 2025, up from 82.1% in 2019, and expected to reach 83.7% by 2030. Urban households face busier routines and higher time pressures, which may support demand for appliances with technological advancements and innovative features. Smart home appliances, incorporating Internet of Things technology, enable convenient remote operation and automation, helping households reduce chores and save time. Examples include smart vacuum cleaners and washer-dryers, with automated self-cleaning functions that improve operational efficiency and reduce manual effort.

Rising awareness of energy efficiency and environmental concerns: Electricity cost considerations and environmental awareness influence household preferences towards energy-efficient appliances. Consumers would seek products that deliver comparable performance while reducing energy consumption and long-term operating costs. Key product categories include inverter air conditioners, energy-efficient refrigerators, and Artificial Intelligence ("**AI**")-enabled washing machines that optimise water and detergent. Government policies and initiatives promoting energy conservation, such as the Minimum Energy Performance Standards (MEPS) implemented by the Energy Commission Malaysia, support the adoption of energy-efficient appliances. The Energy Efficiency and Conservation Act 2024 (EECA), enacted by the Ministry of Energy Transition and Water Transformation, further establishes a regulatory framework to improve energy efficiency and may contribute to reducing carbon emissions.

Expansion of multi-sales channels and adoption of direct to customer ("D2C") models: The expansion of multi-sales platforms, including physical stores, proprietary webstores and third-party e-commerce platforms, enhances convenience and accessibility, thereby lowering barriers to purchase and may positively influence consumers' purchasing decisions. At the same time, the growing adoption of D2C models by manufacturers or distributors eliminates intermediaries, improving price competitiveness and enabling more direct customer engagement. These factors may also contribute to a shorter replacement cycle through targeted marketing, promotional trade-in programmes, and easier purchase processes, further driving demand in the home appliances market.

Growing number of households and household debt: The number of Malaysian households grew at a CAGR of 2.5% from 7.3 million in 2019 to 8.2 million in 2024, outpacing population growth at a CAGR of 0.6% over the same period. This divergence is attributed to shrinking household sizes, driven by lifestyle changes and more individuals choosing to live independently. The growing number of households is expected to support incremental demand for essential household appliances, with the expansion of the potential consumer base.

The aggregate household debt in Malaysia increased at a CAGR of 5.3% from around RM1.32 trillion in 2020 to RM1.63 trillion in 2024, although the household debt-to-GDP ratio declined from 93.2% to 84.1% over the same period, mainly due to the pandemic-driven GDP contraction that temporarily inflated the ratio in 2020. As at the second quarter of 2025, the aggregated household debt slightly increased to RM1.67 trillion, resulting in a household debt-to-GDP ratio of 84.8%. This indicates that consumers allocate a significant portion of household income toward debt repayment. As appliances in Malaysia are generally considered big-ticket purchases, R2O options with lower monthly payments will appeal to the low- and middle-income groups who are generally more value-conscious and seek products with lower price points. This is expected to contribute to the growth of the R2O model.

Attractive instalment payment options for rental plans offering financial flexibility: Budget and affordability remain key considerations for consumers when making purchasing decisions. Rental plans that minimise upfront outlays continue to attract consumers with smaller budgets for appliances, while the inclusion of repair and maintenance services further reduces financial burden throughout the rental period. This preference for staged payments is further reflected in the rapid expansion of Buy Now Pay Later (BNPL) schemes, with transaction values increasing from RM12.0 billion in 2024 to RM21.2 billion in 2025, representing growth of approximately 76.7%. Rental plans that provide financial flexibility along with a variety of appliances are well-positioned to appeal to cost-conscious consumers seeking affordable alternatives to outright purchases.

Access to newer and advanced appliances without upfront cost: The availability of newer and higher-specification appliance models in the market may encourage households to consider upgrading or replacing existing appliances over time. However, the upfront cost of such appliances can be a barrier, particularly for cost-conscious households. R2O models enable access to newer, premium models at affordable monthly instalments, supporting adoption among cost-conscious households.

Market Trends

Awareness of healthy living and lifestyle: Consumers are gaining awareness of the importance of healthy living, driven by greater access to information regarding this topic. The COVID-19 pandemic has further heightened health consciousness among Malaysians. As a result, consumers would seek a more holistic approach to achieving healthy living and lifestyle, including the use of appliances that they perceive are able to provide such benefits. In particular, kitchen appliances enable consumers to prepare meals at home, giving them greater control over ingredients, cooking methods, and portion sizes, aligning with the growing focus on healthy eating habits.

Availability of feature-enhanced home appliances: Home appliance manufacturers are introducing products with new and enhanced features to the market. This includes appliances that incorporate multiple functions within a single unit, such as air fryers with integrated oven capabilities, multifunctional cookers, and washing machines with combined dryer features. Overall, the market provides access to space-efficient and versatile household solutions, with appliances designed to optimise functionality while minimising physical footprint in increasingly compact living environments.

Online channels and social media influence: The number of social media users in Malaysia increased by 5.6 million or about 22.2% between the start of 2025 and the end of 2025. As at early 2026, average conversion rates for selected social platforms range between 0.77% and 9.21%. Social media allows brands to increase their exposure and create brand awareness, serving as part of their pull marketing strategy. On top of that, customer product testimonies via online reviews can influence consumers' purchase decisions.

Omnichannel and seamless retail touchpoints: The home appliances market in Malaysia is shifting towards omnichannel and seamless retail experiences. Retailers are investing in integrated platforms that unify online, mobile, and physical store experiences, enabling customers to browse, compare, purchase, and receive products across multiple touchpoints with minimal friction. This trend is further supported by the adoption of marketing automation tools and AI, which enable retailers to leverage real-time customer data to deliver hyper-personalised recommendations, targeted promotions, and consistent engagement across channels.

Collaboration with local manufacturers/producers and institutions: Companies may source their products from different countries with different quality production. However, some companies collaborate with local partners to produce home appliances such as air conditioners and household goods such as beds. Beyond production, companies also engage in partnerships with local institutions for research and development for product quality testing. These collaborations aim to deliver products that are of high quality in addition to consideration for lifestyles, ultimately benefiting consumers.

Seasonality of the industry: The home appliances market exhibits subtle seasonal fluctuations. Demand for these products tends to increase slightly during special occasions like Parents' Day, as consumers often purchase small appliances as gifts. Consumers also tend to replace these items during festive seasons such as Hari Raya Aidilfitri or Chinese New Year. In addition, demand can also be supported by consumers who acquire appliances for income-generating purposes, such as operating home-based food or small-scale businesses, particularly ahead of peak festive or high-sales periods. To adapt to these seasonal variations, companies typically adjust their promotional packages accordingly, taking into account the seasonal trends.

Preference for service-inclusive appliance: Appliance models that combine product access with scheduled servicing gain popularity among the urban population with busy lifestyles, which reduces the effort and uncertainty associated with upkeep. Particularly, through R2O arrangements, households gain use of essential appliances supported by routine maintenance and repair coverage, minimising the risk of sudden breakdowns or costly replacements. This ensures reliable performance, hygiene, and value over the product lifecycle.

The outlook for the home appliances market in Malaysia is positive, driven by resilient economic conditions and increasing disposable incomes. Residential property development, coupled with lifestyle changes that support innovative home appliances, is also contributing to market growth. In addition, demand for energy-efficient appliances is increasing amid rising awareness among local households. The expansion of multi-sales platforms, whether physical stores or online, together with the growing adoption of D2C models by traders and manufacturers that eliminate intermediaries, enables a more seamless purchasing process, thereby supporting market growth.

In particular, the R2O model in Malaysia is growing, supported by the participation of existing appliance market players offering this business model. The R2O model provides financial flexibility for consumers by offering access to a wide range of appliances with lower upfront costs. This positions the model well to appeal to cost-conscious consumers while still enabling access to a variety of products.

As at August 2026, the ongoing geopolitical tensions in the Middle East are not expected to materially change the outlook of the home appliance market in Malaysia, as growth in this market is primarily driven by domestic factors outlined above. Any potential impact arising from such tensions, including fluctuations in energy, raw material or logistics costs, is expected to be indirect and limited in nature.

(*Source: Industry Overview)*

4.3 Prospects of the Movon Group and the enlarged Milux Group

The future performance of the Movon Group will continue to be driven by the home appliances market, which is expected to grow from RM9.2 billion in 2025 to RM12.0 billion in 2030. Such growth is supported by an increasing Malaysian population and a rise in average disposal income. Within the home appliances market, the segment corresponding to the R2O model (excluding revenue from after-sales maintenance services) is estimated at around 10.0% to 15.0%. This indicates potential for the rental model to expand within the home appliances market in the coming years. The R2O segment of home appliances is estimated to grow at a faster pace during the forecasted period from 2025 to 2030 at a CAGR range of 8.0% to 10.0%. In view of this, the Milux Board is optimistic that the Proposed Acquisition will bode well for the near to mid-term prospect of the enlarged Milux Group.

(Source: Industry Overview)

Following the Proposed Acquisition, the enlarged Milux Group is well positioned to deliver enhanced product diversification and a more comprehensive product portfolio to its clients. In addition, the enlarged Milux Group will be able to leverage on Movon's established R2O offering, which provides greater payment flexibility to consumers, thereby enabling the Milux Group to capture a larger market share in the home appliances market.

The enlarged Milux Group, in pursuing its expansion plan, is expected to require additional funding, which may be sourced from a combination of internally generated funds, bank borrowings and/or equity fund raising. In this respect, as set out in Section 6.2 of Part A of this Circular, the bank borrowings of the enlarged Milux Group is expected to increase to RM60.4 million as compared to zero gearing prior to the Proposed Acquisition. However, the Company is confident that the enlarged Milux Group’s gearing level will not adversely affect the expansion plans of the enlarged Milux Group after taking into consideration that the majority of the borrowings consist of short-term funding facilities such as revolving credits and bankers' acceptances which are supported by cashflows to be generated from Movon's secured R2O contracts. Furthermore, Milux's listing status will also enable the enlarged Milux Group to tap into the Malaysian equity market (via rights issues, private placements) as a mode to increase the Milux Group's capital base, manage its gearing ratio and raise the requisite funds for its expansion plans in future.

Furthermore, Milux is optimistic about accelerating its product reach as well as expanding its market coverage. This can be achieved by integrating Movon’s extensive direct selling and distribution network of nationwide sales agents with Milux’s existing sales team.

While bigger and more established home appliance manufacturers as well as direct selling companies have moved to the R2O business model, the Company is optimistic to continue to grow Movon's business as its primary focus is to capture market share from the traditional retail market, much of which still operates through conventional sales channels and does not intend to purely compete in the R2O space. Furthermore, product differentiation allows Movon to compete efficiently as its products focuses on niche parenting and smart home appliances while some of its other competitors are more focused on consumer electronics and/or water purifiers. Besides, Movon, being a home-grown Malaysian brand will be able to compete with the bigger and more established international players by positioning itself as an agile, alternative brand emphasizing bundled convenience and smart features tailored directly to cater for the needs of Malaysian families. In this respect, the Company believes that Movon's home grown advantage augurs well in competing within the R2O space given its grasp of local consumer preference, faster decision making which removes overseas approval delays as well as flexibility in introducing new products which is a better fit for the local market, in terms of budgets and spaces.

In addition, the Proposed Acquisition is also expected to improve the financial performance of the enlarged Milux Group as the Movon Group is already profitable (PAT of RM2.50 million for the FYE 31 December 2025), coupled with the provision of the Profit Guarantee for the FYEs 31 December 2026 and 2027 amounting to RM8.0 million and RM15.0 million respectively. Premised on the foregoing, the Milux Board expects the Proposed Acquisition to contribute positively to the Milux Group’s future earnings.

The contribution from R2O and outright sales to the revenue of the Movon Group for the past three (3) FYEs 31 December 2023 to 2025 is as follows:

	Audited		
	FYE 31 December 2023	**FYE 31 December 2024**	**FYE 31 December 2025**
	RM'000	**RM'000**	**RM'000**
R2O	22,329	39,546	69,337
Outright sales	2,234	2,015	7,707
Others[(i)]	5,051	6,633	15,580
Total revenue	**29,614**	**48,194**	**92,624**

Note:

(i) Including finance lease interest income and maintenance services.

5. RISK FACTORS

The Proposed Acquisition is not expected to materially change the risk profile of Milux Group as the Milux Group is already involved in the rental and retail of home appliances and household products. However, there are additional risks that may arise from or associated with the Proposed Acquisition, as follows:

5.1 Non-completion risk

The Proposed Acquisition is subject to, among others, the fulfilment of all the Conditions Precedent as set out in **Section 7** of **Appendix I** of this Circular and the performance by the relevant parties of their respective obligations within the stipulated timeframe as set out in the SSA.

There can be no assurance that the Company would be able to obtain all the requisite approvals nor will all parties to the SSA fulfil the respective obligations as set out in the SSA where the parties will be subject to the risk that the Conditions Precedent may not fulfilled, obtained or waived (as the case be) or any of the termination events under the SSA may occur such that the Proposed Acquisition cannot be completed. If any of the aforementioned occurs, the SSA may be terminated and the Proposed Acquisition may not proceed to completion and the potential benefits arising therefrom may not be materialised.

However, the Company will take all necessary and reasonable steps to perform their obligations in accordance with the provisions of the SSA and ensure the fulfilment of the Conditions Precedent which are within Milux's control, on or before the stipulated timeframe as well as mitigate the occurrence of any potential termination events that are within Milux's control in order to complete the Proposed Acquisition.

5.2 Investment risk

The Proposed Acquisition is undertaken to strengthen Milux's home appliance business. There can be no assurance that the anticipated benefits as stated in **Section 3** of Part A of this Circular will be realised.

The success and profitability of the Movon Group depend on various factors, which include, among others, (i) general economic conditions; (ii) availability of financing at rates that is acceptable to the Movon Group; (iii) fluctuations in consumer sentiment and demand; (iv) increased competition from existing and new market players; and (v) changes in costs of goods sold, logistics and operating expenses.

Arising therefrom, there can also be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Milux Group will be able to generate sufficient returns to offset the costs of investments. Further, the duration required for the Milux Group to recoup its investment could also be longer than anticipated after the completion of the Proposed Acquisition.

5.3 Achievability of the Profit Guarantee

As set out in **Section 2.6** of Part A of this Circular, the Profit Guarantee is based on various bases and assumptions which are deemed reasonable and realistic by the Milux Board (save for the Interested Director), but nevertheless subject to certain uncertainties and contingencies, which are beyond Movon's control.

While the Company has taken reasonable steps to assess the achievability of the Profit Guarantee which includes assessing the Movon Group's past financial performance as well as its prospects, there can be no assurance that the Profit Guarantee will be met. Nonetheless, the Pledged Shares will only be released to the Guarantors upon fulfillment of the Profit Guarantee throughout the Guaranteed Periods in accordance with the terms of the SSA and the Stakeholder Agreement. Should there be a Shortfall in the Profit Guarantee at the end of the Guaranteed Periods, the Guarantors are required to top-up the Shortfall in cash based on the mechanism as stipulated in the SSA and the Stakeholder Agreement.

5.4 Integration risk

The anticipated synergistic benefits to be realised from the Proposed Acquisition will largely depend on the successful integration of the Milux Group and the Movon Group. The Proposed Acquisition may potentially expose the Milux Group to various risks, including challenges associated with integrating new operations with differing business models, aligning management teams as well as visions and business processes.

The Company will undertake the necessary measures to facilitate a smooth integration process, including establishing an appropriate management framework and implementation plan to ensure successful integration.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share capital

The effect of the Proposed Acquisition on the issued share capital of Milux is as follows:

	No. of Milux Shares ('000)	RM'000
As at the LPD	235,057	59,066
To be issued pursuant to the Proposed Acquisition	220,588	(1)150,000
Enlarged number of Milux Shares and issued share capital of Milux	**455,645**	**209,066**

Note:

(1) Computed based on the Share Issue Price.

6.2 NA per Milux Share and gearing

Based on the latest audited consolidated statements of financial position of Milux as at 31 December 2025 and assuming that the Proposed Acquisition had been effected on that date, the proforma effect of the Proposed Acquisition on the NA per Milux Share and gearing of the Milux Group are as follows:

	Audited as at 31 December 2025	After the Proposed Acquisition
	RM'000	**RM'000**
Share capital	59,066	209,066
Fair value adjustment reserve	(993)	(993)
Merger deficit(i)	-	(78,542)
Accumulated losses(ii)	(17,509)	(12,334)
NA attributable to the owners of the Company	**40,564**	**117,197**
No. of Milux Shares in issue ('000)	235,057	(iii)455,645
NA per Milux Share (RM)	0.17	0.26
Total borrowings	-	(iv)60,434
Gearing (times)	-	0.52

Notes:

*(i) The Proposed Acquisition is accounted for using the business combinations arising from common control transfers ("**Merger Method**"). Business combinations involving entities under common control are accounted for by applying the pooling of interests method where the assets, liabilities and reserves of the merging companies are combined at their existing book values. The difference between the Purchase Consideration (excluding the portion of the Profit Guarantee) and the share capital of Movon is reflected within equity as merger deficit.*

(ii) *Representing the combined results of the accumulated losses of Milux and retained earnings of Movon as at 31 December 2025 under the Merger Method and adjusting for unrealised profits between both the merging entities as well as after deducting the estimated expenses relating to the Proposed Acquisition of approximately RM1.67 million.*

(iii) *After taking into consideration the allotment and issuance of the Consideration Shares.*

(iv) *After taking into consideration the borrowings of the Movon Group as at 31 December 2025.*

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6.3 Substantial shareholders' shareholding

The effect of the Proposed Acquisition on the substantial shareholders' shareholding in the Company is as follows:

	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Milux Shares ('000)	(i)%	No. of Milux Shares ('000)	(i)%	No. of Milux Shares ('000)	(ii)%	No. of Milux Shares ('000)	(ii)%
ABS Capital	150,767	64.1	-	-	150,767	33.1	-	-
MWH	-	-	(iii)150,767	64.1	-	-	(iii)150,767	33.1
LAH	-	-	(iii)150,767	64.1	28,859	6.3	(iv)240,767	52.9
LAK	-	-	(iii)150,767	64.1	28,859	6.3	(iv)240,767	52.9
TPSB	-	-	-	-	90,000	19.8	-	-

Notes:

(i) Based on the total number of 235,056,788 Milux Shares in issue.

(ii) Based on the enlarged number of 455,645,023 Milux Shares after the Proposed Acquisition.

(iii) Deemed interested by virtue of his interest in ABS Capital pursuant to Section 8(4) of the Act.

(iv) Deemed interested by virtue of his interest in ABS Capital and TPSB respectively pursuant to Section 8(4) of the Act.

6.4 Earnings and EPS

For illustrative purposes only, based on the latest audited consolidated statement of profit or loss and other comprehensive income of the Company for the FYE 31 December 2025 and assuming that the Proposed Acquisition had been effected on 1 January 2025, being the beginning of the FYE 31 December 2025, the pro forma effect of the Proposed Acquisition on the earnings of the Milux Group and EPS are as follows:

	Audited for the FYE 31 December 2025 (RM'000)	After the Proposed Acquisition (RM'000)
PATAMI	3,277	[(a)(b)]13,107
No. of Milux Shares in issue ('000)	235,057	455,645
EPS (sen)	1.39	2.88

Notes:

(a) After taking into consideration the average Profit Guarantee of RM11.5 million per annum.

(b) After deducting the estimated expenses relating to the Proposed Acquisition of approximately RM1.67 million.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings of the Milux Group.

The effect of the Proposed Acquisition on the EPS will depend upon, among others, the financial contribution of the Movon Group to the earnings of the Milux Group vis-à-vis the enlarged number of Milux Shares following the allotment and issuance of the Consideration Shares.

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Milux Shares traded on the Main Market of Bursa Securities for the past 12 months preceding the date of this Circular are set out as below:

	Highest RM	Lowest RM
2025		
August	0.420	0.360
September	0.515	0.360
October	0.495	0.400
November	0.485	0.390
December	0.480	0.430
2026		
January	0.535	0.455
February	0.705	0.460
March	0.670	0.600
April	0.650	0.595
May	0.685	0.600
June	0.670	0.590
July	0.700	0.630

	Highest RM	Lowest RM
August	0.680	0.655
Last transacted market price on 10 July 2026 (being the last market day prior to the announcement of the Proposed Acquisition)		RM0.695
Last transacted market price as at the LPD		RM0.675

(Source: Bloomberg)

8. APPROVALS / CONSENTS REQUIRED

The Proposed Acquisition is subject to the following approvals being obtained:

(i) Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities. The approval was obtained vide its letter dated 20 August 2026 subject to the following conditions:

No.	Condition	Status of compliance
(a)	Milux and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Acquisition	To be complied
(b)	Milux and Maybank IB to inform Bursa Securities upon completion of the Proposed Acquisition	To be complied
(c)	Milux and Maybank IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed	To be complied
(d)	Milux and Maybank IB to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders in a general meeting approving the Proposed Acquisition	To be complied

(ii) non-interested Shareholders at the forthcoming EGM; and

(iii) any other relevant authorities and/or parties, if applicable.

9. CONDITIONALITY OF THE PROPOSED ACQUISITION

The Proposed Acquisition is not conditional upon any other corporate exercise/scheme of the Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, whether direct and/or indirect, in the Proposed Acquisition:

(i) MWH, being the non-independent non-executive Director and a major shareholder of the Company via his direct interest in ABS Capital, is the director of ASSB and Movon;

(ii) LAH, being a major shareholder of the Company via his direct interest in ABS Capital, is a major shareholder of ASSB (via his direct and indirect interests) which is one of the Vendors for the Proposed Acquisition;

(iii) LAK, being a major shareholder of the Company via his direct interest in ABS Capital, is a major shareholder of ASSB (via his direct and indirect interests) which is one of the Vendors for the Proposed Acquisition; and

(iv) ABS Capital, being a major shareholder of the Company, is the investment vehicle of MWH, LAH and LAK.

The shareholdings of the Interested Director and the Interested Major Shareholders in Milux as at the LPD are as follows:

	Direct		**Indirect**	
	No. of Milux Shares ('000)	**[i]%**	**No. of Milux Shares ('000)**	**[i]%**
ABS Capital	150,767	64.1		
MWH	-	-	[ii]150,767	64.1
LAH	-	-	[ii]150,767	64.1
LAK	-	-	[ii]150,767	64.1

Notes:

(i) Based on the total number of 235,056,788 Milux Shares in issue.

(ii) Deemed interested by virtue of his interest in ABS Capital pursuant to Section 8(4) of the Act.

The Interested Director has abstained and will continue to abstain from all deliberations and voting at the relevant Milux Board meetings in respect of the Proposed Acquisition. In addition, the Interested Director will also undertake to ensure that persons connected with him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

The Interested Major Shareholders will abstain from voting and undertake to ensure that persons connected to them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Listing Requirements ("**Bursa Percentage Ratio**") is approximately 369.79% computed based on the Purchase Consideration over the audited NA of the Milux Group as at 31 December 2025. Pursuant to paragraph 10.02(1)(n) of the Listing Requirements, as the Bursa Percentage Ratio exceeds 100%, the Proposed Acquisition constitutes a very substantial transaction as stipulated under the Listing Requirements.

Additionally, the highest percentage ratio applicable to the Proposed Acquisition pursuant to the Equity Guidelines ("**SC Percentage Ratio**") is approximately 93.84% computed based on the number of Consideration Shares divided by the total number of Milux Shares as at the LTD.

The Proposed Acquisition will not result in a significant change in the business direction or policy of the Milux Group pursuant to the Equity Guidelines issued by the SC taking into consideration that the SC Percentage Ratio does not exceed 100%, the Movon Group is not loss-making based on its latest audited financial statements for the FYE 31 December 2025 and the Movon Group and the Milux Group have similar core business since both the Movon Group and the Milux Group are involved in the trading and distribution of home appliances and household products including inter-alia, washing machines, vacuum cleaners and air conditioners, as well as sharing the same target market where their products are marketed and sold to households and end-consumers and both similarly source their products via original equipment manufacturing channels.

12. TRANSACTIONS WITH THE INTERESTED DIRECTORS, INTERESTED MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM FOR THE PRECEDING 12 MONTHS

Save for the following, there were no other transactions entered into by the Milux Group with the Interested Director, the Interested Major Shareholders and/or persons connected with them for the preceding 12 months up to the LPD:

(i) The Proposed Acquisition; and

(ii) The recurrent related party transactions as disclosed in Milux's circular to shareholders dated 28 April 2026.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

The Milux Board (save for the Interested Director), having considered and deliberated on all aspects of the Proposed Acquisition, including the salient terms of the SSA, basis and justification for the Purchase Consideration and the Share Issue Price, rationale, benefits and effects of the Proposed Acquisition, as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

Accordingly, the Milux Board (save for the Interested Director) recommends that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

14. AUDIT AND RISK COMMITTEE'S STATEMENT

The Audit and Risk Committee of the Company (save for the Interested Director who is a member of the Audit and Risk Committee), after having considered all relevant aspects of the Proposed Acquisition including the salient terms of the SSA, basis and justification for the Purchase Consideration and the Share Issue Price, rationale, benefits and effects of the Proposed Acquisition, as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Acquisition is:

(i) in the best interest of the Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested Shareholders.

15. ADVISERS

Maybank IB has been appointed as the Principal Adviser to the Company for the Proposed Acquisition.

TA Securities has been appointed as the independent adviser to undertake the following:

(i) comment as to whether the Proposed Acquisition is:

(a) fair and reasonable so far as the non-interested Shareholders are concerned; and

(b) to the detriment of the non-interested Shareholders,

and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) advise the non-interested Shareholders on whether they should vote in favour of the Proposed Acquisition; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advise in relation to items (i) and (ii) above.

In addition, MainStreet has been appointed to conduct a valuation on the Movon Group. Please refer to **Appendix V** of this Circular for the Valuation Letter.

16. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Acquisition is expected to be completed by the last quarter of 2026.

The tentative timeline in relation to the implementation of the Proposed Acquisition is as follows:

Date	Event
End September 2026	EGM for the Proposed Acquisition
Mid-October 2026	Fulfilment of the Conditions Precedent
Early November 2026	Completion of the Proposed Acquisition

17. EGM

The notice convening the EGM is enclosed herewith together with this Circular. The EGM will be held at Lot 753, Jalan Subang 3, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 29 September 2026 at 9.00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Acquisition.

If you are unable to attend and vote in person at our forthcoming EGM, you may complete, sign and return the enclosed Proxy Form in accordance with the instructions thereon as soon as possible so as to arrive at the Share Registrar's Office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the EGM or any adjournment thereof. You may submit the proxy appointment electronically via the Share Registrar's email at bsr.proxy@boardroomlimited.com before the proxy appointment cut off time as mentioned above.

You may also submit the proxy appointment electronically via the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of the Proxy Form, please refer to Administrative Notes.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming EGM should you subsequently decide to do so.

18. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
MILUX CORPORATION BERHAD

DATIN YAP SHIN SIANG
INDEPENDENT NON-EXECUTIVE CHAIRMAN

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITION

EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THE CIRCULAR, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED HEREIN. ALL REFERENCES TO "WE", "US" OR "OUR" IN THIS INDEPENDENT ADVICE LETTER ARE REFERENCES TO TA SECURITIES, BEING THE INDEPENDENT ADVISER FOR THE PROPOSED ACQUISITION.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED ACQUISITION. WE ADVISE ALL NON-INTERESTED SHAREHOLDERS OF THE COMPANY TO READ AND UNDERSTAND THIS INDEPENDENT ADVICE LETTER IN ITS ENTIRETY, TOGETHER WITH PART A OF THE CIRCULAR AND THE APPENDICES THERETO. NON-INTERESTED SHAREHOLDERS OF THE COMPANY ARE NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE PROPOSED ACQUISITION. YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

1. INTRODUCTION

On 13 July 2026, Maybank IB, on behalf of the Board, announced that the Company is proposing to undertake the Proposed Acquisition.

On 21 August 2026, Maybank IB, on behalf of the Board, announced that Bursa Securities has vide its letter dated 20 August 2026 granted its approval for the listing and quotation of 220,588,235 Consideration Shares on the Main Market of Bursa Securities, subject to the conditions set out in Section 8 of Part A of the Circular.

In view of the interests of certain directors and major shareholders of Milux in the Proposed Acquisition as set out in Section 10 of Part A of the Circular, the Proposed Acquisition is deemed to be a RPT pursuant to Paragraph 10.08 of the Listing Requirements. In compliance with Paragraph 10.08(2)(c) of the Listing Requirements, on 6 April 2026, TA Securities has been appointed by the Board (save for the Interested Director) to act as the independent adviser to advise the non-interested directors and non-interested shareholders of Milux in respect of the Proposed Acquisition.

2. EVALUATION OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition, we have taken into consideration the following:

Section in this Independent Advice Letter	Areas of consideration	TA Securities' comments
6.1	Rationale and benefits of the Proposed Acquisition	Milux predominantly offers traditional household appliances, with a focus on small kitchen appliances (i.e. blenders and toasters), gas appliances (gas hobs, cooker hoods and stoves) as well as home and electrical appliances (fans and irons). Whereas, Movon specialises in Internet-of-Things enabled smart home appliances i.e. smart washer and/or dryer, refrigerators and air conditioners and offers premium high-quality baby strollers and baby car seats. We are of the view that the Proposed Acquisition will enable the Milux Group to expand its product and service offerings by integrating the product and service portfolio of both Milux Group and Movon Group, therefore strengthen the Milux Group's position in the home appliances and household products segment.

<table>
<tr><th>Section in this Independent Advice Letter</th><th>Areas of consideration</th><th>TA Securities' comments</th></tr>
<tr><td></td><td></td><td>
Milux relies on authorised dealer stores nationwide and a smaller presence on e-commerce platforms for product distribution. Additionally, Milux's revenue is currently generated predominantly via conventional outright sales where products are sold to the authorised dealers for onward retail sale to the end-customers with a smaller portion contributed by R2O schemes. Whereas, Movon has a direct selling and distribution network which is supported by nationwide registered sales agents and a more established and proven R2O infrastructure which offers greater payment flexibility to customers (as compared to traditional outright sales), wherein it involves lower upfront costs.
In view of the foregoing, we are of the view that the Proposed Acquisition will enable Milux to expand its distribution channel with immediate access to Movon's direct selling and distribution network and tap into Movon's more established and proven R2O infrastructure, such as its digitalised R2O end-to-end platform which was developed in-house, and established sales force without having to develop such capabilities organically, therefore strengthen the enlarged Milux Group's customer access and enabling the enlarged Milux Group in penetrating new target markets.
The Proposed Acquisition will enhance the earnings base of the enlarged Milux Group going forward upon consolidation of Movon Group's financial results and the additional revenue stream from the Movon Group
The allotment and issuance of Consideration Shares will allow the Company to minimise initial cash outlay to fund the Proposed Acquisition and thereby preserve the Milux Group's cash reserves which can instead be used for the working capital of the enlarged Milux Group.
Premised on the above, we are of the view that the rationale and benefits of the Proposed Acquisition are reasonable.
</td></tr>
<tr><td>6.2</td><td>Basis and justifications for the Purchase Consideration</td><td>
Premised on our evaluation of the Purchase Consideration as set out in Section 6.2 of this Independent Advice Letter, we are of the view that the Purchase Consideration is fair, after taking into consideration that the Purchase Consideration of RM150.0 million and the implied P/E Multiple of 12.9 times (computed based on the Purchase Consideration and the average forecasted PAT for FYE 31 December 2026 and FYE 31 December 2027) are within the range of valuation arrived at based on the DCF method and implied P/E Multiple computed by MainStreet and TA Securities as follows:
<table>
<tr><th rowspan="2"></th><th rowspan="2">Based on Purchase Consideration</th><th colspan="2">DCF method by MainStreet</th><th colspan="2">DCF method by TA Securities</th></tr>
<tr><th>Low range</th><th>High range</th><th>Low range</th><th>High range</th></tr>
<tr><td>Value of the Movon Group (RM'million)</td><td>150.0</td><td>140.0</td><td>171.4</td><td>125.0</td><td>176.0</td></tr>
<tr><td>Average forecasted PAT (RM'million)</td><td>11.6</td><td>11.6</td><td>11.6</td><td>11.6</td><td>11.6</td></tr>
<tr><td>Implied P/E Multiple (times)</td><td>12.9</td><td>12.1</td><td>14.8</td><td>10.8</td><td>15.2</td></tr>
</table>
</td></tr>
</table>

Section in this Independent Advice Letter	Areas of consideration	TA Securities' comments
6.3	Basis and justifications for the Share Issue Price	The Share Issue Price of RM0.68 represents the following: (i) discount ranging from RM0.0084 or 1.2% to RM0.0150 or 2.2% over the last closing market price as at the LTD and the 5-day VWAP up to the LTD; and (ii) premium ranging from RM0.0050 or 0.7% to RM0.0812 or 13.6% over the 1-month, 3-month, 6-month and 12-month VWAPs up to the LTD and the last closing market price as at the LPD as well as the 5-day VWAP up to the LPD. **Premised on the above, we are of the view that the Share Issue Price is reasonable and the method of settlement for the Purchase Consideration is reasonable.**
6.4	Salient terms of the SSA	The salient terms of the SSA include, among others, the Purchase Consideration, manner of payment of the Purchase Consideration, entitlement of the Company to appoint a nominee for Sale Shares, Vendor's entitlement to appoint nominee(s) for Purchase Consideration, Conditions Precedent and termination. **We are of the view that the salient terms of the SSA are reasonable and not detrimental to the interests of the non-interested shareholders of the Company.**
6.5	Industry overview, outlook and prospects	Following the Proposed Acquisition, the enlarged Milux Group is well positioned to deliver enhanced product diversification and a more comprehensive product portfolio to its clients. In addition, the enlarged Milux Group is able to leverage on Movon's established R2O offering, which provides greater payment flexibility to consumers, thereby enabling the enlarged Milux Group to capture a larger market share in the home appliances market. As a home-grown Malaysian brand, Movon also benefits from its understanding of local consumer preferences, agile decision-making and flexibility in tailoring products, pricing and features to suit the needs, budgets and living spaces of the local market. These enhance Movon's competitiveness within the R2O market in Malaysia as compared to the larger and more established international players. **Premised on the above, we are of the view that the prospects of the enlarged Milux Group following the completion of the Proposed Acquisition appears to be favourable and the Proposed Acquisition is to contribute positively to the enlarged Milux Group.**
6.6	Risk factors for the Proposed Acquisition	The risks of the Proposed Acquisition include the following: (i) non-completion risk; (ii) investment risk; (iii) achievability of the Profit Guarantee; and (iv) integration risk.

Section in this Independent Advice Letter	**Areas of consideration**	**TA Securities' comments**
		We wish to highlight that although efforts and measures will be taken by the enlarged Milux Group to mitigate the abovementioned risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business operations, financial performance and prospects of the enlarged Milux Group.
6.7	Effects of the Proposed Acquisition	Whilst the issuance of Consideration Shares pursuant to the Proposed Acquisition is expected to be dilutive in respect of the non-interested shareholders of the Company, but the dilution impact will be mitigated by the anticipated benefits of the Proposed Acquisition which will contribute positively to the Milux Group's earnings and EPS as supported by the Profit Guarantee. The Proposed Acquisition will increase the earnings of the Milux Group from RM3.3 million to RM13.1 million and EPS from 1.39 sen to 2.88 sen on a pro forma basis. Notwithstanding that the Milux Group's borrowings and gearing ratio will increase to RM60.4 million and 0.52 time respectively (as at 31 December 2025: Nil) after the completion of the Proposed Acquisition, the increased borrowings mainly comprise short-term banking facilities, such as revolving credits and bankers' acceptances, which are supported by future cash inflows to be generated from Movon's secured R2O contracts. **As such, the overall effects of the Proposed Acquisition are reasonable and not detrimental to the interests of the non-interested shareholders of Milux.**

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisition and have set out our evaluation in Section 6 of this Independent Advice Letter, which is summarised in Section 7 of this Independent Advice Letter. Non-interested shareholders of Milux should consider the merits and demerits of the Proposed Acquisition carefully based on all relevant and pertinent factors including those and other considerations as set out in this Independent Advice Letter and Part A of the Circular (including all the appendices) before making a decision to vote on the resolution pertaining to the Proposed Acquisition.

Premised on our overall assessment and evaluation of the Proposed Acquisition based on the information available to us up to the LPD, we are of the view that the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the non-interested shareholders of Milux.

Accordingly, we recommend that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

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Address:
Corporate Finance Department
32nd Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur

7 September 2026

To: The Non-Interested Shareholders of Milux Corporation Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF MILUX CORPORATION BERHAD IN RELATION TO THE PROPOSED ACQUISITION

This Independent Advice Letter has been prepared to accompany Part A of the Circular. Definitions or defined terms used in this Independent Advice Letter have the same meaning as defined in the "Definitions" section of Part A of the Circular, except where the context requires otherwise or as otherwise defined.

All references to "we", "us" and "our" in this Independent Advice Letter are to TA Securities, being the Independent Adviser for the Proposed Acquisition.

1. INTRODUCTION

On 13 July 2026, Maybank IB, on behalf of the Board, announced that the Company is proposing to undertake the Proposed Acquisition.

On 21 August 2026, Maybank IB, on behalf of the Board, announced that Bursa Securities has vide its letter dated 20 August 2026 granted its approval for the listing and quotation of 220,588,235 Consideration Shares on the Main Market of Bursa Securities, subject to the conditions set out in Section 8 of Part A of the Circular.

In view of the interests of certain directors and major shareholders of Milux in the Proposed Acquisition as set out in Section 10 of Part A of the Circular, the Proposed Acquisition is deemed to be a RPT pursuant to Paragraph 10.08 of the Listing Requirements. In compliance with Paragraph 10.08(2)(c) of the Listing Requirements, on 6 April 2026, TA Securities has been appointed by the Board (save for the Interested Director) to act as the independent adviser to advise the non-interested directors and non-interested shareholders of Milux in respect of the Proposed Acquisition.

The purpose of this Independent Advice Letter is to:

(i) provide the non-interested shareholders of Milux with an independent evaluation of the Proposed Acquisition and to form an opinion as to whether the Proposed Acquisition is fair and reasonable in so far as the non-interested shareholders of Milux are concerned;

(ii) advise whether the Proposed Acquisition is detrimental to the non-interested shareholders of Milux; and

(iii) provide our recommendation in relation to the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

Further information on the Proposed Acquisition is set out in Section 2 of Part A of the Circular.

NON-INTERESTED SHAREHOLDERS OF MILUX ARE ADVISED TO READ BOTH THIS INDEPENDENT ADVICE LETTER AND PART A OF THE CIRCULAR, TOGETHER WITH THE ACCOMPANYING APPENDICES, AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM OF MILUX.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

We note from Section 10 of Part A of the Circular, the interests of certain director and major shareholders in respect of the Proposed Acquisition are as follows:

(i) MWH, being the non-independent non-executive Director and a major shareholder of the Company via his direct interest in ABS Capital, is the director of ASSB and Movon;

(ii) LAH, being a major shareholder of the Company via his direct interest in ABS Capital, is a major shareholder of ASSB (via his direct and indirect interests) which is one of the Vendors for the Proposed Acquisition;

(iii) LAK, being a major shareholder of the Company via his direct interest in ABS Capital, is a major shareholder of ASSB (via his direct and indirect interests) which is one of the Vendors for the Proposed Acquisition; and

(iv) ABS Capital, being a major shareholder of the Company, is the investment vehicle of MWH, LAH and LAK.

The Interested Director has abstained and will continue to abstain from all deliberations and voting at the relevant Milux Board meetings in respect of the Proposed Acquisition. In addition, the Interested Director will also undertake to ensure that persons connected with him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.

The Interested Major Shareholders will abstain from voting and undertake to ensure that persons connected to them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolutions pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM of the Company.

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3. SCOPE AND LIMITATION TO OUR EVALUATION OF THE PROPOSED ACQUISITION

We have not been involved in the formulation, deliberation and/or negotiation of the terms of the Proposed Acquisition. Our scope as independent adviser is limited to expressing an independent opinion on the Proposed Acquisition based on information and documents provided to us or which are available to us, including the following:

(i) the information contained in Part A of the Circular and the appendices attached thereto;

(ii) the SSA;

(iii) the Valuation Letter;

(iv) Accountants' Report on Movon;

(v) other relevant information and documents furnished to us by the Directors and senior management of the Milux Group ("**Management**") or obtained in or derived from our discussions with the Management; and

(vi) other publicly available information which we deem relevant.

We have made all reasonable enquiries to the Board and Management and have relied on the Board and the Management to take due care to ensure that all the information, documents and representations in respect of the Milux Group and the Proposed Acquisition provided to us by them to facilitate our evaluation of the Proposed Acquisition are accurate, complete and free from material omission. We have not undertaken any independent investigation into the business and affairs of the Milux Group and all relevant parties involved in the Proposed Acquisition. However, after making all reasonable enquiries and to the best of our knowledge and belief, we acknowledge that this Independent Advice Letter constitutes a full and true disclosure of all material facts concerning the Proposed Acquisition, and we are satisfied that the information used is free from material omission and we have no reason to believe that the information used is unreasonable, inaccurate or incomplete as at the LPD. Our advice should be considered in the context of the entirety of this Independent Advice Letter.

In preparing this Independent Advice Letter, we have taken into consideration those factors that we believe are relevant and of general importance to the non-interested shareholders of Milux for an assessment of the Proposed Acquisition and which are of concern to the non-interested shareholders of Milux as a whole.

Since our evaluation as set out in this Independent Advice Letter is rendered for the benefit of the non-interested shareholders of Milux as a whole, we have not taken into consideration any specific investment objectives, financial and tax position, risk profiles, financial situation and particular needs of any individual shareholder or any specific group of shareholders.

If you are in doubt as to the action to be taken or require specific advice in relation to the Proposed Acquisition in the context of your individual investment objectives, financial and tax position, risk profiles, financial situation or particular needs, we recommend that you consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

Our evaluation and opinion as set out in this Independent Advice Letter are based on prevailing equity capital market, economic, industry, regulatory, monetary, socio-political and other conditions (if applicable), and the information/documents made available to us as at the LPD. Such conditions and/or information may change significantly over a short period of time.

The Board has seen and approved the contents of this Independent Advice Letter. The Board collectively and individually accepts full responsibility for the accuracy and completeness of all statements and/or information stated in this Independent Advice Letter and after having made all reasonable enquiries and to the best of the Board's knowledge and belief, the Board confirms all statements and/or information in this Independent Advice Letter are free from material omission and:

(a) no statement and/or information in this Independent Advice Letter is inaccurate or incomplete;

(b) there are no other facts and/or information, the omission of which would make any statement or information in this Independent Advice Letter unreasonable, inaccurate or incomplete; and

(c) all relevant material facts and/or information, including those required under the Listing Requirements, have been disclosed in this Independent Advice Letter.

Information pertaining to Movon was extracted from publicly available information and information provided by the management and/or directors of Movon. The responsibility of the Board is restricted to the accurate reproduction of the said information in this Independent Advice Letter.

The responsibility of the Board in respect of the independent advice and expression of opinion by TA Securities in relation to the Proposed Acquisition as set out in this Independent Advice Letter, is to ensure that all information in relation to the Milux Group and the Proposed Acquisition that is relevant to TA Securities' evaluation of the Proposed Acquisition has been accurately and completely disclosed to TA Securities and is free from material omission.

We will immediately notify the non-interested shareholders of Milux after the issuance of this Independent Advice Letter up to the date of the Company's forthcoming EGM, if we:

(i) become aware of a significant change affecting the information set out in this Independent Advice Letter;

(ii) have reasonable grounds to believe that a material statement in this Independent Advice Letter is misleading or deceptive; or

(iii) have reasonable grounds to believe that there is a material omission in this Independent Advice Letter.

If circumstances require, a supplementary Independent Advice Letter will be sent to the non-interested shareholders of Milux.

4. DECLARATION OF CONFLICT OF INTEREST

Save for our role as the Independent Adviser for the Proposed Acquisition, we, TA Securities, does not have any other professional relationship with Milux in the past 2 years prior to the LPD. Further, we confirm that we are not aware of any conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser for the Proposed Acquisition.

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5. CREDENTIALS AND EXPERIENCE OF TA SECURITIES

We are a holder of a Capital Markets Services License issued by the Securities Commission Malaysia as a Principal Adviser permitted to carry on the regulated activity of advising on corporate finance under the CMSA. The corporate finance department of TA Securities supports clients in the areas of take-overs, mergers and acquisitions, initial public offerings, reverse take-overs, secondary equity issuance and independent advisory services. Our corporate finance team comprises experienced personnel with the requisite qualifications and experiences to provide, amongst others, independent advice and render opinion on the fairness and reasonableness of transactions relating to acquisitions, disposals and take-over offers. Amongst others, we have undertaken the following assignments as independent adviser:

(i) independent advice in relation to the proposed acquisition by Systech Bhd of 552,255 ordinary shares in Wilstech Sdn. Bhd., representing the entire equity interest of Wilstech Sdn. Bhd., for a total purchase consideration of RM75,000,000, to be satisfied via cash consideration of RM20,000,000 and the remaining RM55,000,000 to be settled via the issuance of 152,777,777 ordinary shares in Systech Bhd at an issue price of RM0.36 each. The independent advice letter was issued on 3 April 2024;

(ii) independent advice in relation to the unconditional mandatory take-over offer by Smartpro Capital Sdn Bhd to acquire all the remaining ordinary shares in Systech Bhd not already owned by Smartpro Capital Sdn Bhd for a cash consideration of RM0.22 each. The independent advice letter was issued on 9 October 2023;

(iii) independent advice in relation to the proposed acquisition of 92 commercial units comprising the ground and first floor within 46 stratifed 2-storey shop/offices within Bandar Tun Razak Business Park, 26400 Bandar Tun Abdul Razak Jengka, Maran, Pahang Darul Makmur, by FBO Land (Setapak) Sdn Bhd, for a total purchase consideration of RM24,800,000 via the issuance of 381,538,461 new shares in Eastland Equity Bhd (now known as Meta Bright Group Berhad) to be issued to Leading Ventures Sdn Bhd at an issue price of RM0.065 each. The independent advice letter was issued on 23 June 2022;

(iv) independent advice in relation to the unconditional voluntary take-over offer by Scientex Berhad ("**Scientex**") to acquire (i) all the remaining ordinary shares in Daibochi Berhad ("**Daibochi**") ("**Daibochi Shares**") (now known as Scientex Packaging (Ayer Keroh) Bhd) not already held by Scientex as well as such number of new Daibochi Shares that may be issued prior to the closing date of the offer arising from the exercise of the outstanding 2017/2022 warrants in Daibochi ("**Daibochi Warrants**") ("**Offer Share(s)**") for a cash offer price of RM2.70 per Offer Share; and (ii) all the remaining Daibochi Warrants not already held by Scientex ("**Offer Warrants**") for a cash offer price of RM0.32 per Offer Warrant. The independent advice letter was issued on 14 October 2021;

(v) independent advice in relation to the unconditional mandatory take-over offer by Pitahaya (M) Sdn Bhd ("**Pitahaya**") to acquire all the remaining ordinary shares in Pimpinan Ehsan Berhad not already owned by Pitahaya, Lim Beng Guan and the parties acting in concert with them for a cash offer price of RM1.07 for each offer share. The independent advice letter was issued on 22 March 2021;

(vi) independent advice in relation to the subscription of ordinary shares in Builtech Acres Sdn Bhd ("**Builtech**") by Paragon Globe Berhad, representing approximately 99.06% of the enlarged issued share capital of Bulltech for a cash consideration of RM52,900,000. The independent advice letter was issued on 3 March 2020;

(vii) independent advice in relation to (i) acquisition of 8,000,000 ordinary shares in Supercomal Medical Products Sdn Bhd ("**SMP**"), representing the remaining 80% equity interest in SMP not owned by Supercomnet Technologies Berhad ("**STB**"), for a total consideration of RM80,000,000 to be satisfied via the issuance of 400,000,000 new ordinary shares in STB ("**STB Shares**") at an issue price of RM0.19 per STB Share and cash of RM4,000,000; and (ii) exemption under Paragraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions for Shiue, Jong-Zone and persons acting in concert with him, from the obligation to undertake a mandatory take-over offer to acquire the remaining STB Shares not already owned by them after the acquisition. The independent advice letter was issued on 14 February 2018; and

(viii) independent advice in relation to the disposal by Rev Asia Berhad (now known as Catcha Digital Berhad) of 11,080,182 ordinary shares in Rev Asia Holdings Sdn Bhd ("**Rev Asia Holdings**"), representing its entire 70% equity interest in Rev Asia Holdings, to Media Prima Digital Sdn Bhd, an indirect wholly-owned subsidiary of Media Prima Berhad, for a cash consideration of RM73.50 million. The independent advice letter was issued on 5 July 2017.

Premised on the foregoing, TA Securities has the credentials, experience and expertise to act as the Independent Adviser to advise the non-interested shareholders of Milux in relation to the Proposed Acquisition.

6. EVALUATION OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition, we have taken into consideration the following:

Areas of consideration	Section in this Independent Advice Letter
(i) Rationale and benefits of the Proposed Acquisition	Section 6.1
(ii) Basis and justifications for the Purchase Consideration	Section 6.2
(iii) Basis and justifications for the Share Issue Price	Section 6.3
(iv) Salient terms of the SSA	Section 6.4
(v) Industry overview, outlook and prospects	Section 6.5
(vi) Risk factors for the Proposed Acquisition	Section 6.6
(vii) Effects of the Proposed Acquisition	Section 6.7

6.1 RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

We take note of the rationale and benefits of the Proposed Acquisition as set out in Section 3 of Part A of the Circular. The Proposed Acquisition will enable the Milux Group to:

(i) strengthen its position in the home applicances and household products segment;

(ii) diversify its distribution channel with immediate access to Movon's direct and selling distribution network; and

(iii) enhance the earnings base of the enlarged Milux Group going forward.

Further, the issuance and allotment of the Consideration Shares will allow the Company to minimise initial cash outlay to fund the Proposed Acquisition, thereby preserving its cash reserves which can be used to finance the Milux Group's ongoing and future operation.

TA Securities' comments on the reasonableness of the rationale and benefits of the Proposed Acquisition

Our evaluation of the rationale and benefits of the Proposed Acquisition is as follows:

(i) Strengthen Milux Group's position in the home appliances and household products segment

Milux predominantly offers traditional household appliances, with a focus on small kitchen appliances (i.e. blenders and toasters), gas appliances (gas hobs, cooker hoods and stoves) as well as home and electrical appliances (fans and irons). Whereas, Movon specialises in Internet-of-Things enabled smart home appliances i.e. smart washer and/or dryer, refrigerators and air conditioners and offers premium high-quality baby strollers and baby car seats.

In view of the foregoing, we are of the view that the Proposed Acquisition will enable the Milux Group to expand its product and service offerings by integrating the product and service portfolio of both Milux Group and Movon Group, therefore strengthen the Milux Group's position in the home appliances and household products segment.

(ii) Diversify Milux Group's distribution channel with immediate access to Movon's direct and selling distribution network

Milux relies on authorised dealer stores nationwide and a smaller presence on e-commerce platforms for product distribution. Additionally, Milux's revenue is currently generated predominantly via conventional outright sales where products are sold to the authorised dealers for onward retail sale to the end-customers with a smaller portion contributed by R2O schemes. Whereas, Movon has a direct selling and distribution network which is supported by nationwide registered sales agents and a more established and proven R2O infrastructure which offers greater payment flexibility to customers (as compared to traditional outright sales), wherein it involves lower upfront costs.

Milux acknowledges that establishing a comprehensive R2O agency network organically would require significant time and resources, including the recruitment, training and retention of an effective sales force supported by experienced sales leadership, as well as the development of the requisite information technology infrastructure to support the end-to-end R2O operations.

Following the Proposed Acquisition, the enlarged Milux Group will be able to offer greater product diversity, multi-channel distribution network as well as more innovative payment structures under Movon's more established R2O schemes. Hence, the Proposed Acquisition is expected to strengthen the enlarged Milux Group's market coverage within the home appliances segment, customer access as well as enabling the enlarged Milux Group in penetrating new target markets which include households with limited income and consumers that are tech-savvy.

In view of the foregoing, we are of the view that the Proposed Acquisition will enable Milux to expand its distribution channel with immediate access to Movon's direct selling and distribution network and tap into Movon's more established and proven R2O infrastructure, such as its digitalised R2O end-to-end platform which was developed in-house, and established sales force without having to develop such capabilities organically, therefore strengthen the enlarged Milux Group's customer access and enabling the enlarged Milux Group in penetrating new target markets.

(iii) Enhance the earnings base of the enlarged Milux Group going forward

The Movon Group is an operating business with an established revenue base. The revenue and PATAMI/LATAMI of the Movon Group for the audited FYEs 31 December 2023, 31 December 2024 and 31 December 2025 are as follows:

	Audited FYE		
	31 December 2023	**31 December 2024**	**31 December 2025**
	RM'000	**RM'000**	**RM'000**
Revenue	29,614	48,194	92,624
PATAMI / (LATAMI)	2,288	(324)	2,498

In addition, as detailed in item (i) above, the enlarged Milux Group is able to offer greater product diversity following the Proposed Acquisition.

In view of the foregoing, we are of the view that the Proposed Acquisition will enhance the earnings base of the enlarged Milux Group going forward upon consolidation of Movon Group's financial results and the additional revenue stream from the Movon Group. In this regard, as illustrated in Section 6.4 of Part A of the Circular, the Proposed Acquisition would result in an increase in the Milux Group's earnings from RM3.3 million to RM13.1 million on a pro forma basis after taking into consideration the average Profit Guarantee of RM11.5 million per annum and therefore increase the EPS from 1.39 sen to 2.88 sen.

(iv) The allotment and issuance of the Consideration Shares will allow the Company to minimise initial cash outlay to fund the Proposed Acquisition

The Purchase Consideration amounting to RM150.0 million will be entirely satisfied via the allotment and issuance of 220,588,235 Consideration Shares at the Share Issue Price instead of cash consideration. Milux Group's cash, deposits and bank balances were RM8.3 million and RM10.8 million based on its audited FYE 31 December 2025 and unaudited 6-month FPE 30 June 2026 respectively.

We are of the view that the allotment and issuance of Consideration Shares will allow the Company to minimise initial cash outlay to fund the Proposed Acquisition and thereby preserve the Milux Group's cash reserves which can instead be used for the working capital of the on-going and future operations of the enlarged Milux Group.

Premised on our evaluation as set out above, we are of the opinion that the rationale and benefits of the Proposed Acquisition are reasonable. Nevertheless, non-interested shareholders of Milux should note that the potential benefits arising from the Proposed Acquisition are subject to certain risk factors as outlined in Section 6.6 of this Independent Advice Letter.

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6.2 BASIS AND JUSTIFICATIONS FOR THE PURCHASE CONSIDERATION

As stated in Section 2.5 of Part A of the Circular, we note that the Purchase Consideration was arrived at based on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the following:

(i) fair value of the entire ordinary shareholding in Movon as appraised by MainStreet of between RM140.0 million to RM171.4 million as set out in the Valuation Letter; and

(ii) the Profit Guarantee as detailed in Section 2.6 of Part A of the Circular.

We further note that the valuation appraised by MainStreet had adopted the Income Approach using the DCF method in view that the DCF method is the most appropriate method to estimate the value of the Movon Group as this method is able to effectively factor in the earnings and cash flows potential of the Movon Group's businesses. In addition, the Movon Group's R2O business model provides visibility of future cash flows, with the R2O contract generates, on average, consistent cash flows over a contract period of 4 years, providing a reasonable basis for projecting the Movon Group's future cash flows over the Projection Period. Further, there is ample historical financial data for the Movon Group encompassing the financial information since FYE 31 December 2023. We are of the view that the DCF method is the most appropriate method to estimate the value of the Movon Group after taking into consideration the following:

(i) the Movon Group has consistently operated within the same industry over the past 3 FYEs. Accordingly, the stream of future cash flows to be derived from its business operations is expected to be predictable and supported by the Movon Group's historical financial performance trend. Therefore, earning-based valuation methodologies, such as DCF methodology, are able to reflect the value of the Movon Group.

Notwithstanding that the Movon Group's business model (comprising the R2O business model and outright sales) does not generate recurring income, the R2O business model, which contributes significantly to the Movon Group's revenue, generates contractual cash inflows over the contractual tenures of the R2O contracts of approximately 3 to 5 years and the availability of historical financial information to predict the costs and expenses for its products. Therefore, the adoption of the DCF methodology by the Valuer to estimate the value of the Movon Group based on its projected free cash flows to firm ("**FCFF**") and takes into account the relevant bases and assumptions underpinning the projections as set out in Section 6.2.1 of this Independent Advice Letter is appropriate and reasonable; and

(ii) the Movon Group's underlying value is more likely to be derived from its business operations rather than its underlying assets and hence earning-based valuation methodologies, such as DCF methodology, may provide a more accurate reflection of the Movon Group's value, as compared to the asset-based valuation methodologies, such as revalued net asset valuation.

Under the Income Approach, the FCFF projected to be generated by the Movon Group for the Projection Period ("**Projections**") are discounted at an appropriate weighted average cost of capital ("**WACC**") to reflect the rate of return required by both equity investors and debt investors to derive the present value of all future cash flows from the Movon Group's businesses.

In assessing the present value of all future cash flows from the Movon Group's businesses using the DCF method by Mainstreet, we have reviewed the key bases and assumptions used to prepare the Projections. The Projections were prepared based on a set of assumptions made by the management of Movon. We are satisfied that the bases and assumptions used to prepare the Projections are reasonable given the prevailing circumstances and significant factors that are known to us as at the LPD.

Please refer to the Valuation Letter as set out in Appendix V of the Circular for the key bases and assumptions adopted in the preparation of the Projections.

6.2.1 DCF method

The key bases and assumptions adopted by MainStreet to derive at the valuation using the DCF method are as follows:

<table>
<tr><th>No.</th><th colspan="2">Key bases and assumptions adopted by MainStreet</th><th>TA Securities' comments</th></tr>
<tr><td>(i)</td><td>FCFF</td><td>Based on the Projections</td><td>FCFF is the free cash flows from operations available to both equity holders and debt holders of a company after taking into consideration all operating expenses, movements in working capital and net investing cash flows.

The specific assumptions adopted in the Valuation Letter in deriving the FCFF for the projected period of FYE 31 December 2026 to FYE 31 December 2030 and our view on the said assumptions are as follows:

(1) revenue for the Movon Group is expected to grow at a CAGR of 26.1% between FYE 31 December 2026 and FYE 31 December 2030, based on the following:

(a) monthly average sales of approximately 7,333 units in FYE 31 December 2030 as compared to approximately 3,500 units in FYE 31 December 2026, where the composition of product types are assumed as follows:

<table><tr><th>Product type</th><th>Percentage of unit sales
%</th></tr><tr><td>Laundry machines</td><td>40.0</td></tr><tr><td>Refrigerators</td><td>40.0</td></tr><tr><td>Air conditioners</td><td>20.0</td></tr></table>
Management of Movon has represented that they expect a growth in applicants as well as the approval rate of such applicants during the Projection Period, which contributes to the abovementioned growth in monthly average sales. Movon Group plans to expand its product portfolio across multiple categories of home and lifestyle appliances, targeting at least two new appliances per year (excluding any upgrades on existing product categories) throughout the Projection Period;

(b) rental revenue and outright sales will stabilise at 95% and 5% of total revenue, respectively, from FYE 31 December 2027 onwards;

(c) the estimated blended average selling price across all its products of RM5,210 throughout the Projection Period is derived based on the actual blended average selling price of all its products of RM5,196 for FYE 31 December 2025;</td></tr>
</table>

No.	Key bases and assumptions adopted by MainStreet	TA Securities' comments
		(d) an increase in the average total number of successful applications (excluding rejected and/or cancelled applications) ("**Successful Applications**") under its rent-to-own scheme from 2,357 Successful Applications per month during the FYE 31 December 2025 to 3,466 Successful Applications per month during the 6-month FPE 30 June 2026, representing growth rate of 47.0%; and (e) the average rental contract tenure is 48 months. We are of the view that the projected growth of the Movon Group's revenue above are reasonable after taking into consideration the following: (a) Movon Group had recorded the growth in its revenue at a CAGR of 76.9% between the FYE 31 December 2023 and FYE 31 December 2025, which is higher than the projected growth at a CAGR of 26.1% during the Projection Period. The historical monthly average sales volume during the FYE 31 December 2023 to FYE 31 December 2025 represents a CAGR of 75.9%, which is higher than the CAGR for the projected growth in monthly average sales volume during the Projection Period of 20.3%, as detailed below:

FYE 31 December	Monthly average sales volume (unit)
Historical	
2023	763
2024	1,211
2025	2,361
CAGR	**75.9%**
Projected	
2026	3,500
2027	4,938
2028	5,625
2029	6,417
2030	7,333
CAGR	**20.3%**

No.	Key bases and assumptions adopted by MainStreet	TA Securities' comments

Under its R2O scheme, the Movon Group had also recorded growth in its monthly average number of applicants and average Successful Application rate from the FYE 31 December 2023 to 6-month FPE 30 June 2026 as detailed in item (d) below, contributing to the growth in its revenue and sales volume for the aforementioned FYEs as set out above.

Furthermore, the Movon Group had introduced at least 2 new products per year (excluding any upgrades on existing product categories) during the FYE 31 December 2023 to FYE 31 December 2025;

(b) the rental sales volume had increased from 87.8% of total sales volume for FYE 31 December 2023 to 92.1% for FYE 31 December 2025. This increasing trend is expected to continue throughout the Projection Period, supported by the Movon Group's anticipated launch of new products, including products offered under the R2O scheme and/or through outright sales;

(c) the blended average selling price of all the Movon Group's products for FYE 31 December 2025 is highly reflective of the projected blended average selling price for the Projection Period as it reflects the blended selling prices of the various products offered by the Movon Group, which vary based on, among others, the sales model (i.e. R2O scheme or outright sales) and contract tenure. This is in line with the Movon Group's strategy of expanding its product offerings during the Projection Period;

(d) the Movon Group's monthly average number of applicants and monthly average number of approvals as well as average Successful Application rate under its R2O scheme from the FYE 31 December 2023 to 6-month FPE 30 June 2026 are as follows:

Period	Average number of applicants per month	Average number of approvals per month	Average Successful Application rate (%)
FYE 31 December 2023	1,411	383	27.1
FYE 31 December 2024	3,227	1,126	34.9
FYE 31 December 2025	6,845	2,357	34.4
6-month FPE 30 June 2026	10,023	3,466	34.6

The Movon Group had recorded growth in its monthly average number of applicants and monthly average number of approvals at CAGR of 119.1% and 141.4% respectively from FYE 31 December 2023 to 6-month FPE 30 June 2026, whereas its average Successful Application rate had increased from 27.1% in FYE 31 December 2023 to 34.9% in FYE 31 December 2024 and stabilised at approximately 34% from FYE 31 December 2025 onwards; and

(e) the assumed average tenure of rental contract of 48 months for the Projection Period represents the average tenure of the Movon Group's existing rental contract of 36 months and 60 months.

No.	Key bases and assumptions adopted by MainStreet	TA Securities' comments
		(2) cost of sales as a percentage of outright sales and rental contract for the Movon Group is expected to increase from approximately 78% in FYE 31 December 2026 to 83% in FYE 31 December 2030. Cost of sales mainly comprise product costs as well as agent commissions, and was derived after taking into consideration the following: (a) product margin and agent commission rates during the Projection Period are expected to be consistent with FYE 31 December 2025 and the total amount of agent commissions are expected to increase from 18% of the value of outright sales and rental contract for the FYE 31 December 2026 to 22% for the FYE 31 December 2030; (b) in line with the increase in sales, warranty and servicing expenses are also expected to increase from 2.4% of the value of outright sales and rental contract for the FYE 31 December 2026 to 4.4% for the FYE 31 December 2030; (c) installation costs are estimated at approximately 6.5% of the value of outright sales and rental contract in FYE 31 December 2026 and FYE 31 December 2027, in line with FYE 31 December 2025, and reducing to 5.5% from FYE 31 December 2028 onwards as the Movon Group's new product lines do not require installation; and (d) warehousing and product handling costs to approximate 2.5% of the value of outright sales and rental contract in FYE 31 December 2026 and FYE 31 December 2027, which is higher than FYE 31 December 2025, and reducing to 2.0% from FYE 31 December 2028 onwards. We are of the view that the increase in cost of sales as a percentage of outright sales and rental contract of the Movon Group above are reasonable after taking into consideration the following: (a) the product cost for FYE 31 December 2025 is highly reflective of the projected product cost as it comprised the combined cost of the various products offered by the Movon Group, in line with the Movon Group's strategy of expanding its product offerings during the Projection Period. The agent commission rate for the FYE 31 December 2025 is representative of the Movon Group's current agent commission structure which is expected to remain consistent throughout the Projection Period. The projected increase in the total amount of agent commissions over the value of outright sales and rental contract for the Projection Period is in line with the projected growth in the Movon Group's sales during the Projection Period; (b) the projected warranty and servicing expenses of 2.4% of the value of outright sales and rental contract for the FYE 31 December 2026 is generally consistent with 2.2% recorded for FYE 31 December 2025. The increase in the projected warranty and servicing expenses from 2.4% for FYE 31 December 2026 to 4.4% for FYE 31 December 2030 is in line with the projected growth in the Movon Group's sales during the Projection Period;

No.	Key bases and assumptions adopted by MainStreet	TA Securities' comments
		(c) the installation cost for FYE 31 December 2025 is highly reflective of the projected installation cost for FYE 31 December 2026 and FYE December 2027 as the Movon Group is expected to maintain a largely similar product mix throughout the said financial years, resulting in a comparable installation cost structure. The projected reduce in installation cost over value of outright sales and rental contract for FYE 31 December 2028 onwards is viewed as reasonable as most of the new products expected to be offered by the Movon Group from FYE 31 December 2028 onwards do not require installation, such as air purifier/humidifier and hair dryer; and (d) the higher projected warehousing and product handling cost over the value of outright sales and rental contract for FYE 31 December 2026 and FYE 31 December 2027 is derived based on the expected requirement for additional warehouse capacity and/or procurement of additional warehousing service to support the projected sales growth as detailed above. The projected decrease in the warehousing and product handling cost over the value of outright sales and rental contract from FYE 31 December 2028 onwards is attributable to the economies of scale expected to be realised as sales volume increases, whereby the warehousing and handling costs are anticipated to be spread over a larger revenue base; (3) it is projected that the Movon Group is expected to require incremental financing facilities of between RM85.0 million to RM220 million for the FYE 31 December 2026 to FYE 31 December 2030. Management expects that this will be within their financial covenants. The increase in borrowings is attributable to the nature of Movon's R2O business model, whereby upfront capital is required for inventory procurement while cash inflows are received progressively over the contractual tenures of the R2O contracts of approximately 3 to 5 years. We are of the view that the projected incremental financing facilities above are reasonable after taking into consideration of the Movon Group's financing requirement arising from its R2O business model and that the projected gearing ratio throughout the Projection Period remains within the financial covenants of its existing financing facilities; (4) bad debt is estimated at approximately 10% over total billings. We are of the view that the projected bad debt rate is reasonable as it is conservatively set above historical bad debt rate of 7.7% for the latest FYE 31 December 2025; (5) operating costs to be incurred by the Movon Group during the Projection Period are expected to be proportionate to the revenue generated in each respective FYE and mainly comprises staff costs, rental as well as marketing costs.

No.	Key bases and assumptions adopted by MainStreet		TA Securities' comments
			We are of the view that the assumption is reasonable after taking into consideration that there are no anticipated material changes to the Movon Group's business model and organisational structure during the Projection Period and most of the operating costs (such as marketing cost, administrative expenses and staff cost) are typically driven by revenue-generating activities; and (6) representation from the management of Movon that there are no significant capital expenditures ("**CAPEX**") expected to be incurred over the Projection Period. We are of the view that the assumption is reasonable after taking into consideration that there was no significant CAPEX incurred by the Movon Group from the FYE 31 December 2023 to FYE 31 December 2025.
(ii)	WACC	6.0% to 6.5% (after adjusted by 0.25%)	WACC represents the rate of return required by an investor on the cash flow streams generated by the businesses of the Movon Group given the risks associated with such cash flows. In deriving the WACC, we note that MainStreet has adopted the cost of equity ("**K_e**") of 9.5% and after-tax cost of debt ("**K_d**") of 4.9%, and derived a WACC of 6.2% with the following inputs: $\text{WACC} = \frac{\text{Equity}}{\text{Equity + Debt}} \times K_e + \frac{\text{Debt}}{\text{Equity + Debt}} \times K_d$ We note that MainStreet has adjusted the WACC upward and downward by approximately 0.25% and adopted a range of WACC of 6.0% to 6.5%. A range of WACC has been applied instead of a single value to account for sensitivity to market conditions, uncertainty in the cost of debt and cost of equity as well as industry and company-specific risks, among others. Our comments on each component used to derived the range of WACC are further elaborated below. We have derived a range of WACC of between 6.7% and 6.8% (for low range) and between 5.9% and 6.1% (for high range) by adopting the range of K_e over the Projection Period as detailed below.
(iii)	Cost of equity	9.5%	The cost of equity was derived using the Capital Asset Pricing Model (CAPM): $\text{Cost of Equity} = R_f + \beta \times (R_m - R_f)$ where: R_f = risk-free rate (based on 10-year Malaysian Government Securities) of 3.5% β = equity beta of comparable companies (un-levered and re-levered to Movon Group's capital structure) of 1.0 $(R_m - R_f)$ = equity risk premium (based on Aswath Damodaran estimates) of 6.0%

<table>
<tr><th>No.</th><th colspan="2">Key bases and assumptions adopted by MainStreet</th><th>TA Securities' comments</th></tr>
<tr><td></td><td></td><td></td><td>We note that MainStreet has derived K_e of 9.5% based on the above.

We have derived a range of K_e of between 6.9% to 8.2% based on the range of beta we derived (as detailed below) of 0.6 to 0.8 throughout the Projection Period and the expected capital structure for the respective financial year over the Projection Period. Further, we have also further adjusted the K_e by applying additional discount rate for inherent risk of 2.0% and derived a range of K_e of between 8.9% to 10.2%. A summary of the range of K_e for the financial years over the Projection Period that we have derived is as follows:

<table><tr><th></th><th>Low range</th><th>High range</th></tr><tr><td>Range of K_e</td><td>8.9% to 10.2%</td><td>6.9% to 8.2%</td></tr></table></td></tr>
<tr><td>(iv)</td><td>Risk-free rate of return ("R_f")</td><td>3.5%</td><td>Risk-free rate of return represents the expected rate of return from a risk-free investment. We note that MainStreet has adopted the yield of 10-year Malaysian Government Securities of 3.5% per annum as at the Valuation Date (as extracted from Bank Negara Malaysia's website) as the risk-free rate of return.

As a cross check, the yield of 5-year Malaysian Government Securities and 10-year Malaysian Government Securities as at the LTD (as extracted from Bank Negara Malaysia's website) are 3.4% and 3.6% respectively. The risk-free rate of return adopted by MainStreet in the Valuation Letter of 3.5% is within the range between 3.4% and 3.6%.

In view of the foregoing, we are of the view that the risk-free rate of return adopted by MainStreet in the Valuation Letter is reasonable.</td></tr>
<tr><td>(v)</td><td>After-tax cost of debt ("K_d")</td><td>4.9%</td><td>K_d is the effective rate that a corporation pays on its total borrowings after accounting for tax deductions on interest expenses.

We note that MainStreet has adopted 4.9% after-tax cost of debt, which is computed based on the base lending rate as reported by Bank Negara Malaysia of 6.4% deducted by the statutory corporate income tax rate of 24.0%.

As a cross check, we applied the weighted average interest rates applicable for the Movon Group's existing bank borrowings as at the Valuation Date of 6.5% and adjusted it for the statutory corporate income tax rate of 24.0% to derive the after-tax cost of debt of 5.0%.</td></tr>
<tr><td>(v)</td><td>Equity risk premium</td><td>6.0%</td><td>We note that MainStreet applied the equity risk premium of 6.0% (Source: https://pages.stern.nyu.edu/~adamodar/, accessed 7 January 2026) and it views this to be a reliable source as this is widely used by valuation professionals worldwide.

The equity risk premium is the difference between the expected market rate of return ("R_m") and the risk-free rate of return, i.e. R_m - R_f. Given the equity risk premium of 6.0% and risk-free rate of return of 3.5% applied by MainStreet, the implied expected market rate of return is 9.5%.</td></tr>
</table>

<table>
<tr><th>No.</th><th colspan="2">Key bases and assumptions adopted by MainStreet</th><th>TA Securities’ comments</th></tr>
<tr><td></td><td></td><td></td><td>In our opinion, the historical rate of return of the FTSE Bursa Malaysia Top 100 Index is a good indicator of the equity market return in Malaysia. Given the volatility of the stock market, we are of the view that a 10-year average historical rate of return of the said index is more appropriate to estimate the expected market rate of returns as it normalises the year-on-year fluctuations of the stock market and mitigates market bias.

Based on the information sourced from Bloomberg, we have derived an average expected market return in Malaysia of 9.2% per annum for the past 10 years up to the Valuation Date. As a cross check, the expected market rate of return as derived from Bloomberg is 9.6% as at the LTD. The implied expected market return of 9.5% (calculated based on the equity risk premium of 6.0% and risk-free rate of 3.5%) adopted in the Valuation Letter is within the range between 9.2% and 9.6%. As such, we are of the view that the equity risk premium of 6.0% adopted in the Valuation Letter is reasonable.</td></tr>
<tr><td>(vi)</td><td>Beta (“β”)</td><td>1.0</td><td>Beta is the sensitivity of an asset’s return to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier than the market and vice versa.

We note that MainStreet has selected the following companies listed on Bursa Securities that they deemed as comparable to Movon based on the following criteria (“Comparable Companies”):

(a) principally involved in the manufacturing, trading and distribution of electrical home appliances, with at least 80% of total revenue being generated from such business;

(b) sale of electrical home appliances under their own proprietary brands; and

(c) recorded profits in the trailing 12 months prior to the Valuation Date.

<table>
<tr><th>Comparable Companies</th><th>Principal activities</th></tr>
<tr><td>Khind Holdings Berhad</td><td>Manufacture and sale of electrical home appliances and wiring accessories, manufacture and assembly of wire harness and power supply cords, and wholesale, distribution and trading in electrical products</td></tr>
<tr><td>Panasonic Manufacturing Malaysia Berhad</td><td>Manufacture and sale of electrical home appliances and related components</td></tr>
</table>

We are of the view that, notwithstanding that the Comparable Companies may have different business models and have different product / service offerings, the Comparable Companies are adequately comparable to the Movon Group as all of them have more than 80% revenue contribution from manufacturing, trading and distribution of electrical home appliances and can be reasonably adopted for the purposes of deriving the estimated beta of the industry.</td></tr>
</table>

No.	Key bases and assumptions adopted by MainStreet	TA Securities' comments
		We have evaluated the market capitalisation of the Comparable Companies as at the Valuation Date as follows:

Comparable Companies	As at the Valuation Date No. of issued ordinary shares ('000)	Closing share price (RM)	Market capitalisation (RM'000)
Khind Holdings Berhad	42,039	1.40	58,855
Panasonic Manufacturing Malaysia Berhad	60,746	7.26	441,016

As set out above, the market capitalisation of the Comparable Companies as at the Valuation Date ranges between RM58.9 million and RM441.0 million, compared to the adjusted equity value of the Movon Group computed by MainStreet of RM156.3 million. Accordingly, we are of the view that the selected Comparable Companies are reasonable.

In deriving the estimated beta of the Movon Group, we note that MainStreet had relied on the 5-year daily beta up to the Valuation Date of the Comparable Companies extracted from Speeda. As the historical beta computed is based on the capital structure of the Comparable Companies, MainStreet has unlevered the beta of the Comparable Companies based on the capital structure derived from the total equity and total debt per their latest financial statements as at the Valuation Date and then re-levered them based on the capital structure of the Movon Group derived from its total equity and total debt as at the Valuation Date. Based on MainStreet's computation, the re-levered beta of the Movon Group as at the Valuation Date is 1.0.

As a cross check, we derived the estimated beta of the Movon Group by relying on the 5-year daily beta up to the Valuation Date of the Comparable Companies extracted from Bloomberg. We have also unlevered the beta of the Comparable Companies based on the capital structure derived from market capitalisation (computed based on the number of issued shares and closing share price of the Comparable Companies) as at the Valuation Date and total debt per their latest financial statements as at the Valuation Date and then re-levered them based on the capital structure of the Movon Group derived from its total equity and total debt as at the end of respective financial year over the Projection Period. Based on our computation, the re-levered beta of the Movon Group over the Projection Period range between 0.6 and 0.8.

The re-levered beta of the Movon Group computed by us is lower than that being computed by MainStreet. The difference in the computation of beta adopted by MainStreet and us is due to, among others, the following:

(a) **By MainStreet**: MainStreet extracted the 5-year daily beta up to the Valuation Date of the Comparable Companies from Speeda, thereafter unlevered them based on the capital structure derived from the total equity and total debt per their latest financial statements as at the Valuation Date and re-levered them based on the capital structure derived from the total equity and total debt of the Movon Group as at the Valuation Date.

No.	Key bases and assumptions adopted by MainStreet		TA Securities' comments
			(b) **By TA Securities**: We extracted the 5-year daily beta up to the Valuation Date of the Comparable Companies from Bloomberg, thereafter unlevered them based on the capital structure derived from market capitalisation (computed based on the number of issued shares and closing share price of the Comparable Companies) as at the Valuation Date and total debt per their latest financial statements as at the Valuation Date and re-levered them based on the capital structure derived from the total equity and total debt of the Movon Group as at the end of the respective financial year over the Projection Period. We are of the view that it is more appropriate to unlever the betas of the Comparable Companies based on their capital structures derived from market capitalisation, rather than total equity, as beta is a market-based measure of systematic risk and should therefore be reflected by the market value of the equity of the Comparable Companies instead of their book value of equity. Further, we are of the view that the capital structure of the Movon Group assumed based on the projected level of equity and debt for each financial year over the Projection Period will be more appropriate as compared to assuming a stagnant capital structure throughout the Projection Period.
(vii)	Perpetuity growth (“**g**”)	1.5%	For the period beyond FYE 31 December 2030, MainStreet has adopted the perpetuity growth rate of 1.5% on the FCFF, which it views as reasonable after taking into consideration the following factors: (a) the headline inflation for the past 12 months prior to 31 December 2025 ranged from 1.1% to 1.6% (Source: Bank Negara Malaysia); and (b) based on the Economic Outlook 2026 issued by the Ministry of Finance Malaysia on 10 October 2025, the inflation in Malaysia is forecast to range between 1.3% to 2.0% in 2026. Following the above, MainStreet has adopted the aforesaid growth rate and derived the terminal value (in present terms) for the Movon Group based on the following formula: $\text{Terminal value (in present terms)} = \frac{\text{(FCFF for FYE 31 December 2030 – maintenance CAPEX)} \times (1 + g)}{(\text{WACC} - g)} \times \frac{1}{(1 + \text{WACC})^{n}}$ Whereby, n represents the year in which the expected sustainable level of FCFF is derived.

No.	Key bases and assumptions adopted by MainStreet		TA Securities' comments
			We note that MainStreet has adopted the following: (1) the expected sustainable level of FCFF of the Movon Group is derived based on the final year of the Projections for the Movon Group, i.e. FYE 31 December 2030, which we view to be reasonable after taking into consideration that the final year of the Projections is representative of the Movon Group's stablilised operations, i.e. among others, the revenue growth, cost of sales and operating costs are expected to have normalised, providing a reasonable basis for estimating the Movon Group's long-term cash-generating capacity; and (2) 1.5% perpetuity growth rate on the Movon Group's FCFF, which we view to be reasonable considering it is within the range of the following: (i) the headline inflation for the past 12 months prior to 31 December 2025 ranged from 1.1% to 1.6% *(Source: Bank Negara Malaysia)*; and (ii) the forecasted inflation in Malaysia ranged from 1.3% to 2.0% in 2026 (Source: Economic Outlook 2026 issued by the Ministry of Finance Malaysia).
(viii)	Statutory corporate income tax rate	24.0%	The statutory corporate income tax rate is the official, legally mandated percentage of net income that a government requires businesses to pay. We note that MainStreet has adopted 24.0% statutory corporate income tax rate which we view to be reasonable considering it is consistent with the statutory corporate income tax rate of Malaysia, in which the Movon Group primarily operates.

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The breakdown of the valuation of the equity interest in the Movon Group based on the DCF method by MainStreet is as follows:

	Low range (RM' million)	High range (RM' million)
WACC	6.5%	6.0%
Perpetuity growth rate	1.5%	1.5%
Enterprise value	**248.4**	**293.2**
Less:		
Net debt	(43.7)	(43.7)
Equity value	**204.7**	**249.5**
Discount for lack of marketability (1)	30.0%	30.0%
Discounted equity value	**143.3**	**174.7**
Less:		
Amount due to immediate holding company (2)	(3.5)	(3.5)
Add:		
Net amount due from related company	0.1	0.1
Net tangible assets of subsidiary	0.1	0.1
Adjusted equity value	**140.0**	**171.4**

Notes:

(1) *Investors are generally willing to pay higher prices for more liquid assets than for otherwise similar illiquid assets. However, measuring illiquidity discount or discount for lack of marketability is highly subjective. MainStreet applied a discount for lack of marketability of 30% to the equity value of the Movon Group after taking into consideration the nature and size of operations as well as lack of liquidity.*

The adjustment on the lack of marketability is based on "Investment Valuation: Tools and Techniques for Determining the Value of Any Asset" by Aswath Damodaran (a Professor of Finance at Stem School of Business at New York University), which suggests the application of discount for lack of marketability of 20% - 30% reflect the illiquidity of shares of non-listed companies which are not freely tradeable as compared to public listed companies.

We are of the view that the application of the discount for lack of marketability of 30% to the equity value of the Movon Group is reasonable after taking into consideration that the Movon Group is not publicly listed on any stock exchange and that similar range of discount for lack of marketability between 20% and 40% has also been adopted for valuations in Malaysia.

(2) *Based on representation from the management of the Movon Group, the amount due to ASSB (its immediate holding company) of RM12.5 million will be capitalised pursuant to the Proposed Capitalisation 1 before the completion of the Proposed Acquisition as detailed below:*

	RM'million
ASSB Advances	*15.9*
Less: Amount to be settled via the Proposed Capitalisation 1	*(12.5)*
Amount due to ASSB after the Proposed Capitalisation 1	***3.5***

Based on the above, the equity value of the Movon Group is in the range of RM140.0 million to RM171.4 million.

We have adopted WACC in the range of between 6.7% and 6.8% (for low range) and between 5.9% and 6.1% (for high range) over the Projection Period which were derived based on the adjustments to beta, K_e and K_d as detailed in the table above, and derived the valuation range of the Movon Group between RM125.0 million and RM176.0 million.

Premised on the above, we are of the view that the bases and assumptions used in the DCF method by MainStreet are reasonable.

The comparison of the valuation of the entire equity interest in the Movon Group based on DCF method computed by MainStreet and TA Securities, with the implied P/E Multiple computed based on the respective valuation ranges and the average forecasted PAT of the Movon Group for the FYE 31 December 2026 and FYE 31 December 2027 of RM11.6 million is as follows:

	Based on Purchase Consideration	DCF method by MainStreet		DCF method by TA Securities	
		Low range	High range	Low range	High range
Value of the Movon Group (RM'million)	150.0	140.0	171.4	125.0	176.0
Average forecasted PAT (RM'million)	11.6	11.6	11.6	11.6	11.6
Implied P/E Multiple (times)	12.9	12.1	14.8	10.8	15.2

We are of the view that using the average forecasted PAT of the Movon Group for the FYE 31 December 2026 and FYE 31 December 2027 for the computation of P/E Multiple is reasonable as it approximates the average Profit Guarantee of RM11.5 million.

For comparison, MainStreet has also computed the P/E Multiples of the Comparable Companies which are between 6.0 times and 21.6 times over the past 5 financial years, details as follows:

	(1) P/E Multiple as at 31 December (times)				
	2021	2022	2023	2024	2025
Khind Holdings Berhad	6.0	7.4	15.0	(2) 65.7	16.4
Panasonic Manufacturing Malaysia Berhad	21.6	15.7	13.3	19.5	11.3
				Highest	**21.6**
				Lowest	**6.0**

We also note that the Board has also considered the average P/E Multiple (excluding the outlier, i.e. P/E Multiple of Khind Holdings Berhad as at 31 December 2024 of 65.7 times) of the Comparable Companies for the period from 31 December 2021 to 31 December 2025 which range from 11.20 times to 16.28 times with average of 13.74 times.

Notes:

(1) Computed based on information extracted from Speeda and audited financial statements of the comparable companies.

(2) Excluded as these are deemed outliers.

We note that the implied P/E Multiple of the Movon Group based on the DCF method:

(i) by MainStreet of 12.1 times (low range) and 14.8 times (high range); and

(ii) by TA Securities of 10.8 times (low range) and 15.2 times (high range), are within the range of the P/E Multiples of the Comparable Companies for the past 5 years up to the Valuation Date of between 6.0 times to 21.6 times.

As a cross check, we derive the P/E Multiples of the Comparable Companies as at the Valuation Date and the LTD as follows:

	P/E Multiples (times)	
	As at the Valuation Date(1)	As at the LTD(2)
Khind Holdings Berhad	16.4	14.8
Panasonic Manufacturing Malaysia Berhad	11.3	10.0
	Highest	16.4
	Lowest	10.0
	Average	13.2

Notes:

(1) Computed based on the trailing 12-month EPS and closing share price as at the Valuation Date.

(2) Computed based on the trailing 12-month EPS and closing share price as at the LTD.

We are of the view that the P/E Multiple analysis computed by MainStreet and considered by the Board are reasonable as the average P/E Multiples of the Comparable Companies over the past 5 years up to the Valuation Date is within the range of the P/E Multiple of the Comparable Companies as at the Valuation Date of between 11.3 times and 16.4 times and as at the LTD of between 10.0 times and 14.8 times.

6.2.2 Profit Guarantee

The detailed information on the Profit Guarantee is set out in Section 2.6 of Part A of the Circular.

We note that the Vendors, as part of the Proposed Acquisition, provided Profit Guarantee in respect of the Movon Group for each FYE 31 December 2026 and FYE 31 December 2027 as well as on aggregate basis the Guaranteed Periods as follows:

	FYE 2026 (RM'million)	FYE 2027 (RM'million)	Aggregate (RM'million)
Audited PAT	8.0	15.0	23.0

The Pledged Shares, comprising 33,823,530 Consideration Shares which represents approximately 15.3% of the Purchase Consideration, will be deposited in the securities account maintained by the Trustee and only be released based on the mechanism of the Profit Guarantee upon achievement of the actual PAT of the Movon Group vis-à-vis the Profit Guarantee over the Guaranteed Periods. In the event that the aggregate audited PAT of the Movon Group for the Guaranteed Periods is less than the Total Guaranteed Profit, the Guarantors shall pay Milux the shortfall amount, being the difference between the aggregate PAT of the Movon Group and the Total Guaranteed Profit in cash. Further, should the Movon Group records an aggregate audited LAT for the Guaranteed Periods, such amount of LAT will be added to the Total Guaranteed Profit to be paid by the Guarantors to Milux. In the event of such shortfall amount due to Milux is not paid by the Guarantors, Milux will be entitled (but not obliged) to give notice in writing to the Trustee of the breach by Guarantors and the Trustee shall dispose such number of Pledged Shares (including Dividends & Distributions, if such Dividends & Distributions are in the form of Milux Shares or other securities issued by the Company, and Additional Securities) that is equivalent in value to the Amount Due whereby any remaining Pledged Shares after the settlement of the Amount Due shall be released to the Guarantors.

The mechanism on the release of the Pledged Shares for each financial year during the Guaranteed Periods pursuant to the Profit Guarantee are illustrated with assumptions in the manner set out in Appendix I of Part A of the Circular. Our commentary on the mechanism of the Profit Guarantee is set out in Section 6.4 of this Independent Advice Letter.

The Pledged Shares (including the mechanism) serves as a safeguard to Milux on the recovery of any Shortfall in the Profit Guarantee for the Guaranteed Periods and only be released to the Vendors upon fulfilment of the relevant portion of the Profit Guarantee. The Profit Guarantee also provides a certain degree of assurance by the Vendors on the future financial performance of the Movon Group which would contribute positively to Milux's earnings over the Guaranteed Periods.

We are of the view that the Profit Guarantee is reasonable and achievable by the Movon Group after taking into consideration the following:

(i) the growth of the Movon Group's revenue from RM48.2 million for the FYE 31 December 2024 to RM92.6 million for the FYE 31 December 2025, representing an increase of RM44.4 million or 92.1%. The Movon Group had also recorded PATAMI of RM2.5 million for the FYE 31 December 2025 as compared to LATAMI of RM0.3 million for the FYE 31 December 2024. For the unaudited 6-month FPE 30 June 2026, the Movon Group recorded revenue and PATAMI of RM74.1 million and RM3.7 million respectively, which translates to annualised revenue and PATAMI of RM148.2 million and RM7.4 million respectively, representing estimated growth of approximately 60.0% and 196.0% respectively as compared to the FYE 31 December 2025. The annualised revenue of RM148.2 million for the 6-month FPE 30 June 2026 also represents growth at a CAGR of 75.3% from RM48.2 million for the FYE 31 December 2024. The profitability of the Movon Group is also enhanced by the improvement in its PATAMI margin from 2.7% in the FYE 31 December 2025 to 5.0% for the 6-month FPE 30 June 2026.

    The Movon Group's continued revenue growth and the significant improvement in profitability, including its profit margin, for the past FYEs and current financial period as detailed above demonstrates its positive earnings trajectory and its ability to generate higher profits moving forward;

(ii) the Profit Guarantee is supported by the Projections, the key bases and assumptions of which have been evaluated and are deemed reasonable as detailed in Section 6.2.1 of this Independent Advice Letter; and

(iii) as detailed in Section 4.2 of Part A of the Circular, the home appliances market in Malaysia stood at RM9.2 billion in 2025 and is forecasted to grow at a CAGR of 5.4% to RM12.0 billion in 2030. The growth of e-commerce, with gross merchandise value forecasted to increase from RM85.6 billion in 2025 to approximately RM124.1 billion by 2030, further underpinning the expansion of the home appliances market in Malaysia. These favourable conditions and trends are expected to expand the addressable market for home appliances in Malaysia, providing the Movon Group with opportunities to increase sales which will support its revenue growth moving forward.

Premised on our evaluation of the Purchase Consideration which are based on the valuation of the entire equity interest of the Movon Group as set out in this section, we are of the view that the Purchase Consideration of RM150.0 million is fair, after taking into consideration the following:

(i) the Purchase Consideration is within the range of the valuation arrived at based on DCF valuation model computed by MainStreet and TA Securities as follows:

	By MainStreet		By TA Securities	
	Low range (RM'million)	High range (RM'million)	Low range (RM'million)	High range (RM'million)
Value of the Movon Group	140.0	171.4	125.0	176.0

(ii) the implied P/E Multiples derived from the valuation based on the DCF method computed by MainStreet and TA Securities are within the range of the P/E Multiples of the Comparable Companies:

(a) for the past 5 financial years of between 6.0 times and 21.6 times;
(b) as at the Valuation Date of between 11.3 times and 16.4 times; and
(c) as at the LTD of between 10.0 times and 14.8 times.

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6.3 BASIS AND JUSTIFICATIONS FOR THE SHARE ISSUE PRICE

As set out in Section 2.7 of Part A of the Circular, we note that the Share Issue Price was arrived at a 'willing buyer-willing seller' basis after taking into consideration the closing price and the 5-day VWAP of Milux Shares up to and including the LTD as follows:

		Premium/(Discount)	
	RM	RM	%
Closing price as at the LTD	0.6950	(0.0150)	(2.1583)
5-day VWAP of Milux Shares up to and including the LTD	0.6884	(0.0084)	(1.2202)

As such, in evaluating the fairness of the Share Issue Price, we have taken into consideration the following:

(i) <u>Historical market price of Milux Shares</u>

The movement of the market price of Milux Shares over the past 2 years up to the LTD as illustrated in the price chart below:

(Source: Bloomberg)

There is no adjustment made to the price chart above as there is no corporate exercises which may impact the market prices of Milux Shares throughout the past 2 years up to the LTD. Further, we also note that the principal activities of Milux Group remained the same throughout the past 2 years up to the LTD.

Based on the price chart above, we note that Milux Shares have closed below the Share Issue Price of RM0.68 for the past 2 years up to the LTD, except for the period from 20 February 2026 to 23 February 2026 and from 3 July 2026 to 10 July 2026. The highest closing market price of Milux Shares for the past 2 years up to the LTD was RM0.705, which was transacted on 20 February 2026. The lowest closing market price of Milux Shares for the past 2 years up to the LTD was RM0.365, which was transacted on 25 July 2025. The average closing market price for the past 2 years up to the LTD was RM0.518.

We are not aware of any particular reasons which might have led to the upward or downward movements of the market price of Milux Shares for the past 2 years up to the LTD, save for the following material announcements made by Milux on Bursa Securities:

No.	Date	Significant events
(1)	8 November 2024	The Board announced that it had on 8 November 2024, received 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 Milux Shares not already held by the Offeror and Lim Aik Hoe, Lim Aik Kiat and Mak Wai Hoong, being the directors and shareholders of the Offeror ("**Joint Ultimate Offerors**") ("**Offer Shares**") at a cash offer price of RM0.432 per Offer Share ("**Offer**").
(2)	15 November 2024	Milux issued a notification to its shareholders in relation to the receipt of notice of unconditional mandatory take-over offer dated 8 November 2024 from Maybank Investment Bank Berhad on behalf of ABS Capital Sdn Bhd.
(3)	29 November 2024	(i) Maybank Investment Bank Berhad, on behalf of the Offeror, issued the offer document dated 29 November 2024 in relation to the Offer ("**Offer Document**"). (ii) The Board announced that the Company has received a press notice from Maybank Investment Bank Berhad, on behalf of the Offeror, informing that the Offer Document, which sets out the details, terms and conditions of the Offer, together with the Form of Acceptance and Transfer have been despatched on the even date to the Board and the holders of the Milux Shares whose names appear in the Record of Depositors of Milux and having a registered Malaysian address maintained with Bursa Malaysia Depository Sdn Bhd. (iii) The Board announced the despatch date of Offer Document, acceptance period, closing date and closing time of the Offer.
(4)	20 December 2024	The Board announced 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 5.00 p.m. (Malaysian time) on Friday, 20 December 2024 ("**Closing Date**"), together with the level of acceptances of the Offer as at 5.00 p.m. (Malaysian time) on the Closing Date.

We note that during the period of the abovementioned announcements in relation to the Offer between 8 November 2024 and 20 December 2024, the market price of Milux Shares was higher than the offer price of RM0.432 pursuant to the Offer.

In addition, we have also compared the Share Issue Price of RM0.68 to the historical VWAPs of Milux Shares over various timeframes up to the LTD and LPD, this yields the following premiums/(discounts) to the closing market prices and VWAPs of the Milux Shares:

	Closing market price or VWAP of Milux Shares	(Discount)/Premium of the Share Issue Price over the closing market price or VWAP of Milux Shares	
	RM	RM	%
Up to the LTD:			
Last closing market price	0.6950	(0.0150)	(2.2)
5-day VWAP	0.6884	(0.0084)	(1.2)
1-month VWAP	0.6559	0.0241	3.7
3-month VWAP	0.6310	0.0490	7.8
6-month VWAP	0.6276	0.0524	8.3
12-month VWAP	0.5988	0.0812	13.6
Up to the LPD:			
Last closing market price	0.6750	0.0050	0.7
5-day VWAP	0.6693	0.0107	1.6

(Source: Bloomberg)

Based on the table above, we note that the Share Issue Price of RM0.68 represents the following:

(a) discount ranging from RM0.0084 or 1.2% to RM0.0150 or 2.2% over the last closing market price as at the LTD and the 5-day VWAP up to the LTD; and

(b) premium ranging from RM0.0050 or 0.7% to RM0.0812 or 13.6% over the 1-month, 3-month, 6-month and 12-month VWAPs up to the LTD and the last closing market price as at the LPD as well as the 5-day VWAP up to the LPD.

(ii) NA per Milux Share

We also note that the Share Issue Price of RM0.68 per Consideration Share represents a premium of RM0.51 or 300.0% to Milux's latest audited NA per Share of RM0.17 as at 31 December 2025. Further, as illustrated in Section 6.2 of Part A of the Circular, the Proposed Acquisition would result in an increase in the enlarged Milux Group's NA from RM40.6 million to RM117.2 million and NA per Share from RM0.17 to RM0.26 on a pro forma basis.

Notwithstanding the issuance of the Consideration Shares is expected to result in dilution to the shareholdings of the existing non-interested shareholders of Milux from 35.9% as at the LPD to 18.5% (whereby after including shareholdings of the ASSB's Nominated Parties of the Consideration Shares who are public shareholders, will be 30.3%), the Proposed Acquisition is expected to strengthen Milux Group's position in the home appliances and household products segment and diversify Milux Group's distribution channel with immediate access to Movon's direct and selling distribution network. Further, as illustrated in Sections 6.2 and 6.4 of Part A of the Circular, the Proposed Acquisition would result in an increase in the Milux Group's NA from RM40.6 million (audited as at 31 December 2025) to RM117.2 million and EPS from 1.39 sen (audited for the FYE 31 December 2025) to 2.88 sen on a pro forma basis. The settlement of Purchase Consideration by way of allotment and issuance of the Consideration Shares allows Milux to avoid any cash outlay, thereby preserving its cash reserves to fund the Milux Group's on-going and future operations. Furthermore, Milux Group's cash, deposits and bank balances were RM8.3 million and RM10.8 million based on its audited FYE 31 December 2025 and unaudited 6-month FPE 30 June 2026 respectively, which is significantly lower than the Purchase Consideration of RM150.0 million. As such, the Milux Group does not have sufficient cash resources to settle the Purchase Consideration in cash and would need to utilise alternative sources of funding to finance the Proposed Acquisition such as bank borrowings and/or fund-raising exercise such as rights issue. Based on the Milux Group's current financial performance and financial position, and taking into consideration the Purchase Consideration, the Company's ability to obtain additional bank borrowings to fund the Purchase Consideration may be limited subject to, among others, its debt servicing capacity.

Assuming that the Milux Group is able to obtain new borrowings to settle the Purchase Consideration, the substantial increase in interest costs arising from the bank borrowings will reduce the anticipated earnings benefit from the Proposed Acquisition.

Apart from obtaining bank borrowings as detailed above, the Company may undertake fund-raising exercise such as rights issue to fund the Purchase Consideration. However, reliance on rights issue will not provide certainty to the implementation of the Proposed Acquisition as the actual amount of proceeds raised may not be adequate to fund the Purchase Consideration as it is dependent on the subscription rate by the Company's shareholders. Further, the existing shareholders' shareholdings in the Company may also be subject to dilution to the extent of their respective entitlements under the rights issue are not subscribed for.

Premised on the above, we are of the view that the Share Issue Price is reasonable and the method of settlement for the Purchase Consideration is reasonable.

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6.4 SALIENT TERMS OF THE SSA

We wish to highlight the following salient terms of the SSA:

No.	Salient terms of the SSA	TA Securities' comments
Purchase Consideration		
(1)	The sale and purchase consideration for the Sale Shares is RM150,000,000, which has been arrived at on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the following – (i) the independent fair valuation of the entire equity interest in Movon undertaken by the Valuer; and (ii) the Profit Guarantee.	The Purchase Consideration is fair and reasonable based on our evaluation as set out in Section 6.2 of this Independent Advice Letter. The Profit Guarantee is reasonable and achievable by the Movon Group based on our evaluation as set out in Section 6.2.2 of this Independent Advice Letter.
Manner of payment of the Purchase Consideration		
(2)	(i) The Purchase Consideration shall be satisfied by the Company allotting and issuing the Consideration Shares at the Share Issue Price to the Vendors and/or their nominees (including the ASSB's Nominated Parties and the identified Investor Partners in the Final List of Entitled Investor Partners To Receive Consideration Shares (as defined hereinafter)) in the respective proportions and amounts set out in the SSA. (ii) The Share Issue Price has been arrived at and fixed based on a willing buyer-willing seller basis after taking into consideration the closing price and the 5 market days-VWAP of Milux Shares as quoted on Bursa Securities up to and including 10 July 2026. The Share Issue Price shall not be revised unless mutually agreed upon in writing by the Vendors and the Company. (iii) The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the then existing Milux Shares, save and except that the holders of the Consideration Shares shall not be entitled to any dividends, rights, benefits, entitlement, allotments and/or any other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such Consideration Shares.	The manner of payment of the Purchase Consideration is reasonable after taking into consideration the following: (i) the issuance of the Consideration Shares to the Vendors and/or their nominees to fully settle the Purchase Consideration allow the Company to conserve its cash reserves; and (ii) the Share Issue Price is fair based on our assessment as set out in Section 6.3 of this Independent Advice Letter. The ranking of the Consideration Shares is reasonable as they will be ranked equally in all respects with each other and with the then existing Milux Shares, save and except that the holders of the Consideration Shares shall not be entitled to any dividends, rights, benefits, entitlement, allotments and/or any other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such Consideration Shares.

No.	Salient terms of the SSA	TA Securities' comments
Company entitled to appoint a nominee for Sale Shares		
(3)	The parties to the SSA agree that the Company will be entitled, at any time and from time to time but in any event before the Completion Date, to appoint a nominee to receive and accept the Sale Shares in place of the Company by giving to the Vendors a notice in writing of such nomination together with all particulars of the nominee. In the event of such nomination, the Vendors undertake and shall procure Movon to give effect to the transfer of the Sale Shares to the said nominee.	We understand that the management of the Company intends to have flexibility on nominating any of the Company's subsidiary to hold the Sale Shares within the structure of the Milux Group. The Company's entitlement for nomination is not detrimental to the non-interested shareholders of the Company as it involves internal arrangements within the Milux Group and it does not affect the total number of the Sale Shares to be acquired pursuant to the Proposed Acquisition.
Vendors entitled to appoint nominee(s) for Purchase Consideration		
(4)	(i) The parties to the SSA agree that the Vendors will be entitled, at any time and from time to time but in any event before the Completion Date, to appoint nominee(s) to receive and accept the Purchase Consideration (save for the Pledged Shares) in place of the Vendors by giving to the Company notice in writing of such nomination together with all particulars of the nominee(s). In the event of such nomination, the Company undertakes to allot and issue the Consideration Shares (save for the Pledged Shares) to the said nominee(s) in such manner instructed by the Vendors at the sole and absolute cost and expense of the respective Vendors and provided always that the Vendors shall fully indemnify the Company from and against any and all costs and expenses and liabilities thereby incurred in respect thereof. (ii) The parties to the SSA acknowledge and agree that ASSB, being one of the Vendors, has appointed and nominated the ASSB's Nominated Parties (including the identified Investor Partners in the Final List of Entitled Investor Partners To Receive Consideration Shares), to receive and accept in entirety its portion of the 201,598,327 Consideration Shares to be issued to ASSB in place of ASSB at the sole and absolute cost and expense of ASSB. In respect of such appointment, the Company undertakes to give effect to the allotment and issuance of the 201,598,327 Consideration Shares to the ASSB's Nominated Parties and the identified Investor Partners in the Final List of Entitled Investor Partners To Receive Consideration Shares in the respective proportions set out in the SSA and in accordance with the provisions of the SSA provided always that ASSB shall fully indemnify the Company from and against any and all costs and expenses and liabilities thereby incurred in respect thereof. (iii) Each of the Guarantors also agrees and undertakes that such amounts and proportions of the Consideration Shares as set out in the SSA to be allotted and issued to them constituting the Pledged Shares, shall be deposited with the	The entitlement of the Vendors to appoint nominee(s) to receive and accept the Purchase Consideration in place of the Vendors is not detrimental to the non-interested shareholders of the Company as it involves the arrangements between the Vendors and the appointed nominee(s) and it does not affect the total number of the Consideration Shares to be issued to satisfy the Purchase Consideration and the Vendors will fully indemnify the Company from and against any and all costs, expenses and liabilities thereby incurred in respect thereof. The appointment and nomination of the ASSB's Nominated Parties by ASSB to receive and accept in entirety its portion of the 201,598,327 Consideration Shares to be issued to ASSB is not detrimental to the non-interested shareholders of the Company as it does not affect the total number of Considerations Shares to be issued for ASSB's portion and ASSB will fully indemnify the Company from and against any and all costs, expenses and liabilities thereby incurred in respect thereof. The deposit of the Pledged Shares with the Trustee is reasonable as the Trustee to be appointed, being an independent third party, will be responsible on the Pledged Shares in the securities account maintained by the Trustee to enforce the mechanism for the Pledged Shares.

No.	Salient terms of the SSA	TA Securities' comments
	Trustee on the Completion Date and dealt with in accordance with the terms of the SSA with respect to their Profit Guarantee obligations.	
RCPS conversion by ASSB and Movon		
(5)	**(i) RCPS Conversion Trigger Event** (a) The parties to the SSA (for the avoidance of doubt, including Movon and ASSB) acknowledge and agree that the execution of the SSA constitutes the RCPS Conversion Trigger Event under the RCPS Terms. Both ASSB and Movon shall irrevocably agree, undertake and covenant to exercise their option to undertake the RCPS Conversion. The parties to the SSA further agree that the completion of the RCPS Conversion as well as allotment and issuance of the new ASSB OS to the RCPS Holders arising from the RCPS Conversion shall constitute one of the Conditions Precedent. Accordingly, Movon and ASSB agree, covenant and undertake that they shall, and shall procure the necessary parties to do all things as may be necessary to give effect to the RCPS Conversion as well as the allotment and issuance of the new ASSB OS to the RCPS Holders arising from the RCPS Conversion in accordance with their respective RCPS Terms at their own costs and expenses. (b) For the avoidance of doubt, the RCPS Conversion CP is conditional upon the condition precedent relating to the approval of the Shareholders at the forthcoming EGM for the Proposed Acquisition being obtained/fulfilled and the RCPS Conversion CP shall only be implemented after such condition precedent has been obtained/fulfilled. **(ii) Appointment of the Investor Partners by the Investment LLPs for receipt of part of the Consideration Shares** (i) Pursuant to paragraph 4(i) of this Section 6.4 above, ASSB has appointed, amongst others, the Investment LLPs (as new ordinary shareholders of ASSB following exercise of the RCPS Conversion) to receive and accept part of the Consideration Shares, in proportion to their respective shareholdings in ASSB, upon the completion of the RCPS Conversion. (ii) The Investment LLPs shall, in turn, nominate the respective Investor Partners as identified by the respective Investment LLPs as at the Identification Date (as defined hereinafter) to receive and accept such Consideration Shares in proportion to their respective Partnership Units held	We are of the view that this term is not detrimental to the Company and its non-interested shareholders as: (i) it mainly involves the arrangements among ASSB, Investment LLPs and its Investor Partners pursuant to the terms of the SSA and the respective Partnership Agreements; (ii) it does not affect the total number of the Consideration Shares to be issued; (iii) the provision of relevant information and/or documents to the Company stated therein is required for the purpose of facilitating the allotment and issuance of the Consideration Shares on completion of the Proposed Acquisition; and (iv) the RCPS Conversion will be completed prior to the completion of the Proposed Acquisition.

No.	Salient terms of the SSA	TA Securities' comments
	in the Investment LLPs pursuant to the provisions of the respective Partnership Agreements. (iii) For the purposes of identification of the Investor Partners who are entitled to the Consideration Shares to be allocated to the respective Investment LLPs on completion of the SSA, ASSB, Movon and the Investment LLPs agree, covenant and undertake that they shall, and shall procure – (1) a detailed list containing the names and Central Depository System account(s) ("**CDS Account(s)**") and particulars of the Entitled Investor Partners (as defined hereinafter), the breakdown of calculation of the number of Consideration Shares to be distributed to each Investor Partner in proportion to their Partnership Units held in the respective Investment LLPs ("**Final List of Entitled Investor Partners To Receive Consideration Shares"**), as well as any other documents or information as required by the Company and its advisers (including the Company's share registrar); (2) the details of the Entitled Investor Partners who are not contactable or have missing or incomplete particulars and the breakdown of calculation of the number of Consideration Shares to be distributed to such Investor Partners in proportion to their Partnership Units held in the respective Investment LLPs, whereby the total number of such Consideration Shares shall be ascertained for the purpose of allotment and issuance of the Considerations Shares to the Investment LLPs directly on completion of the SSA; (3) updated registers of partners of the respective Investment LLPs as of the Identification Date ("**Updated Register of Partners**"); and (4) the particulars of the CDS Accounts held by the respective Investment LLPs, to be provided to the Company within 5 market days after the Unconditional Date ("**Identification Date**"). (iv) For the avoidance of doubt, the names of Investor Partners who are entitled to receive and accept the Consideration Shares under the respective Partnership Agreements must appear in the Updated Register of Partners on the Identification Date in order to be entitled to the distribution of the	

No.	Salient terms of the SSA	TA Securities' comments
	Consideration Shares allocated to the respective Investment LLPs ("**Entitled Investor Partners**"). (v) Upon the expiry of the period of 5 market days after the Unconditional Date, in the event that – (1) any of the Entitled Investor Partners cannot be contacted by the Investment LLPs; or (2) the complete details of the CDS Account particulars or any other documents or information required by the Company and its advisers (including the Company's share registrar) relating to any of the Entitled Investor Partners are not provided to or obtained by the Investment LLPs, each of the Investment LLPs shall furnish to the Company the details of such Investor Partners and the number of Consideration Shares to be distributed to each of them and such other information required by the Company in order to identify the number of Consideration Shares to be allotted and issued to the Investment LLPs directly on the Completion Date and such Consideration Shares shall upon receipt by the Investment LLPs be held on trust as bare trustee for and on behalf of such Investor Partners. For the purpose of holding the Consideration Shares, the Investment LLPs shall each open and maintain valid CDS accounts no later than the Identification Date. (vi) To ensure certainty in identifying the Investor Partners entitled to the Consideration Shares and the number of Consideration Shares to be issued to each of them in proportion to the Partnership Units held in the Investment LLPs as at Identification Date as well as the allotment and issuance of such Consideration Shares on completion of the SSA, ASSB, Movon and the Investment LLPs agree and covenant that, during the period commencing on 14 days after the date of the RCPS Pre-Conversion Notice (as defined hereinafter) until the Completion Date ("**Moratorium Period**"), a moratorium shall be imposed on the sale, assignment and transfer of the Partnership Units by the Investor Partners and they shall procure the respective compliance officers of the Investment LLPs to suspend the processing of any such sale, assignment and transfer during the Moratorium Period ("**Moratorium**"). The Investment LLPs represent, warrant and confirm that the imposition of the Moratorium does not constitute a variation of the	

No.	Salient terms of the SSA	TA Securities' comments
	provisions of the respective Partnership Agreements and they have the requisite right, power and authority to comply with, effect and enforce the Moratorium. (vii) Further, to facilitate the necessary steps required to be undertaken for the allotment and issuance of the Consideration Shares on completion of the SSA (which includes but not limited to the verification by Bursa Malaysia Depository Sdn Bhd ("**Bursa Malaysia Depository**") on the CDS Account(s) of such Entitled Investor Partners and/or the Investment LLPs), ASSB, Movon and the Investment LLPs agree, covenant and undertake they shall cooperate with and assist the Company in any queries or information that Bursa Malaysia Depository and/or any other parties may have in connection with the allotment and issuance of the Consideration Shares to the Entitled Investor Partners and/or the Investment LLPs, including providing requisite details to the Entitled Investor Partners and/or the Investment LLPs. **(iii) Issuance of RCPS Pre-Conversion Notice to the RCPS Holders** Within 3 business days from the date of the SSA, Movon and ASSB agree, covenant and undertake that they shall issue a written notice each to all the RCPS Holders ("**RCPS Pre-Conversion Notice**") (with copies issued to the Company) informing them of the following: (a) that Movon and ASSB will undertake the Proposed Acquisition, which shall constitute a RCPS Conversion Trigger Event under the RCPS Terms; (b) that Movon and ASSB will undertake the RCPS Conversion which is subject to approval by the Shareholders at the forthcoming EGM for the Proposed Acquisition; (c) the details of the Moratorium which will take effect during the Moratorium Period; (d) the requirement for the Investment LLPs to (1) inform the Investor Partners on the Proposed Acquisition and the Moratorium, and (2) compile and provide the information as required in paragraph 5(ii) of this Section 6.4 above by the Identification Date; and (e) such other information as the Company may require.	

No.	Salient terms of the SSA	TA Securities' comments
	Further, the Investment LLPs agree, covenant and undertake that they shall do all things as may be necessary to inform the Investor Partners of the Proposed Acquisition and compile the information required as referred to in paragraph 5(ii) of this Section 6.4 above.	
Settlement of Related Party Advances (including the ASSB Advances and the Movon Debt)		
(6)	(i) The parties to the SSA acknowledge and agree that – (a) ASSB has prior to the date of the SSA, extended the ASSB Advances to Movon; and (b) the completion of the RCPS Conversion which constitutes one of the Conditions Precedent will result in the creation of the Movon Debt. (ii) The parties to the SSA further acknowledge and covenant and the Vendors represent, warrant and undertake that the Movon Group is or shall as at the Completion Date be free of any claims, debts or liabilities relating to (1) the ASSB Advances and the Movon Debt, (2) any other loans or advances extended to the Movon Group by directors and/or shareholders of the Movon Group and their related parties and persons connected with them ("**Related Parties**") and (3) loans or advances extended to the Related Parties by the Movon Group (collectively, the "**Related Party Advances**"). (iii) Accordingly, the parties to the SSA agree on the following: (a) In respect of the ASSB Advances, the outstanding amount due and owing by Movon to ASSB arising from the ASSB Advances shall be fully settled in the following manner: (1) Movon paying ASSB a fixed sum of RM3,456,414 in cash; and (2) in respect of the Capitalisation Amount, such amount shall be settled by Movon by way of the Proposed Capitalisation 1. (b) In respect of the Movon Debt, the creation of the Movon Debt is conditional upon the fulfilment of the RCPS Conversion CP and the outstanding amount due and owing by the Company to ASSB arising from the Movon Debt shall be fully settled by Movon by way of the Proposed Capitalisation 2. For the avoidance of doubt, the Settlement Movon Shares to be issued pursuant to the Proposed Capitalisation shall form part of the Sale Shares.	This term is reasonable and protects the interest of Milux as it ensures the full settlement of Related Party Advances prior to the completion of the Proposed Acquisition and that the Movon Group is free of any claims, debts or liabilities relating to the Related Party Advances as at the Completion Date. The mode of settlement of the ASSB Advances and Movon Debt is not detrimental to Milux as it comprises settlement by way of cash and/or issuance of new Movon Shares to ASSB which will form part of the Sale Shares. In addition, the issue price of the Settlement Movon Shares to be issued pursuant to the Proposed Capitalisation 1 and Proposed Capitalisation 2 of RM0.58 and RM1.00 respectively per Movon Share are higher than the implied issue price of the Sale Shares of approximately RM0.5031 per Sale Share, which is computed based on 298,145,977 Sale Shares and the Purchase Consideration of RM150.0 million.

No.	Salient terms of the SSA	TA Securities' comments
	(c) To the extent that there are any other outstanding Related Party Advances (other than the ASSB Advances and the Movon Debt) as at the Completion Date which may include further advances (free of interest) provided by the Vendors or any of the Related Parties to the Movon Group after the date of the SSA for the purposes of the on-going business or operations of the Movon Group pending completion of the Proposed Acquisition, the respective Vendors undertake and covenant to at their own cost and expense pay and settle such Related Party Advances (if any) in cash so that the Movon Group is free of any Related Party Advances on or before the Completion Date.	
Conditions precedent		
(7)	The obligations of the parties to the SSA that are set out in the SSA in respect of the sale and purchase of the Sale Shares are conditional upon the following Conditions Precedent being obtained/fulfilled or waived (as the case may be) by the day falling 6 months from the date of this SSA, or such later date as the parties to the SSA may mutually agree on ("**Cut-Off Date**"): (i) the completion of the due diligence conducted on the Movon Group and the Company being satisfied at its sole and absolute discretion with the results of the due diligence and such specific indemnities as identified and deemed necessary by the Company being agreed upon by the parties to the SSA in writing following completion of the due diligence; (ii) the Vendors having delivered the disclosure letter disclosing any exclusions or exceptions to and any inconsistencies with the warranties, representations and undertakings of the Vendors contained in the SSA ("**Disclosure Letter**") to the Company within 14 business days after the execution of the SSA or such extended period as may be agreed upon between the parties to the SSA in writing and the Company being satisfied at its discretion with the contents of the Disclosure Letter; (iii) the Company having obtained the approval of its non-interested Shareholders at an EGM to be convened for the Proposed Acquisition and the issuance of the Consideration Shares; (iv) the Company having obtained the approval or consent of the financiers/creditors of the Company for, *inter alia*, the Proposed Acquisition and the issuance of the	The 6-month period from the date of SSA for fulfilment of the Conditions Precedent is reasonable as it allows sufficient time for the relevant parties to procure the relevant approvals and cater for processes which are beyond the parties' control. This buffer minimises the need for repeated formal extensions and provides certainty for both Vendor and Purchaser in managing the transaction timeline. The terms of the Conditions Precedent are reasonable as they are mainly relating to the following: (i) due diligence matters in respect of the Movon Group and the Company which are the subject matter of the Proposed Acquisition and securities of entity in which the Vendors will receive as consideration; (ii) necessary approvals to give effect to the Proposed Acquisition and the issuance of the Consideration Shares; and (iii) relevant agreements and documents to regulate the rights as shareholders of Movon and put in place clear mechanism pertaining to the Pledged Shares and authority of the Trustee, to protect the interests of the Company.

No.	Salient terms of the SSA	TA Securities' comments
	Consideration Shares upon the terms and subject to the conditions of the SSA, where required; (v) the Vendors having obtained the approval or consent of the financiers/creditors of the Movon Group for, *inter alia*, the sale and transfer of the Sale Shares in favour of the Company, upon the terms and subject to the conditions of the SSA, where required; (vi) the Vendors having obtained the approval or consent of any other party which has entered into any subsisting arrangement, contract or undertaking or guarantee with or involving the Movon Group, where required, in each case to the extent that at the Completion Date the same remain to be completed or performed or remain in force; (vii) the Company having obtained the approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities; (viii) the execution of the Stakeholder Agreement by the Trustee, the Company and the Guarantors and the deposit of the same with the Company's solicitors as stakeholders; (ix) the Company being satisfied that no force majeure event as specified under the SSA has occurred; (x) ASSB and Movon having completed the RCPS Conversion and the new ASSB OS having been allotted and issued to the RCPS Holders in accordance with the RCPS Terms; (xi) the Vendors having procured Movon or Movon having completed the Proposed Capitalisation, thereby resulting in the allotment and issuance of the Settlement Movon Shares to ASSB (which shall form part of the Sale Shares); and (xii) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties to the SSA.	

No.	Salient terms of the SSA	TA Securities' comments
Termination		
(8)	(i) Each party to the SSA shall be entitled to issue a notice of termination to the other party, if, at any time prior to the completion of the SSA, the other party commits any breach of any of the obligations under the SSA which is incapable of remedy or if capable of remedy, is not remedied within 14 days of it being given notice so to do, or amongst others, a winding up, bankruptcy or insolvency event occurs, or any warranties, representations and undertakings given by the other party under the SSA is found at any time to be untrue or incorrect. (ii) If the SSA is terminated by the Company and the Company elects not to pursue the remedy of specific performance – (a) the Vendors shall within 14 days after receipt of the notice of termination, return to the Company all documents, if any, delivered to any of them by or on behalf of the Company, procure the Movon Group to return to the Company all such documents, if any, return, return and surrender for cancellation any Consideration Shares received by them or their nominee(s) or deemed received by them or received on behalf of them towards account of the Purchase Consideration or held by or on behalf of the Vendors pursuant to the terms of the SSA; and (b) the Company shall in exchange for the performance by the Vendors of their aforesaid obligations, return to the Vendors all documents, if any, delivered to it by or on behalf of the Movon Group, the Vendors or the ASSB's Nominated Parties. (iii) If the SSA is terminated by the Vendors – (a) the Vendors shall, within 14 days after the notice of termination, return and surrender for cancellation any Consideration Shares received by them or their nominee(s) or deemed received by them or received on behalf of them towards account of the Purchase Consideration or held by or on behalf of the Vendors pursuant to the terms of the SSA; (b) the Company shall, within 14 days after its receipt of the notice of termination, return to the Vendors all documents, if any, delivered to it by or on behalf of the Movon Group, the Vendors or the ASSB's Nominated Parties; and (c) the Vendors shall in exchange with the performance by the Company of its aforesaid obligations, return to the Company all documents, if any, delivered	This term is reasonable as: (i) each party has the right to terminate the SSA if, at any time prior to the completion of the SSA, the other party commits any breach of any of the obligations under the SSA which is incapable of remedy or if capable of remedy, is not remedied within 14 days of it being given notice so to do, or amongst others, a winding up, bankruptcy or insolvency event occurs, or any warranties, representations and undertakings given by the other party under the SSA is found at any time to be untrue or incorrect; (ii) the right to terminate the SSA accorded to each party is parallel and reciprocal; and (iii) the Company is entitled to take such action in law as may be necessary to compel the other parties to the SSA by way of specific performance to complete the transaction contemplated in the SSA (in which respect the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default of a party in the performance of the terms and conditions of the SSA) or to claim damages for the breach of the other parties to the SSA, which serves to protect the interest of the Company. We note that in the event the SSA is terminated by either party, the parties are required to return to the other party all documents delivered within 14 days after receipt of the notice of termination. This term and the agreed period are reasonable as both parties are subject to the same term and period which is not detrimental to the Company and/or non-interested shareholders of the Company.

No.	Salient terms of the SSA	TA Securities' comments
	to them by or on behalf of the Company and procure the Movon Group to return to the Company all such documents, if any. (iv) Notwithstanding the foregoing provisions of this paragraph 8 of this Section 6.4, the Company shall be at liberty to take such action in law as may be necessary to compel the other parties to the SSA by way of specific performance to complete the transaction contemplated in the SSA (in which respect the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default of a party in the performance of the terms and conditions of the SSA) or to claim damages for the breach of the other parties to the SSA.	

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We also note that the scenarios of the possible outcomes of the Profit Guarantee mechanism are illustrated in the salient terms of the SSA set out in Appendix I of Part A of the Circular as follows:

Scenario 1:
Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period and achieves 2nd Guaranteed Profit during the 2nd Guaranteed Period.

	Profit guarantee (A) RM'000	**Audited PAT (B) RM'000**	**Difference (C) = (A) – (B) RM'000**	**Pledged Shares to be released**
1st Guaranteed Period	8,000	8,000	-	11,764,706
2nd Guaranteed Period	15,000	15,000	-	22,058,824
Total	**23,000**	**23,000**	**-**	**33,823,530**
Shortfall	**-**			

Effects
As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the Total Guaranteed Profit is achieved for the Guaranteed Periods, the Second Tranche Pledged Shares shall be released to the Guarantors upon the expiry of the 2nd Guaranteed Period.

Scenario 2:
Assuming the Movon Group does not achieve the 1st Guaranteed Profit during the 1st Guaranteed Period but achieves the 2nd Guaranteed Profit during the 2nd Guaranteed Period. However, the Total Guaranteed Profit is met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	**Audited PAT (B) RM'000**	**Difference (C) = (A) – (B) RM'000**	**Pledged Shares to be released**
1st Guaranteed Period	8,000	4,000	4,000	-
2nd Guaranteed Period	15,000	19,000	(4,000)	33,823,530
Total	**23,000**	**23,000**	**-**	**33,823,530**
Shortfall	**-**			

As the 1st Guaranteed Profit is not achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will not be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the Total Guaranteed Profit is achieved for the Guaranteed Periods, all Pledged Shares shall be released to the Guarantors upon the expiry of the 2nd Guaranteed Period.

Scenario 3:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period but does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. The Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	9,000	(1,000)	11,764,706
2nd Guaranteed Period	15,000	10,000	5,000	(i)16,176,471
Total	**23,000**	**19,000**	**4,000**	**27,941,177**
Shortfall	**4,000**			

Note:

(i) Assuming the Shortfall was settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors (i.e. 16,176,471 Pledged Shares)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. 11,764,706 Pledged Shares)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 5,882,353 Pledged Shares)

Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM4,000,000.00 / RM0.68) = 5,882,353 Pledged Shares

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

However, the 2nd Guaranteed Profit is not achieved during the 2nd Guaranteed Period and the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM4.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 27,941,177 Pledged Shares.

No Cash Top-Up is required as the proceeds from the Disposal of Pledged Shares is sufficient to remedy the entire Shortfall.

Scenario 4:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period but does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. However, Total Guaranteed Profit is met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	22,000	(14,000)	11,764,706
2nd Guaranteed Period	15,000	1,000	14,000	22,058,824
Total	**23,000**	**23,000**	**-**	**33,823,530**
Shortfall	**-**			

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the Total Guaranteed Profit is achieved for the entire Guaranteed Periods, the Second Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 2nd Guaranteed Period.

Scenario 5:

Assuming the Movon Group does not achieve the 1st Guaranteed Profit during the 1st Guaranteed Period but achieves the 2nd Guaranteed Profit during the 2nd Guaranteed Period. However, Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	1,000	7,000	-
2nd Guaranteed Period	15,000	15,000	-	(i)23,529,412
Total	**23,000**	**16,000**	**7,000**	**23,529,412**
Shortfall	**RM7.0 million**			

Note:

(i) Assuming the Shortfall was settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors (i.e. 23,529,412 Pledged Shares)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. Nil)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 10,294,118 Pledged Shares)
Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM7,000,000.00 / RM0.68) = 10,294,118 Pledged Shares

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

As the 1st Guaranteed Profit is not achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will not be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, whilst the 2nd Guaranteed Profit is achieved but the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM7.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 23,529,412 Pledged Shares.

No Cash Top-Up is required as the proceeds from the Disposal of Pledged Shares is sufficient to remedy the entire Shortfall.

Scenario 6:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period but does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. The Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	8,000	-	11,764,706
2nd Guaranteed Period	15,000	(3,000)	18,000	-(i)
Total	**23,000**	**5,000**	**18,000**	**11,764,706**
Shortfall	**18,000**			
Cash Top-Up	**RM3.0 million(ii)**			

Notes:

(i) Assuming the Shortfall was settled via proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods (i.e. Nil)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. 11,764,706 Pledged Shares)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 22,058,824 Pledged Shares)

Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM18,000,000.00 / RM0.68) = 26,470,589 Shares. In the event Q exceeds the Remaining Pledged Shares, a Cash Top-Up is required.

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

(ii) Cash Top-Up is calculated as follows :

A = R - S

A = Cash Top-Up (i.e. RM3,000,000.00)
R = Shortfall (i.e. RM18,000,000.00)
S = Proceeds received from the disposal of the Remaining Pledged Shares, Q x MP (i.e. RM15,000,000.00)

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

However, the 2nd Guaranteed Profit is not achieved during the 2nd Guaranteed Period and the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM18.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares and the proceeds from the disposal of the Remaining Pledged Shares are insufficient to cover the Shortfall, the Guarantors shall settle such remaining balance in cash, i.e. Cash Top-Up.

Scenario 7:

Assuming the Movon Group does not achieve the 1st Guaranteed Profit during the 1st Guaranteed Period and does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. The Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	(5,000)	13,000	-
2nd Guaranteed Period	15,000	11,000	4,000	(i)8,823,530
Total	**23,000**	**6,000**	**17,000**	**8,823,530**

Shortfall **RM17.0 million**

Note:

(i) Assuming the Shortfall was settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors (i.e. 8,823,530 Pledged Shares)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. Nil)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 25,000,000 Pledged Shares)

Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM17,000,000.00 / RM0.68) = 25,000,000 Pledged Shares

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

As the 1st Guaranteed Profit is not achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will not be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, the 2nd Guaranteed Profit is also not achieved during the 2nd Guaranteed Period and the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM17.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 8,823,530 Pledged Shares.

Scenario 8:

Assuming the Movon Group does not achieve the 1st Guaranteed Profit during the 1st Guaranteed Period and does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. The Total Guaranteed Profit is not met and the Movon Group records an LAT during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT/LAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	(8,000)	16,000	-
2nd Guaranteed Period	15,000	(3,000)	18,000	-(i)
Total	**23,000**	**(11,000)**	**34,000**	**-**
Shortfall	**34,000**			
Cash Top-Up	**RM11.0 million(ii)**			

Notes:

(i) Assuming the Shortfall was settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors (i.e. Nil)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. Ni)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 33,823,530 Pledged Shares)

Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM34,000,000.00 / RM0.68) = 50,000,000 Shares. In the event Q exceeds the Remaining Pledged Shares, a Cash Top-Up is required.

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

(ii) Cash Top-Up is calculated as follows :

A = R - S

A = Cash Top-Up (i.e. RM11,000,000.00)
R = Shortfall (i.e. RM34,000,000.00)
S = Proceeds received from the disposal of the Remaining Pledged Shares, Q x MP (i.e. RM23,000,000.00)

As the 1st Guaranteed Profit is not achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will not be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the 2nd Guaranteed Profit is also not achieved during the 2nd Guaranteed Period and the Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM34.0 million, none of the Pledged Shares will be released to the Guarantors.

In the event the Shortfall is fully settled via cash, the entire 33,823,530 Pledged Shares will be released to the Guarantors.

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares and the proceeds from the disposal of the Remaining Pledged Shares are insufficient to cover the Shortfall, the Guarantors shall settle such remaining balance in cash, i.e. Cash Top-Up.

The illustrations on the Profit Guarantee mechanism are premised on the following principles:

(i) the Pledged Shares, comprising First Tranche Pledged Shares and Second Tranche Pledged Shares, will only be released to the Guarantors when the Movon Group achieves each of the 1st Guaranteed Profit and 2nd Guaranteed Profit during the 1st Guaranteed Period and 2nd Guaranteed Period, respectively;

(ii) the entire Pledged Shares will be released to the Guarantors when the Movon Group achieves the Total Guaranteed Profit for the entire Guaranteed Periods;

(iii) any LAT recorded in any of the Guaranteed Periods will be considered for computation of the Total Guaranteed Profit and/or the Shortfall for the Guaranteed Periods;

(iv) any Shortfall for the Guaranteed Periods will be settled in cash by the Guarantors and/or proceeds from the Disposal of Pledged Shares. Any remaining number of Pledged Shares after the settlement of the Shortfall at the end of the Guaranteed Periods will be released to the Guarantors; and

(v) in the event the proceeds from the Disposal of Pledged Shares are insufficient to remedy the Shortfall, then Cash Top-Up will be required from the Guarantors.

We are of the view that the Profit Guarantee mechanism is reasonable as it serves as a safeguard to Milux on the recovery of any Shortfall in the Profit Guarantee and only be released to the Vendors upon fulfilment of the relevant portion of the Profit Guarantee over the Guaranteed Periods. In addition, the Cash Top-Up serves to protect the interest of Milux for the recovery of any excess Shortfall not covered by the proceeds of the Disposal of Pledged Shares which are subject to the price per Pledged Share that may be realised at the relevant point in time.

Based on the above, we are of the view that the salient terms of the SSA, including the Profit Guarantee and its mechanism, are reasonable and not detrimental to the interests of the non-interested shareholders of the Company.

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6.5 INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

We take cognisance of the industry overview and outlook of the Malaysian economy and the home appliances market in Malaysia as well as the prospects of the enlarged Milux Group as set out in Section 4 of Part A of the Circular.

In summary, we are of the view that the long-term prospect of the enlarged Milux Group to be encouraging underpinned by the following key factors:

(i) the Malaysian economy is estimated to have grown from 2020 to 2025 at a CAGR of 5.2%. Subsequent to the escalation of Middle East tensions in February 2026, Bank Negara Malaysia maintained Malaysia's GDP growth forecast for 2026 at 4.0% to 5.0% and stated that the impact on Malaysia remains contained, with the outlook continuing to be supported by consumption, investment and exports. The Malaysian economy is supported by government initiatives such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Thirteenth Malaysia Plan. The Malaysian economy is forecasted to grow at a CAGR of 4.4% in the period from 2025 to 2030F (*Source: IMR Report)*;

(ii) the average monthly household income in Malaysia grew from RM7,901 in 2019 to RM9,155 in 2024 at a CAGR of 3.0%. With higher household income, consumers may seek to upgrade their lifestyles by renting or purchasing appliances that they previously could not afford (*Source: IMR Report)*;

(iii) household expenditure in Malaysia grew in tandem with household income. From 2019 to 2024, the total average monthly household expenditure increased from RM4,609 to RM5,566 at a CAGR of 3.8%. In particular, the total average monthly household expenditure for furnishings, household equipment, and routine household maintenance increased from RM201 to RM259 at a CAGR of 5.2% during the same period (*Source: IMR Report)*;

(iv) the Malaysian population is estimated to have grown from 32.4 million in 2020 to 33.9 million in 2025, at a CAGR of 0.9%. It is forecasted that the population will further increase to 35.7 million by 2030F, growing at a CAGR of 1.0% from 2025. With the expectation of a larger Malaysian population, the home appliances market will also expand further due to the increased consumer base (*Source: IMR Report);*

(v) the home appliances market in Malaysia is forecasted to grow at a CAGR of 5.4%, from RM9.2 billion in 2025 to a forecasted RM12.0 billion in 2030. New products with automated, multifunctional, internet-connected, and energy-efficient features continue to attract consumers. In addition, online platforms facilitate easier product comparisons and access to promotions, making purchases more convenient and supporting future market growth. The growth of e-commerce is particularly significant, with gross merchandise value forecasted to increase from RM85.6 billion (USD20 billion) in 2025 to approximately RM124.1 billion (USD29 billion) by 2030, further underpinning the expansion of the home appliances market in Malaysia;

(vi) within the home appliances market, the segment corresponding to the R2O model (excluding revenue from after-sales maintenance services) is estimated at around 10.0% to 15.0%. This indicates potential for the rental model to expand within the home appliances market in the coming years. The R2O segment of home appliances is estimated to grow at a faster pace during the forecasted period from 2025 to a forecasted 2030 at a CAGR range of 8.0% to 10.0%. The growth of the R2O segment will be driven by newer products such as air conditioners and kitchen appliances, and the availability of attractive packages from industry players. The rental packages provide financial flexibility for households due to the convenience of monthly payments, while bundled services such as repair and maintenance provide a hassle-free experience;

(vii) population growth and a resilient economic outlook, which lead to higher income and expenditure by households, are key factors supporting the growth of the home appliances market in Malaysia. In addition, other drivers contributing to the growth of the home appliances market in Malaysia, including those specific to the rental model, include:

(a) increasing disposable income signifies growth potential for the home appliances industry;
(b) growing residential property activity supporting demand for home appliances;
(c) changing lifestyle supporting innovative home appliances demand;
(d) rising awareness of energy efficiency and environmental concerns;
(e) expansion of multi-sales channels and adoption of direct to customer models;
(f) growing number of households and household debt;
(g) attractive instalment payment options for rental plans offering financial flexibility; and
(h) access to newer and advanced appliances without upfront cost;

(viii) following the Proposed Acquisition, the enlarged Milux Group is well positioned to deliver enhanced product diversification and a more comprehensive product portfolio to its clients. In addition, the enlarged Milux Group is able to leverage on Movon's established R2O offering, which provides greater payment flexibility to consumers, thereby enabling the enlarged Milux Group to capture a larger market share in the home appliances market.

The enlarged Milux Group, in pursuing its expansion plan, is expected to require additional funding, which may be sourced from a combination of internally generated funds, bank borrowings and/or equity fund raising. In this respect, the bank borrowings of the enlarged Milux Group are expected to increase to RM60.4 million as compared to zero gearing prior to the Proposed Acquisition. Details of our evaluation on the effects of the Proposed Acquisition on the Milux Group's bank borrowings and gearing are set out in Section 6.7 of this Independent Advice Letter; and

(ix) despite competition from bigger and more established home appliance manufacturers and direct selling companies adopting the R2O business model, Movon differentiates itself by focusing on niche parenting and smart home appliances while some of its other competitors are more focused on consumer electronics and/or water purifiers. As a home-grown Malaysian brand, Movon also benefits from its understanding of local consumer preferences, agile decision-making and flexibility in tailoring products, pricing and features to suit the needs, budgets and living spaces of the local market. These enhance Movon's competitiveness within the R2O market in Malaysia as compared to the larger and more established international players which are more inclined to offer products designed for a broad international audience, which may not necessarily align with the specific needs and preferences of Malaysian consumers and their larger-scale operations and standardised product development processes may result in longer lead times for launching niche products that cater to specific market segments.

Premised on the above, we are of the view that the prospects of the enlarged Milux Group following the completion of the Proposed Acquisition appears to be favourable and the Proposed Acquisition is to contribute positively to the enlarged Milux Group. Nonetheless, we wish to highlight that the Proposed Acquisition is subject to the risk factors as disclosed in Section 6.6 of this Independent Advice Letter.

6.6 RISK FACTORS FOR THE PROPOSED ACQUISITION

We note that the Proposed Acquisition will not materially change the risk profile of the enlarged Milux Group as the Movon Group operates in the same industry as the existing Milux Group.

In considering the Proposed Acquisition, the non-interested shareholders of Milux are advised to give careful consideration to the risk factors as set out in Section 5 of Part A of the Circular. Our comments on the risk factors relating to the Proposed Acquisition are as follows:

6.6.1 Non-completion risk

We note that the completion of the Proposed Acquisition is subject to the fulfilment of the Conditions Precedent as set out in Section 7 of Appendix I of the Circular and the performance by the relevant parties of their respective obligations within the stipulated timeframe as set out in the SSA. If any of the Conditions Precedent are not fulfilled, obtained or waived, as the case may be, within the stipulated timeframe or any of the termination events under the SSA occur such that the Proposed Acquisition cannot be completed, the SSA may be terminated.

We further note that, to mitigate such risk, the Company will take reasonable steps to ensure the Conditions Precedent which are within Milux's control are fulfilled, on or before the stipulated timeframe as well as mitigate the occurrence of any potential termination events that are within Milux's control in order to complete the Proposed Acquisition in a timely manner.

We are of the view that the non-completion risk of the Proposed Acquisition is a common aspect of similar acquisition proposals or arrangements. We note that in the event any of the Conditions Precedent are not able to be fulfilled, some of which are beyond the control of the Company, the Company will not be able to complete the Proposed Acquisition, thus resulting in non-materialisation of the potential benefits expected from the Proposed Acquisition.

6.6.2 Investment risk

We note that the success and profitability of the Movon Group depend on various factors, which include, among others, (i) general economic conditions; (ii) availability of financing at rates that is acceptable to the Movon Group (iii) fluctuations in consumer sentiment and demand; (iv) increased competition from existing and new market players; and (v) changes in costs of goods sold, logistics and operating expenses.

Arising therefrom, there can also be no assurance that the anticipated benefits of the Proposed Acquisition, as set out in Section 3 of Part A of the Circular, will be realised or that the Milux Group will be able to generate sufficient returns to offset the costs of investments. Further, the duration required for the Milux Group to recoup its investment could also be longer than anticipated after the completion of the Proposed Acquisition.

6.6.3 Achievability of the Profit Guarantee

We note that the Profit Guarantee is based on various bases and assumptions which the Milux Board (save for the Interested Director) deemed reasonable and realistic, but nevertheless is subject to certain uncertainties and contingencies, which are beyond Movon's control. While the Company has taken reasonable steps to assess the achievability of the Profit Guarantee, there can be no assurance that the Profit Guarantee will be met.

Nonetheless, the Profit Guarantee is secured by the Pledged Shares which will only be released to the Guarantors upon the fulfilment of the Profit Guarantee throughout the Guaranteed Periods in accordance with the terms of the SSA and Stakeholder Agreement. If there is any shortfall in the Profit Guarantee at the end of the Guaranteed Periods, the Guarantors are required to top-up the Shortfall in cash based on the mechanism as stipulated in the SSA and Stakeholder Agreement.

6.6.4 Integration risk

We note that the anticipated synergistic benefits to be realised from the Proposed Acquisition will largely depend on the successful integration of the Milux Group and the Movon Group. The Proposed Acquisition may potentially expose the Milux Group to various risks, including challenges associated with integrating new operations with differing business models, aligning management teams as well as visions and business processes.

Nevertheless, the Company will undertake the necessary measures to facilitate a smooth integration process, including establishing an appropriate management framework and implementation plan to ensure successful integration.

We are of the view that the integration risk of the Proposed Acquisition is common aspect of similar acquisition proposals or arrangements, which is reasonably mitigated by the Profit Guarantee for the Guaranteed Periods provided by the Guarantors.

We wish to highlight that although efforts and measures will be taken by the enlarged Milux Group to mitigate the abovementioned risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business operations, financial performance and prospects of the enlarged Milux Group.

6.7 EFFECTS OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition, we have taken note of the effects of the Proposed Acquisition as set out in Section 6 of Part A of the Circular as follows:

6.7.1 Share capital

The effect of the Proposed Acquisition on the issued share capital of Milux is as follows:

	No. of Milux Shares ‘000	RM’000
As at the LPD	235,057	59,066
Consideration Shares to be issued pursuant to the Proposed Acquisition	220,588	(1)150,000
Enlarged number of Milux Shares and issued share capital of Milux	**455,645**	**209,066**

Note:

(1) Computed based on the Share Issue Price.

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6.7.2 NA per Milux Share and gearing

Based on the latest audited consolidated statements of financial position of Milux as at 31 December 2025 and assuming the Proposed Acquisition had been effected on that date, the proforma effects of the Proposed Acquisition on the NA, NA per Milux Share and gearing of the Milux Group are as follows:

	Audited as at 31 December 2025	**After the Proposed Acquisition**
	RM'000	**RM'000**
Share capital	59,066	209,066
Fair value adjustment reserve	(993)	(993)
Merger deficit[(i)]	-	(78,542)
Accumulated losses[(ii)]	(17,509)	(12,334)
NA attributable to the owners of the Company	**40,564**	**117,197**
No. of Milux Shares in issue ('000)	235,057	[(iii)]455,645
NA per Milux Share (RM)	0.17	0.26
Total borrowings	-	[(iv)]60,434
Gearing (times)	-	0.52

Notes:

*(i) The Proposed Acquisition is accounted for using the business combinations arising from common control transfers ("**Merger Method**"). Business combinations involving entities under common control are accounted for by applying the pooling of interests method where the assets, liabilities and reserves of the merging companies are combined at their existing book values. The difference between the Purchase Consideration (excluding the portion of the Profit Guarantee) and the share capital of Movon is reflected within equity as merger deficit.*

(ii) Representing the combined results of the accumulated losses of Milux and retained earnings of Movon as at 31 December 2025 under the Merger Method and adjusting for unrealised profits between both the merging entities as well as after deducting the estimated expenses relating to the Proposed Acquisition of approximately RM1.67 million.

(iii) After taking into consideration the allotment and issuance of the Consideration Shares.

(iv) After taking into consideration the borrowings of the Movon Group as at 31 December 2025.

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6.7.3 Substantial shareholders' shareholdings

The effect of the Proposed Acquisition on the substantial shareholders' shareholdings in the Company is as follows:

	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Milux Shares ('000)	[i]%	No. of Milux Shares ('000)	[i]%	No. of Milux Shares ('000)	[ii]%	No. of Milux Shares ('000)	[ii]%
ABS Capital	150,767	64.1	-	-	150,767	33.1	-	-
MWH	-	-	[iii]150,767	64.1	-	-	[iii]150,767	33.1
LAH	-	-	[iii]150,767	64.1	28,859	6.3	[iv]240,767	52.9
LAK	-	-	[iii]150,767	64.1	28,859	6.3	[iv]240,767	52.9
TPSB	-	-	-	-	90,000	19.8	-	-

Notes:

(i) Based on the total number of 235,056,788 Milux Shares in issue.

(ii) Based on the enlarged number of 455,645,023 Milux Shares in issue after the Proposed Acquisition.

(iii) Deemed interested by virtue of his interest in ABS Capital pursuant to Section 8(4) of the Act.

(iv) Deemed interested by virtue of his interest in ABS Capital and TPSB respectively pursuant to Section 8(4) of the Act.

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6.7.4 Earnings and EPS

For illustrative purposes only, based on the latest audited consolidated statement of profit or loss and other comprehensive income of the Company for the FYE 31 December 2025 and assuming that the Proposed Acquisition had been effected on 1 January 2025, being the beginning of the FYE 31 December 2025, the pro forma effect of the Proposed Acquisition on the earnings of the Milux Group and EPS are as follows:

	Audited for the FYE 31 December 2025	After the Proposed Acquisition
	RM'000	RM'000
PATAMI	3,277	[(a)(b)]13,107
No. of Milux Shares in issue ('000)	235,057	455,645
EPS (sen)	1.39	2.88

Notes:

(a) After taking into consideration the average Profit Guarantee of RM11.5 million per annum.

(b) After deducting the estimated expenses relating to the Proposed Acquisition of approximately RM1.67 million.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings of the Milux Group.

The effect of the Proposed Acquisition on the EPS will depend upon, among others, the financial contribution of the Movon Group to the earnings of the Milux Group vis-à-vis the enlarged number of Milux Shares following the allotment and issuance of the Consideration Shares.

6.7.5 Convertible securities

We note that as at the LPD, the Company does not have any outstanding convertible securities.

6.7.6 Public shareholding spread

As at the LPD, the public shareholding spread of Milux is approximately 25.8%. Upon completion of the Proposed Acquisition and the Nomination, the public shareholding spread of the Company will increase to approximately 29.2%%, which is still in compliance with Paragraph 8.02(1) of the Listing Requirements.

Comments from TA Securities on the effects of the Proposed Acquisition

Premised on our evaluation as set out in Section 6.7 of this Independent Advice Letter, we note the following:

(i) the Proposed Acquisition will result in an increase in the issued share capital of Milux from 235.1 million Milux Shares to 455.6 million Milux Shares, arising from the issuance of 220.6 million Consideration Shares;

(ii) the Proposed Acquisition will result in an increase in the NA per Milux Share from RM0.17 as at 31 December 2025 to RM0.26 after the Proposed Acquisition;

(iii) the Proposed Acquisition will result in an increase in the borrowings of the Milux Group to RM60.4 million and gearing ratio of 0.52 time (as at 31 December 2025: Nil);

(iv) upon issuance of the Consideration Shares, the Proposed Acquisition will result in a dilution in the shareholdings of the existing shareholders of Milux, save for TPSB which will emerge as a substantial shareholder of Milux holding 19.8% Shares upon completion of the Proposed Acquisition. Despite the increase in the indirect number of Milux Shares held by LAH and LAK from 150.8 million Milux Shares as at the LPD to 240.8 million Milux Shares upon the completion of the Proposed Acquisition by virtue of their interests in ABS Capital and TPSB, their indirect shareholdings in percentage will decrease from 64.1% as at the LPD to 52.9% upon completion of the Proposed Acquisition;

(v) assuming the Proposed Acquisition had been effected on 1 January 2025, being the beginning of the FYE 31 December 2025, the Proposed Acquisition will contribute positively to the earnings of the enlarged Milux Group and will increase the proforma EPS from 1.39 sen to 2.88 sen due to the Profit Guarantee; and

(vi) assuming the Proposed Acquisition is completed as at the LPD, the public shareholding spread of Milux will increase from approximately 25.8% to approximately of 29.2%, which is in compliance with Paragraph 8.02(1) of the Listing Requirements as Milux's public shareholding spread is not expected to fall below 25% upon the completion of the Proposed Acquisition. The increase in the public shareholding spread of Milux after the Proposed Acquisition is due to the Nomination whereby a portion of the Consideration Shares will be allotted and issued to the ASSB's Nominated Parties, some of whom will be deemed as public shareholders of Milux upon receipt and acceptance of their respective portion of Consideration Shares.

Premised on the above, whilst the issuance of Consideration Shares pursuant to the Proposed Acquisition is expected to be dilutive in respect of the existing non-interested shareholders of the Company, but the dilution impact will be mitigated by the anticipated benefits of the Proposed Acquisition which will contribute positively to the Milux Group's earnings and EPS as supported by the Profit Guarantee.

Notwithstanding that the Milux Group's borrowings and gearing ratio will increase to RM60.4 million and 0.52 time respectively (as at 31 December 2025: Nil) after the completion of the Proposed Acquisition, the increased borrowings mainly comprise short-term banking facilities, such as revolving credits and bankers' acceptances, which are supported by future cash inflows to be generated from Movon's secured R2O contracts. Such borrowings are necessary to support the Movon's R2O business model which requires significant upfront capital outlay to procure and finance the home appliances prior to the receipt of contractual payments from customers over the tenure of the R2O contracts of approximately 3 to 5 years.

The Proposed Acquisition will increase the earnings of the Milux Group from RM3.3 million (audited for the FYE 31 December 2025) to RM13.1 million and EPS from 1.39 sen (audited for the FYE 31 December 2025) to 2.88 sen on a pro forma basis.

As such, the overall effects of the Proposed Acquisition are reasonable and not detrimental to the interests of the non-interested shareholders of Milux.

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7. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the terms of the Proposed Acquisition and have set out our evaluation in Section 6 of this Independent Advice Letter, as summarised in the table below. Non-interested shareholders of Milux should consider the merits and demerits of the Proposed Acquisition carefully based on all relevant and pertinent factors including those set out below and other considerations as set out in this Independent Advice Letter, Part A of the Circular together with the appendices and other publicly available information before making a decision to vote on the resolution pertaining to the Proposed Acquisition.

Section in this Independent Advice Letter	Areas of consideration	TA Securities' comments
6.1	Rationale and benefits of the Proposed Acquisition	Milux predominantly offers traditional household appliances, with a focus on small kitchen appliances (i.e. blenders and toasters), gas appliances (gas hobs, cooker hoods and stoves) as well as home and electrical appliances (fans and irons). Whereas, Movon specialises in Internet-of-Things enabled smart home appliances i.e. smart washer and/or dryer, refrigerators and air conditioners and offers premium high-quality baby strollers and baby car seats. We are of the view that the Proposed Acquisition will enable the Milux Group to expand its product and service offerings by integrating the product and service portfolio of both Milux Group and Movon Group, therefore strengthen the Milux Group's position in the home appliances and household products segment. Milux relies on authorised dealer stores nationwide and a smaller presence on e-commerce platforms for product distribution. Additionally, Milux's revenue is currently generated predominantly via conventional outright sales where products are sold to the authorised dealers for onward retail sale to the end-customers with a smaller portion contributed by R2O schemes. Whereas, Movon has a direct selling and distribution network which is supported by nationwide registered sales agents and a more established and proven R2O infrastructure which offers greater payment flexibility to customers (as compared to traditional outright sales), wherein it involves lower upfront costs. In view of the foregoing, we are of the view that the Proposed Acquisition will enable Milux to expand its distribution channel with immediate access to Movon's direct selling and distribution network and tap into Movon's more established and proven R2O infrastructure, such as its digitalised R2O end-to-end platform which was developed in-house, and established sales force without having to develop such capabilities organically, therefore strengthen the enlarged Milux Group's customer access and enabling the enlarged Milux Group in penetrating new target markets. The Proposed Acquisition will enhance the earnings base of the enlarged Milux Group going forward upon consolidation of Movon Group's financial results and the additional revenue stream from the Movon Group The allotment and issuance of Consideration Shares will allow the Company to minimise initial cash outlay to fund the Proposed Acquisition and thereby preserve the Milux Group's cash reserves which can instead be used for the working capital of the enlarged Milux Group. **Premised on the above, we are of the view that the rationale and benefits of the Proposed Acquisition are reasonable.**

<table>
<tr><th>Section in this Independent Advice Letter</th><th>Areas of consideration</th><th>TA Securities' comments</th></tr>
<tr><td>6.2</td><td>Basis and justifications for the Purchase Consideration</td><td>Premised on our evaluation of the Purchase Consideration as set out in Section 6.2 of this Independent Advice Letter, we are of the view that the Purchase Consideration is fair, after taking into consideration that the Purchase Consideration of RM150.0 million and the implied P/E Multiple of 12.9 times (computed based on the Purchase Consideration and the average forecasted PAT for FYE 31 December 2026 and FYE 31 December 2027) are within the range of valuation arrived at based on the DCF method and implied P/E Multiple computed by MainStreet and TA Securities as follows:
<table>
<tr><th rowspan="2"></th><th rowspan="2">Based on Purchase Consideration</th><th colspan="2">DCF method by MainStreet</th><th colspan="2">DCF method by TA Securities</th></tr>
<tr><th>Low range</th><th>High range</th><th>Low range</th><th>High range</th></tr>
<tr><td>Value of the Movon Group (RM'million)</td><td>150.0</td><td>140.0</td><td>171.4</td><td>125.0</td><td>176.0</td></tr>
<tr><td>Average forecasted PAT (RM'million)</td><td>11.6</td><td>11.6</td><td>11.6</td><td>11.6</td><td>11.6</td></tr>
<tr><td>Implied P/E Multiple (times)</td><td>12.9</td><td>12.1</td><td>14.8</td><td>10.8</td><td>15.2</td></tr>
</table></td></tr>
<tr><td>6.3</td><td>Basis and justifications for the Share Issue Price</td><td>The Share Issue Price of RM0.68 represents the following:

(i) discount ranging from RM0.0084 or 1.2% to RM0.0150 or 2.2% over the last closing market price as at the LTD and the 5-day VWAP up to the LTD; and

(ii) premium ranging from RM0.0050 or 0.7% to RM0.0812 or 13.6% over the 1-month, 3-month, 6-month and 12-month VWAPs up to the LTD and the last closing market price as at the LPD as well as the 5-day VWAP up to the LPD.

Premised on the above, we are of the view that the Share Issue Price is reasonable and the method of settlement for the Purchase Consideration is reasonable.</td></tr>
<tr><td>6.4</td><td>Salient terms of the SSA</td><td>The salient terms of the SSA include, among others, the Purchase Consideration, manner of payment of the Purchase Consideration, entitlement of the Company to appoint a nominee for Sale Shares, Vendor's entitlement to appoint nominee(s) for Purchase Consideration, Conditions Precedent and termination.

We are of the view that the salient terms of the SSA are reasonable and not detrimental to the interests of the non-interested shareholders of the Company.</td></tr>
<tr><td>6.5</td><td>Industry overview, outlook and prospects</td><td>Following the Proposed Acquisition, the enlarged Milux Group is well positioned to deliver enhanced product diversification and a more comprehensive product portfolio to its clients. In addition, the enlarged Milux Group is able to leverage on Movon's established R2O offering, which provides greater payment flexibility to consumers, thereby enabling the enlarged Milux Group to capture a larger market share in the home appliances market.</td></tr>
</table>

Section in this Independent Advice Letter	Areas of consideration	TA Securities' comments
		As a home-grown Malaysian brand, Movon also benefits from its understanding of local consumer preferences, agile decision-making and flexibility in tailoring products, pricing and features to suit the needs, budgets and living spaces of the local market. These enhance Movon's competitiveness within the R2O market in Malaysia as compared to the larger and more established international players. **Premised on the above, we are of the view that the prospects of the enlarged Milux Group following the completion of the Proposed Acquisition appears to be favourable and the Proposed Acquisition is to contribute positively to the enlarged Milux Group.**
6.6	Risk factors for the Proposed Acquisition	The risks of the Proposed Acquisition include the following: (i) non-completion risk; (ii) investment risk; (iii) achievability of the Profit Guarantee; and (iv) integration risk. **We wish to highlight that although efforts and measures will be taken by the enlarged Milux Group to mitigate the abovementioned risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business operations, financial performance and prospects of the enlarged Milux Group.**
6.7	Effects of the Proposed Acquisition	Whilst the issuance of Consideration Shares pursuant to the Proposed Acquisition is expected to be dilutive in respect of the non-interested shareholders of the Company, but the dilution impact will be mitigated by the anticipated benefits of the Proposed Acquisition which will contribute positively to the Milux Group's earnings and EPS as supported by the Profit Guarantee. The Proposed Acquisition will increase the earnings of the Milux Group from RM3.3 million to RM13.1 million and EPS from 1.39 sen to 2.88 sen on a pro forma basis. Notwithstanding that the Milux Group's borrowings and gearing ratio will increase to RM60.4 million and 0.52 time respectively (as at 31 December 2025: Nil) after the completion of the Proposed Acquisition, the increased borrowings mainly comprise short-term banking facilities, such as revolving credits and bankers' acceptances, which are supported by future cash inflows to be generated from Movon's secured R2O contracts. **As such, the overall effects of the Proposed Acquisition are reasonable and not detrimental to the interests of the non-interested shareholders of Milux.**

After taking into consideration our overall assessment and evaluation of the Proposed Acquisition based on the information available to us up to the LPD, we are of the view that the Proposed Acquisition is **fair and reasonable** and is **not detrimental** to the non-interested shareholders of the Company.

Accordingly, we recommend that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

Yours faithfully
For and on behalf of
TA SECURITIES HOLDINGS BERHAD

DOMINIC SEAH	**JASON CHIN WAI KING**
Head	Vice President
Corporate Finance	Corporate Finance

1. Purchase Consideration

The sale and purchase consideration for the Sale Shares is RM150,000,000, which has been arrived at on a willing-buyer willing-seller basis after taking into consideration, *inter-alia*, the following –

(i) the independent fair valuation of the entire equity interest in Movon undertaken by the Valuer; and

(ii) the Profit Guarantee.

2. Manner of payment of the Purchase Consideration

(i) The Purchase Consideration shall be satisfied by the Company allotting and issuing the Consideration Shares at the Share Issue Price to the Vendors and/or their nominees (including the ASSB's Nominated Parties and the identified Investor Partners in the Final List of Entitled Investor Partners To Receive Consideration Shares (as defined hereinafter)) in the respective proportions and amounts set out in the SSA.

(ii) The Share Issue Price has been arrived at and fixed based on a willing buyer-willing seller basis after taking into consideration the closing price and the 5 market days-VWAP of Milux Shares as quoted on Bursa Securities up to and including 10 July 2026. The Share Issue Price shall not be revised unless mutually agreed upon in writing by the Vendors and the Company.

(iii) The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the then existing Milux Shares, save and except that the holders of the Consideration Shares shall not be entitled to any dividends, rights, benefits, entitlement, allotments and/or any other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such Consideration Shares.

3. Company entitled to appoint a nominee for Sale Shares

The parties to the SSA agree that the Company will be entitled, at any time and from time to time but in any event before the Completion Date, to appoint a nominee to receive and accept the Sale Shares in place of the Company by giving to the Vendors a notice in writing of such nomination together with all particulars of the nominee. In the event of such nomination, the Vendors undertake and shall procure Movon to give effect to the transfer of the Sale Shares to the said nominee.

4. Vendors entitled to appoint nominee(s) for Purchase Consideration

(i) The parties to the SSA agree that the Vendors will be entitled, at any time and from time to time but in any event before the Completion Date, to appoint nominee(s) to receive and accept the Purchase Consideration (save for the Pledged Shares) in place of the Vendors by giving to the Company notice in writing of such nomination together with all particulars of the nominee(s). In the event of such nomination, the Company undertakes to allot and issue the Consideration Shares (save for the Pledged Shares) to the said nominee(s) in such manner instructed by the Vendors at the sole and absolute cost and expense of the respective Vendors and provided always that the Vendors shall fully indemnify the Company from and against any and all costs and expenses and liabilities thereby incurred in respect thereof.

(ii) The parties to the SSA acknowledge and agree that ASSB, being one of the Vendors, has appointed and nominated the ASSB's Nominated Parties (including the identified Investor Partners in the Final List of Entitled Investor Partners To Receive Consideration Shares), to receive and accept in entirety its portion of the 201,598,327 Consideration Shares to be issued to ASSB in place of ASSB at the sole and absolute cost and expense of ASSB. In respect of such appointment, the Company undertakes to give effect to the allotment and issuance of the 201,598,327 Consideration Shares to the ASSB's Nominated Parties and the identified Investor Partners in the Final List of Entitled Investor Partners To Receive Consideration Shares in the respective proportions set out in the SSA and in accordance with the provisions of the SSA provided always that ASSB shall fully indemnify the Company from and against any and all costs and expenses and liabilities thereby incurred in respect thereof.

(iii) Each of the Guarantors also agrees and undertakes that such amounts and proportions of the Consideration Shares as set out in the SSA to be allotted and issued to them constituting the Pledged Shares, shall be deposited with the Trustee on the Completion Date and dealt with in accordance with the terms of the SSA with respect to their Profit Guarantee obligations.

5. RCPS conversion by ASSB and Movon

(i) RCPS Conversion Trigger Event

(a) The parties to the SSA (for the avoidance of doubt, including Movon and ASSB) acknowledge and agree that the execution of the SSA constitutes the RCPS Conversion Trigger Event under the RCPS Terms. Both ASSB and Movon shall irrevocably agree, undertake and covenant to exercise their option to undertake the RCPS Conversion. The parties to the SSA further agree that the completion of the RCPS Conversion as well as allotment and issuance of the new ASSB OS to the RCPS Holders arising from the RCPS Conversion shall constitute one of the Conditions Precedent. Accordingly, Movon and ASSB agree, covenant and undertake that they shall, and shall procure the necessary parties to do all things as may be necessary to give effect to the RCPS Conversion as well as the allotment and issuance of the new ASSB OS to the RCPS Holders arising from the RCPS Conversion in accordance with their respective RCPS Terms at their own costs and expenses.

(b) For the avoidance of doubt, the RCPS Conversion CP is conditional upon the condition precedent relating to the approval of the Shareholders at the forthcoming EGM for the Proposed Acquisition being obtained/fulfilled and the RCPS Conversion CP shall only be implemented after such condition precedent has been obtained/fulfilled.

(ii) Appointment of the Investor Partners by the Investment LLPs for receipt of part of the Consideration Shares

(a) Pursuant to **paragraph 4(i)** of this **Appendix I** above, ASSB has appointed, amongst others, the Investment LLPs (as new ordinary shareholders of ASSB following exercise of the RCPS Conversion) to receive and accept part of the Consideration Shares, in proportion to their respective shareholdings in ASSB, upon the completion of the RCPS Conversion.

(b) The Investment LLPs shall, in turn, nominate the respective Investor Partners as identified by the respective Investment LLPs as at the Identification Date (as defined hereinafter) to receive and accept such Consideration Shares in proportion to their respective Partnership Units held in the Investment LLPs pursuant to the provisions of the respective Partnership Agreements.

(c) For the purposes of identification of the Investor Partners who are entitled to the Consideration Shares to be allocated to the respective Investment LLPs on completion of the SSA, ASSB, Movon and the Investment LLPs agree, covenant and undertake that they shall, and shall procure –

(1) a detailed list containing the names and Central Depository System account(s) ("**CDS Account(s)**") and particulars of the Entitled Investor Partners (as defined hereinafter), the breakdown of calculation of the number of Consideration Shares to be distributed to each Investor Partner in proportion to their Partnership Units held in the respective Investment LLPs ("**Final List of Entitled Investor Partners To Receive Consideration Shares"**), as well as any other documents or information as required by the Company and its advisers (including the Company's share registrar);

(2) the details of the Entitled Investor Partners who are not contactable or have missing or incomplete particulars and the breakdown of calculation of the number of Consideration Shares to be distributed to such Investor Partners in proportion to their Partnership Units held in the respective Investment LLPs, whereby the total number of such Consideration Shares shall be ascertained for the purpose of allotment and issuance of the Considerations Shares to the Investment LLPs directly on completion; of the SSA

(3) updated registers of partners of the respective Investment LLPs as of the Identification Date ("**Updated Register of Partners**"); and

(4) the particulars of the CDS Accounts held by the respective Investment LLPs,

to be provided to the Company within 5 market days after the Unconditional Date ("**Identification Date**").

(d) For the avoidance of doubt, the names of Investor Partners who are entitled to receive and accept the Consideration Shares under the respective Partnership Agreements must appear in the Updated Register of Partners on the Identification Date in order to be entitled to the distribution of the Consideration Shares allocated to the respective Investment LLPs ("**Entitled Investor Partners**").

(e) Upon the expiry of the period of 5 market days after the Unconditional Date, in the event that –

(1) any of the Entitled Investor Partners cannot be contacted by the Investment LLPs; or

(2) the complete details of the CDS Account particulars or any other documents or information required by the Company and its advisers (including the Company's share registrar) relating to any of the Entitled Investor Partners are not provided to or obtained by the Investment LLPs,

each of the Investment LLPs shall furnish to the Company the details of such Investor Partners and the number of Consideration Shares to be distributed to each of them and such other information required by the Company in order to identify the number of Consideration Shares to be allotted and issued to the Investment LLPs directly on the Completion Date and such Consideration Shares shall upon receipt by the Investment LLPs be held on trust as bare trustee for and on behalf of such Investor Partners.

For the purpose of holding the Consideration Shares, the Investment LLPs shall each open and maintain valid CDS accounts no later than the Identification Date.

(f) To ensure certainty in identifying the Investor Partners entitled to the Consideration Shares and the number of Consideration Shares to be issued to each of them in proportion to the Partnership Units held in the Investment LLPs as at Identification Date as well as the allotment and issuance of such Consideration Shares on completion of the SSA, ASSB, Movon and the Investment LLPs agree and covenant that, during the period commencing on 14 days after the date of the RCPS Pre-Conversion Notice (as defined hereinafter) until the Completion Date ("**Moratorium Period**"), a moratorium shall be imposed on the sale, assignment and transfer of the Partnership Units by the Investor Partners and they shall procure the respective compliance officers of the Investment LLPs to suspend the processing of any such sale, assignment and transfer during the Moratorium Period ("**Moratorium**"). The Investment LLPs represent, warrant and confirm that the imposition of the Moratorium does not constitute a variation of the provisions of the respective Partnership Agreements and they have the requisite right, power and authority to comply with, effect and enforce the Moratorium.

(g) Further, to facilitate the necessary steps required to be undertaken for the allotment and issuance of the Consideration Shares on completion of the SSA (which includes but not limited to the verification by Bursa Malaysia Depository Sdn Bhd ("**Bursa Malaysia Depository**") on the CDS Account(s) of such Entitled Investor Partners and/or the Investment LLPs), ASSB, Movon and the Investment LLPs agree, covenant and undertake they shall cooperate with and assist the Company in any queries or information that Bursa Malaysia Depository and/or any other parties may have in connection with the allotment and issuance of the Consideration Shares to the Entitled Investor Partners and/or the Investment LLPs, including providing requisite details to the Entitled Investor Partners and/or the Investment LLPs.

(iii) Issuance of RCPS Pre-Conversion Notice to the RCPS Holders

Within 3 business days from the date of the SSA, Movon and ASSB agree, covenant and undertake that they shall issue a written notice each to all the RCPS Holders ("**RCPS Pre-Conversion Notice**") (with copies issued to the Company) informing them of the following:

(a) that Movon and ASSB will undertake the Proposed Acquisition, which shall constitute a RCPS Conversion Trigger Event under the RCPS Terms;

(b) that Movon and ASSB will undertake the RCPS Conversion which is subject to approval by the Shareholders at the forthcoming EGM for the Proposed Acquisition;

(c) the details of the Moratorium which will take effect during the Moratorium Period;

(d) the requirement for the Investment LLPs to (1) inform the Investor Partners on the Proposed Acquisition and the Moratorium, and (2) compile and provide the information as required in **paragraph 5(ii)** of this **Appendix I** above by the Identification Date; and

(e) such other information as the Company may require.

Further, the Investment LLPs agree, covenant and undertake that they shall do all things as may be necessary to inform the Investor Partners of the Proposed Acquisition and compile the information required as referred to in **paragraph 5(ii)** of this **Appendix I** above.

6. Settlement of Related Party Advances (including the ASSB Advances and the Movon Debt)

(i) The parties to the SSA acknowledge and agree that –

(a) ASSB has prior to the date of the SSA, extended the ASSB Advances to Movon; and

(b) the completion of the RCPS Conversion which constitutes one of the Conditions Precedent will result in the creation of the Movon Debt.

(ii) The parties to the SSA further acknowledge and covenant and the Vendors represent, warrant and undertake that the Movon Group is or shall as at the Completion Date be free of any claims, debts or liabilities relating to (1) the ASSB Advances and the Movon Debt, (2) any other loans or advances extended to the Movon Group by directors and/or shareholders of the Movon Group and their related parties and persons connected with them ("**Related Parties**") and (3) loans or advances extended to the Related Parties by the Movon Group (collectively, the "**Related Party Advances**").

(iii) Accordingly, the parties to the SSA agree on the following:

(a) In respect of the ASSB Advances, the outstanding amount due and owing by Movon to ASSB arising from the ASSB Advances shall be fully settled in the following manner:

(1) Movon paying ASSB a fixed sum of RM3,456,414 in cash; and

(2) in respect of the Capitalisation Amount, such amount shall be settled by Movon by way of the Proposed Capitalisation 1.

(b) In respect of the Movon Debt, the creation of the Movon Debt is conditional upon the fulfilment of the RCPS Conversion CP and the outstanding amount due and owing by the Company to ASSB arising from the Movon Debt shall be fully settled by Movon by way of the Proposed Capitalisation 2.

For the avoidance of doubt, the Settlement Movon Shares to be issued pursuant to the Proposed Capitalisation shall form part of the Sale Shares.

(c) To the extent that there are any other outstanding Related Party Advances (other than the ASSB Advances and the Movon Debt) as at the Completion Date which may include further advances (free of interest) provided by the Vendors or any of the Related Parties to the Movon Group after the date of the SSA for the purposes of the on-going business or operations of the Movon Group pending completion of the Proposed Acquisition, the respective Vendors undertake and covenant to at their own cost and expense pay and settle such Related Party Advances (if any) in cash so that the Movon Group is free of any Related Party Advances on or before the Completion Date.

7. Conditions Precedent

The obligations of the parties to the SSA that are set out in the SSA in respect of the sale and purchase of the Sale Shares are conditional upon the following Conditions Precedent being obtained/fulfilled or waived (as the case may be) by the day falling 6 months from the date of this SSA, or such later date as the parties to the SSA may mutually agree on ("**Cut-Off Date**"):

(i) the completion of the due diligence conducted on the Movon Group and the Company being satisfied at its sole and absolute discretion with the results of the due diligence and such specific indemnities as identified and deemed necessary by the Company being agreed upon by the parties to the SSA in writing following completion of the due diligence;

(ii) the Vendors having delivered the disclosure letter disclosing any exclusions or exceptions to and any inconsistencies with the warranties, representations and undertakings of the Vendors contained in the SSA ("**Disclosure Letter**") to the Company within 14 business days after the execution of the SSA or such extended period as may be agreed upon between the parties to the SSA in writing and the Company being satisfied at its discretion with the contents of the Disclosure Letter;

(iii) the Company having obtained the approval of its non-interested Shareholders at an EGM to be convened for the Proposed Acquisition and the issuance of the Consideration Shares;

(iv) the Company having obtained the approval or consent of the financiers/creditors of the Company for, *inter alia*, the Proposed Acquisition and the issuance of the Consideration Shares upon the terms and subject to the conditions of the SSA, where required;

(v) the Vendors having obtained the approval or consent of the financiers/creditors of the Movon Group for, *inter alia*, the sale and transfer of the Sale Shares in favour of the Company, upon the terms and subject to the conditions of the SSA, where required;

(vi) the Vendors having obtained the approval or consent of any other party which has entered into any subsisting arrangement, contract or undertaking or guarantee with or involving the Movon Group, where required, in each case to the extent that at the Completion Date the same remain to be completed or performed or remain in force;

(vii) the Company having obtained the approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities;

(viii) the execution of the Stakeholder Agreement by the Trustee, the Company and the Guarantors and the deposit of the same with the Company's solicitors as stakeholders;

(ix) the Company being satisfied that no force majeure event as specified under the SSA has occurred;

(x) ASSB and Movon having completed the RCPS Conversion and the new ASSB OS having been allotted and issued to the RCPS Holders in accordance with the RCPS Terms;

(xi) the Vendors having procured Movon or Movon having completed the Proposed Capitalisation, thereby resulting in the allotment and issuance of the Settlement Movon Shares to ASSB (which shall form part of the Sale Shares); and

(xii) any other approvals, waivers or consents of any authorities or parties as may be required by law or regulation or deemed necessary by the parties to the SSA.

8. Termination

(i) Each party to the SSA shall be entitled to issue a notice of termination to the other party, if, at any time prior to the completion of the SSA, the other party commits any breach of any of the obligations under the SSA which is incapable of remedy or if capable of remedy, is not remedied within 14 days of it being given notice so to do, or amongst others, a winding up, bankruptcy or insolvency event occurs, or any warranties, representations and undertakings given by the other party under the SSA is found at any time to be untrue or incorrect.

(ii) If the SSA is terminated by the Company and the Company elects not to pursue the remedy of specific performance –

(a) the Vendors shall within 14 days after receipt of the notice of termination, return to the Company all documents, if any, delivered to any of them by or on behalf of the Company, procure the Movon Group to return to the Company all such documents, if any, return, return and surrender for cancellation any Consideration Shares received by them or their nominee(s) or deemed received by them or received on behalf of them towards account of the Purchase Consideration or held by or on behalf of the Vendors pursuant to the terms of the SSA; and

(b) the Company shall in exchange for the performance by the Vendors of their aforesaid obligations, return to the Vendors all documents, if any, delivered to it by or on behalf of the Movon Group, the Vendors or the ASSB's Nominated Parties.

(iii) If the SSA is terminated by the Vendors –

(a) the Vendors shall, within 14 days after the notice of termination, return and surrender for cancellation any Consideration Shares received by them or their nominee(s) or deemed received by them or received on behalf of them towards account of the Purchase Consideration or held by or on behalf of the Vendors pursuant to the terms of the SSA;

(b) the Company shall, within 14 days after its receipt of the notice of termination, return to the Vendors all documents, if any, delivered to it by or on behalf of the Movon Group, the Vendors or the ASSB's Nominated Parties; and

(c) the Vendors shall in exchange with the performance by the Company of its aforesaid obligations, return to the Company all documents, if any, delivered to them by or on behalf of the Company and procure the Movon Group to return to the Company all such documents, if any.

(iv) Notwithstanding the foregoing provisions of this **paragraph 8** of this Appendix I, the Company shall be at liberty to take such action in law as may be necessary to compel the other parties to the SSA by way of specific performance to complete the transaction contemplated in the SSA (in which respect the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default of a party in the performance of the terms and conditions of the SSA) or to claim damages for the breach of the other parties to the SSA.

The following scenarios illustrate the possible outcomes of the Profit Guarantee mechanism:

Scenario 1:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period and achieves 2nd Guaranteed Profit during the 2nd Guaranteed Period.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	8,000	-	11,764,706
2nd Guaranteed Period	15,000	15,000	-	22,058,824
Total	**23,000**	**23,000**	**-**	**33,823,530**
Shortfall	**-**			

Effects

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the Total Guaranteed Profit is achieved for the Guaranteed Periods, the Second Tranche Pledged Shares shall be released to the Guarantors upon the expiry of the 2nd Guaranteed Period.

Scenario 2:

Assuming the Movon Group does not achieve the 1st Guaranteed Profit during the 1st Guaranteed Period but achieves the 2nd Guaranteed Profit during the 2nd Guaranteed Period. However, the Total Guaranteed Profit is met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	4,000	4,000	-
2nd Guaranteed Period	15,000	19,000	(4,000)	33,823,530
Total	**23,000**	**23,000**	**-**	**33,823,530**
Shortfall	**-**			

As the 1st Guaranteed Profit is not achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will not be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the Total Guaranteed Profit is achieved for the Guaranteed Periods, all Pledged Shares shall be released to the Guarantors upon the expiry of the 2nd Guaranteed Period.

Scenario 3:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period but does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. The Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	9,000	(1,000)	11,764,706
2nd Guaranteed Period	15,000	10,000	5,000	(i)16,176,471
Total	**23,000**	**19,000**	**4,000**	**27,941,177**
Shortfall	**4,000**			

Note:

(i) Assuming the Shortfall was settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors (i.e. 16,176,471 Pledged Shares)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. 11,764,706 Pledged Shares)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 5,882,353 Pledged Shares)

Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM4,000,000.00 / RM0.68) = 5,882,353 Pledged Shares

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

However, the 2nd Guaranteed Profit is not achieved during the 2nd Guaranteed Period and the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM4.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 27,941,177 Pledged Shares.

No Cash Top-Up is required as the proceeds from the Disposal of Pledged Shares is sufficient to remedy the entire Shortfall.

Scenario 4:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period but does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. However, Total Guaranteed Profit is met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	22,000	(14,000)	11,764,706
2nd Guaranteed Period	15,000	1,000	14,000	22,058,824
Total	**23,000**	**23,000**	**-**	**33,823,530**

Shortfall **-**

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, as the Total Guaranteed Profit is achieved for the entire Guaranteed Periods, the Second Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 2nd Guaranteed Period.

Scenario 5:

Assuming the Movon Group does not achieve the 1st Guaranteed Profit during the 1st Guaranteed Period but achieves the 2nd Guaranteed Profit during the 2nd Guaranteed Period. However, Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	1,000	7,000	-
2nd Guaranteed Period	15,000	15,000	-	(i)23,529,412
Total	**23,000**	**16,000**	**7,000**	**23,529,412**

Shortfall **RM7.0 million**

As the 1st Guaranteed Profit is not achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will not be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

Subsequently, whilst the 2nd Guaranteed Profit is achieved but the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM7.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.

Note:

(i) Assuming the Shortfall was settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors (i.e. 23,529,412 Pledged Shares)

W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. Nil)
Q = Number of Pledged Shares disposed to meet the Shortfall (i.e. 10,294,118 Pledged Shares)
Q = Shortfall / MP, provided always that Q shall not exceed the Remaining Pledged Shares (RM7,000,000.00 / RM0.68) = 10,294,118 Pledged Shares

MP = Market price of the disposed Pledged Shares (assume at RM0.68 each)

In the event the Shortfall is settled via the proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 23,529,412 Pledged Shares.

No Cash Top-Up is required as the proceeds from the Disposal of Pledged Shares is sufficient to remedy the entire Shortfall.

Scenario 6:

Assuming the Movon Group achieves the 1st Guaranteed Profit during the 1st Guaranteed Period but does not achieve the 2nd Guaranteed Profit during the 2nd Guaranteed Period. The Total Guaranteed Profit is not met during the Guaranteed Periods.

	Profit guarantee (A) RM'000	Audited PAT (B) RM'000	Difference (C) = (A) – (B) RM'000	Pledged Shares to be released
1st Guaranteed Period	8,000	8,000	-	11,764,706
2nd Guaranteed Period	15,000	(3,000)	18,000	-(i)
Total	**23,000**	**5,000**	**18,000**	**11,764,706**
Shortfall	**18,000**			
Cash Top-Up	**RM3.0 million**(ii)			

Notes:

(i) Assuming the Shortfall was settled via proceeds from the Disposal of Pledged Shares, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods shall be as follows:

Y = W - Z - Q

Y = Number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods (i.e. Nil)
W = Total number of Pledged Shares pursuant to the Profit Guarantee (i.e. 33,823,530 Pledged Shares)
Z = First Tranche Pledged Shares released to the Guarantors (i.e. 11,764,706 Pledged Shares)

As the 1st Guaranteed Profit is achieved during the 1st Guaranteed Period, the First Tranche Pledged Shares will be released to the Guarantors upon the expiry of the 1st Guaranteed Period.

However, the 2nd Guaranteed Profit is not achieved during the 2nd Guaranteed Period and the Audited Aggregate PAT for the Guaranteed Periods falls short of the Total Guaranteed Profit by RM18.0 million.

In the event the Shortfall is settled fully in cash, the number of Pledged Shares to be released to the Guarantors at the end of the Guaranteed Periods would amount to an aggregate of 33,823,530 Pledged Shares.