

[www.luxchem.com.my](http://www.luxchem.com.my)

**LUXCHEM**

**LUXCHEM CORPORATION BERHAD**  
Registration No. 199101014102 (224414-D)

Wisma Luxchem, Block N, Jaya One, 72A,  
Jalan Prof Diraja Ungku Aziz, Seksyen 13,  
46200 Petaling Jaya, Selangor

Tel : (603) 7626 7800 Fax : (603) 7610 9355





# CONTENT

|     |  |
|-----|--|
| 2   | Corporate Information  |
| 4   | Corporate Structure  |
| 5   | Financial Highlights   |
| 7   | Directors' Profile   |
| 13  | Key Senior Management's Profile  |
| 18  | Management Discussion and Analysis                                       |
| 26  | Sustainability Statement   |
| 56  | Corporate Governance Overview Statement                                  |
| 65  | Statement of Directors' Responsibility                                   |
|     |  |
| 66  | Audit and Risk Management Committee Report                               |
| 70  | Statement of Risk Management and Internal Control                        |
| 74  | Additional Compliance Information  |
| 76  | Financial Statements   |
| 150 | List of Properties   |
| 153 | Analysis of Shareholdings  |
| 157 | Notice of Annual General Meeting   |
| 163 | Statement Accompanying Notice of 33 <sup>rd</sup> Annual General Meeting |
|     | Proxy Form   |



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**DATUK KWAN FOH KWAI***Independent Non-Executive Chairman***TANG YING SEE***Managing Director / Chief Executive Officer***CHIN SONG MOOI***Executive Director***CHEN MOI KEW***Executive Director / Chief Financial Officer***TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI***Independent Non-Executive Director***TAN TECK KIONG***Independent Non-Executive Director*

### COMPANY SECRETARIES

**Tan Bee Hwee***(SSM PC NO. 202008001497) (MAICSA 7021024)***Chen Moi Kew***(SSM PC NO. 202008001043) (MIA 6359)***Lim You Jing***(SSM PC NO. 202108000369) (MAICSA 7075638)*

### NOMINATING COMMITTEE

**Tan Teck Kiong***Chairman***Taufig Ahmad @ Ahmad Mustapha Bin Ghazali***Member***Datuk Kwan Foh Kwai***Member*

### AUDIT AND RISK MANAGEMENT COMMITTEE

**Taufig Ahmad @ Ahmad Mustapha Bin Ghazali***Chairman***Datuk Kwan Foh Kwai***Member***Tan Teck Kiong***Member*

### REMUNERATION COMMITTEE

**Datuk Kwan Foh Kwai***Chairman***Taufig Ahmad @ Ahmad Mustapha Bin Ghazali***Member***Tan Teck Kiong***Member*

# CORPORATE INFORMATION

cont'd



## SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.  
 Registration No. 197101000970 (11324-H)  
 Unit 32-01, Level 32  
 Tower A, Vertical Business Suite  
 Avenue 3, Bangsar South  
 No. 8, Jalan Kerinchi  
 59200 Kuala Lumpur  
 Telephone No. : (03) 2783 9299  
 Facsimile No. : (03) 2783 9222  
 Email Address : is.enquiry@vistra.com

## CORPORATE OFFICE

Wisma Luxchem, Block N, Jaya One  
 72A, Jalan Prof Diraja Ungku Aziz  
 Seksyen 13, 46200 Petaling Jaya  
 Selangor Darul Ehsan  
 Telephone No. : (03) 7626 7800  
 Facsimile No. : (03) 7610 9355  
 Website : www.luxchem.com.my

## PRINCIPAL BANKERS

CIMB Bank Berhad [197201001799 (13491-P)]  
 Citibank Berhad [199401011410 (297089-M)]  
 HSBC Bank Malaysia Berhad [198401015221 (127776-V)]  
 Malayan Banking Berhad [196001000142 (3813-K)]  
 United Overseas Bank (Malaysia) Berhad  
 [199301017069 (271809-K)]

## REGISTERED OFFICE

Unit 30-01, Level 30  
 Tower A, Vertical Business Suite  
 Avenue 3, Bangsar South  
 No. 8, Jalan Kerinchi  
 59200 Kuala Lumpur  
 Telephone No. : (03) 2783 9191  
 Facsimile No. : (03) 2783 9111  
 Email Address : info.my@vistra.com

## AUDITORS

BDO PLT  
 201906000013 (LLP0018825-LCA & AF 0206)  
 Level 8, BDO @ Menara CentARa  
 360 Jalan Tuanku Abdul Rahman  
 50100 Kuala Lumpur  
 Telephone No. : (03) 2616 2888  
 Facsimile No. : (03) 2616 3190, 2616 3191

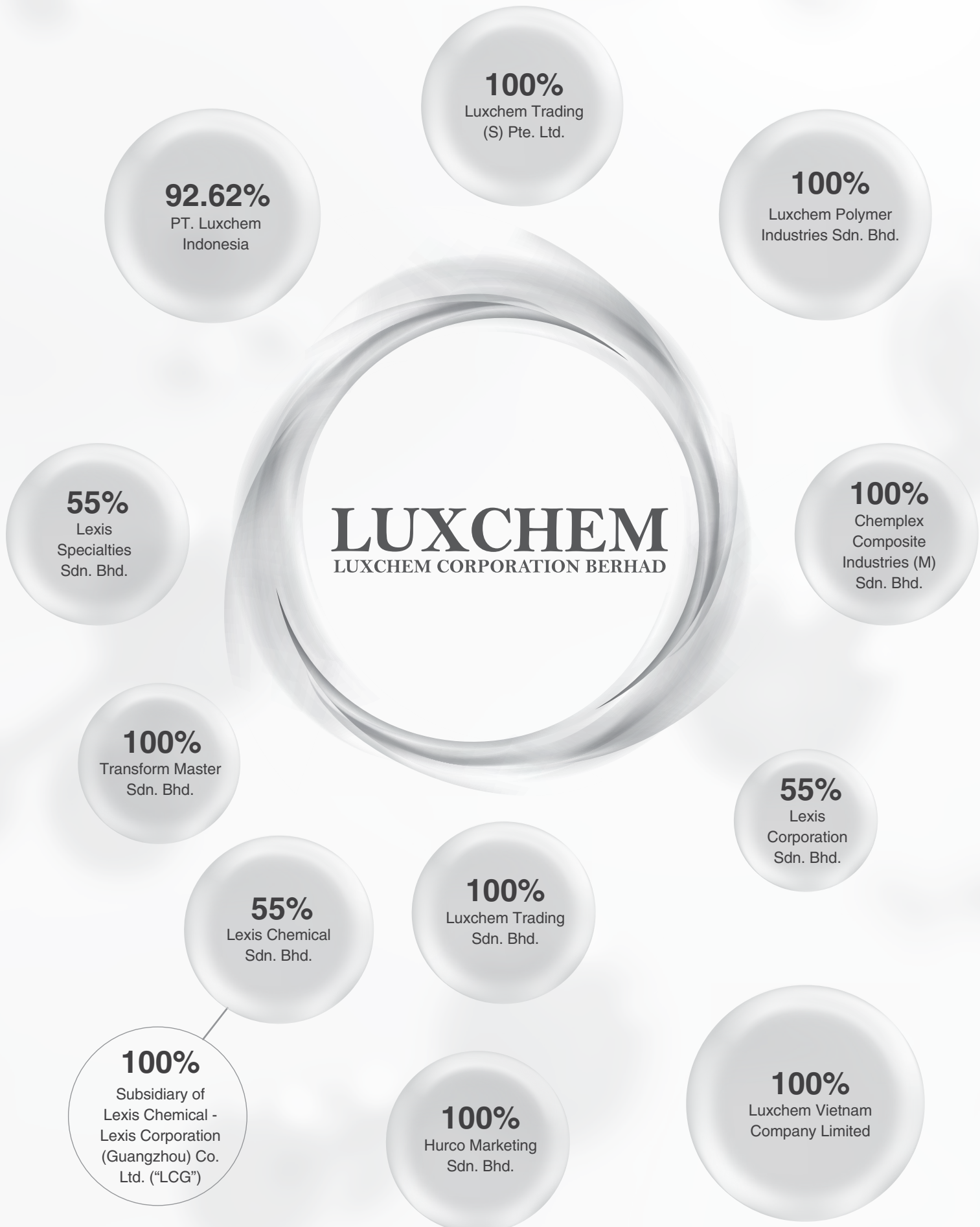
## STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia  
 Securities Berhad  
 Stock Name : LUXCHEM  
 Stock Code : 5143  
 Date of listing : 27 June 2008



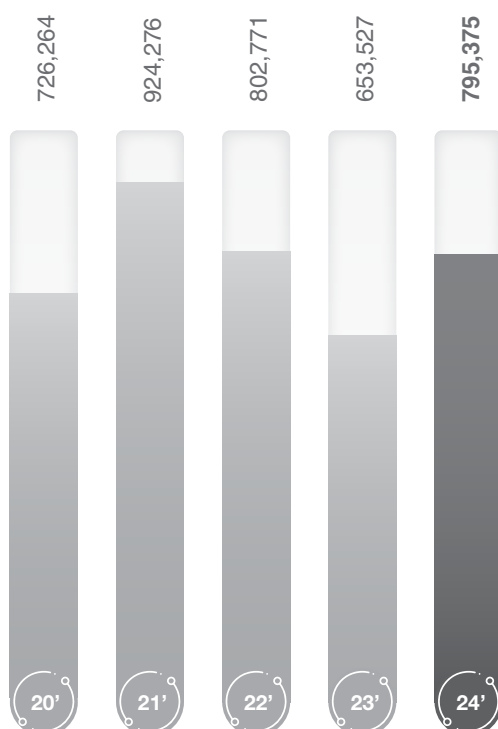


## CORPORATE STRUCTURE

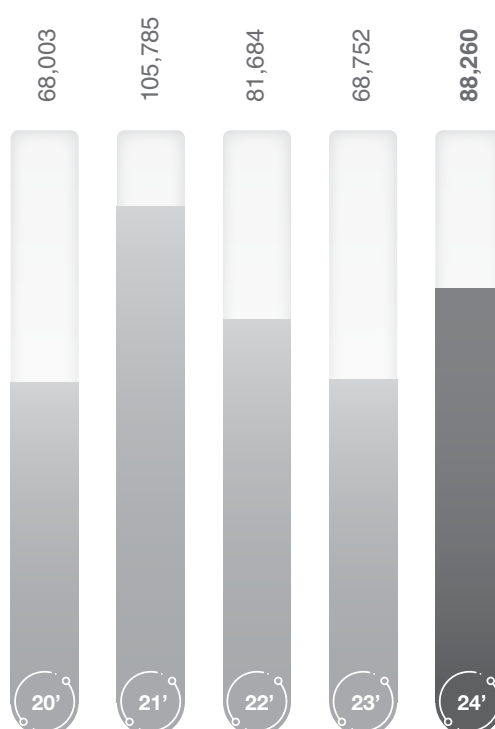


## FINANCIAL HIGHLIGHTS

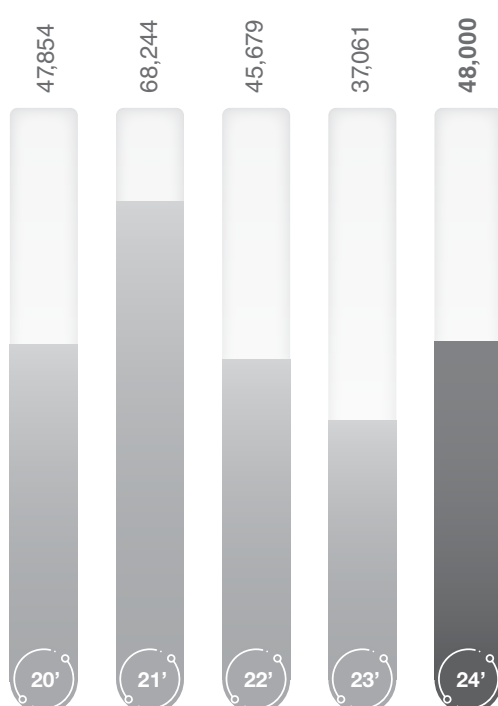
### REVENUE (RM'000)



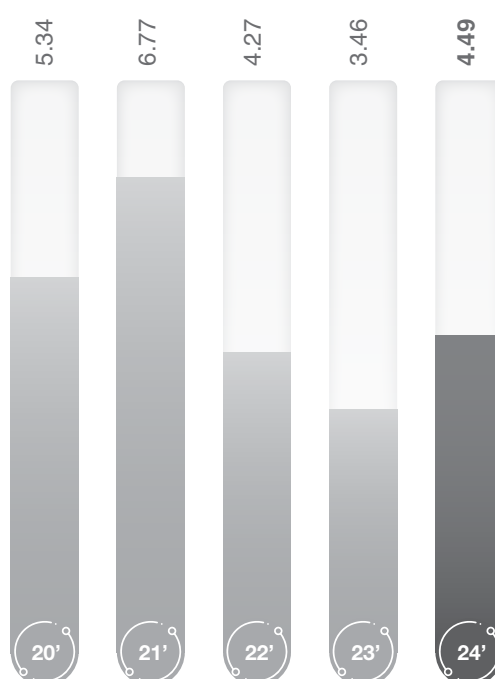
### EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (RM'000)



### PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



### EARNINGS PER SHARE (SEN)



# FINANCIAL HIGHLIGHTS

cont'd

|   | 2020<br>RM'000 | 2021<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue   | 726,264        | 924,276        | 802,771        | 653,527        | 795,375        |
| Earnings before interest, tax, depreciation and amortisation ("EBITDA") | 68,003         | 105,785        | 81,684         | 68,752         | 88,260         |
| Profit Before Taxation ("PBT")  | 62,523         | 98,391         | 68,616         | 57,727         | 79,694         |
| Profit Attributable to Owners of the Company                            | 47,854         | 68,244         | 45,679         | 37,061         | 48,000         |
| Earnings Per Share - Basic (sen) *                                      | 5.34           | 6.77           | 4.27           | 3.46           | 4.49           |
| Earnings Per Share - Diluted (sen) *                                    | -              | -              | -              | -              | -              |

\* **FYE 2024**

Earning Per Share - Basic

Computed based on Profit Attributable to Owners of the Company and divided by the weighted average number of shares in issue during the financial year ended 31 December 2024 of 1,069,766,119.

Earning Per Share - Diluted

Fully diluted earnings per share were not computed as at 31 December 2024 as there were no outstanding potential ordinary shares to be issued.

\* **FYE 2023**

Earning Per Share - Basic

Computed based on Profit Attributable to Owners of the Company and divided by the weighted average number of shares in issue during the financial year ended 31 December 2023 of 1,069,766,119.

Earning Per Share - Diluted

Fully diluted earnings per share were not computed as at 31 December 2023 as there were no outstanding potential ordinary shares to be issued.

\* **FYE 2022**

Earning Per Share - Basic

Computed based on Profit Attributable to Owners of the Company and divided by the weighted average number of shares in issue during the financial year ended 31 December 2022 of 1,069,766,119.

Earning Per Share - Diluted

Fully diluted earnings per share were not computed as at 31 December 2022 as there were no outstanding potential ordinary shares to be issued.

\* **FYE 2021**

Earning Per Share - Basic

Computed based on Profit Attributable to Owners of the Company and divided by the weighted average number of shares in issue during the financial year ended 31 December 2021 of 1,008,140,289.

Earning Per Share - Diluted

Fully diluted earnings per share were not computed as at 31 December 2021 as there were no outstanding potential ordinary shares to be issued.

\* **FYE 2020:**

Earning Per Share - Basic

Computed based on Profit Attributable to Owners of the Company and divided by the weighted average number of shares in issue during the financial year ended 31 December 2020 of 895,808,553.

Earning Per Share - Diluted

Fully diluted earnings per share were not computed as at 31 December 2020 as there were no outstanding potential ordinary shares to be issued.



## DIRECTORS' PROFILE

### DATUK KWAN FOH KWAI

*Independent Non-Executive Chairman*

**Age** 73 year-old  
**Nationality** Malaysian  
**Gender** Male

Datuk Kwan Foh Kwai was appointed as the Independent Non-Executive Chairman of the Company on 13 March 2020.

He is the Chairman of the Remuneration Committee, a member of the Audit and Risk Management Committee and Nominating Committee of Luxchem Corporation Berhad.

He holds a Bachelor of Engineering (Hons) from University Malaya in 1977. He holds a Master in Sustainability Development Management, Jeffrey Sachs Centre on Sustainable Development from Sunway University in 2023.

Datuk Kwan has over 40 years of working experience in the construction industry in both public and private sectors. He began his career as a Contract Engineer in 1977 with Department of Public Works, Malaysia. In 1980, he joined Promet Construction Sdn. Bhd. as Site Manager and in 1984, he was appointed as General Manager of Alam Baru Sdn. Bhd. From 1986 to 1996, he was the General Manager of Taisei (Malaysia) Sdn. Bhd..

Datuk Kwan joined Sungei Way Construction Berhad in 1996 as Executive Director. He was subsequently promoted to Managing Director of Sunway Construction Berhad in 2001. In 2014, he was appointed as Senior Managing Director of Sunway Construction Group Berhad until his retirement in December 2015. After his retirement, he was appointed as the Non-Independent Non-Executive Director of Sunway Construction Group Berhad until 31 December 2017. He remained as Advisor of Sunway Construction Group Berhad until March 2020. On 10 October 2024, Datuk Kwan was appointed as an Independent and Non-Executive Director of Sunway Construction Group Berhad.

Datuk Kwan had served as the President (2010-2012), Immediate Past President (2012-2016) and Honorary Advisor (2016-2018) of Master Builders Association of Malaysia (MBAM). In addition, he is currently:

- Member of the Institution of Engineers, Malaysia (IEM);
- President of Perak Chinese Assembly Hall;
- Deputy Chairman of the Board of Governors, SMJK Yuk Choy, Ipoh, Perak;
- Central Committee Member of the Federation of Chinese Associations Malaysia (Hua Zong).

On 4 June 2016, Datuk Kwan was conferred the Panglima Jasa Negara (PJN) by the Honourable DYMM Almu'tasimu Billahi Muhibbudin Tuanku AlHaj Abdul Halim Mu'adzam Shah ibni Almarhum Sultan Badhishah.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

He attended all five Board of Directors' meetings held during the financial year ended 31 December 2024.

#### Notes:

#### 1. **Convictions for Offences (other than traffic offences)**

*Datuk Kwan Foh Kwai has not been convicted of any offences within the past five years.*

#### 2. **Public Sanction or Penalty imposed**

*Datuk Kwan Foh Kwai has not convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.*

# DIRECTORS' PROFILE

cont'd

## MR TANG YING SEE

*Managing Director/Chief Executive Officer*

|             |             |
|-------------|-------------|
| Age         | 73 year-old |
| Nationality | Malaysian   |
| Gender      | Male        |

Mr Tang Ying See is the Managing Director/Chief Executive Officer of the Company. He is one of the First Directors appointed to the Board of the Company on 4 September 1991.

As the founder of the Company, he has been instrumental in the development, growth and success. He brings with him approximately 44 years of experience in the industrial chemicals industry and he is mainly responsible for the overall strategic business direction of the Group.

He obtained a Bachelor of Science Degree majoring in Physics from Nanyang University, Singapore in 1975 and has been a member of the Malaysian Institute of Management since 1990. Upon graduation, he joined a chemical trading company as a Sales Representative and was promoted to Senior Manager in 1983.

In 1984, he left and established Lux Trading, a sole proprietorship, which business was taken over by Luxchem Trading Sdn. Bhd. in 1987. He currently holds several directorships in a number of private limited companies but does not hold any other directorships in other listed entities.

He is the spouse of Madam Chin Song Mooi, a director and substantial shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

He attended all five Board of Directors' meetings held during the financial year ended 31 December 2024.

### Notes:

#### 1. **Convictions for Offences (other than traffic offences)**

*Mr Tang Ying See has not been convicted of any offences within the past five years.*

#### 2. **Public Sanction or Penalty imposed**

*Mr Tang Ying See has not convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.*

## DIRECTORS' PROFILE

cont'd

### MADAM CHIN SONG MOOI

*Executive Director*



|             |             |
|-------------|-------------|
| Age         | 73 year-old |
| Nationality | Malaysian   |
| Gender      | Female      |

Madam Chin Song Mooi is an Executive Director of the Company. She is one of the First Directors appointed to the Board of the Company on 4 September 1991.

She graduated in 1976 with a Bachelor of Commerce Degree in Accountancy from Nanyang University, Singapore. Her career began upon her graduation in 1976 when she joined Khoo, Junus & Co., an accounting firm located in Kuala Lumpur as an Auditor. In 1978, she left and joined Universal Cable (M) Bhd as an Accountant in Johor Bahru branch. In 1979, she left and joined Syarikat Pembinaan Beng Teck Sdn. Bhd., a building and construction company, as an Accountant.

In 1988, she left to take up the position as Director of Finance and Administration with Luxchem Trading Sdn. Bhd.. She is mainly responsible for overseeing all aspects of finance and administration functions of the Group. She currently holds several directorships in a number of private limited companies but does not hold any other directorships in other listed entities.

She is the spouse of Mr Tang Ying See, a Director and substantial shareholder of the Company. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

She attended all five Board of Directors' meetings held during the financial year ended 31 December 2024.

#### Notes:

##### 1. **Convictions for Offences (other than traffic offences)**

*Madam Chin Song Mooi has not been convicted of any offences within the past five years.*

##### 2. **Public Sanction or Penalty imposed**

*Madam Chin Song Mooi has not been convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.*



# DIRECTORS' PROFILE

cont'd

## MADAM CHEN MOI KEW

*Executive Director/Chief Financial Officer*

**Age** 62 year-old  
**Nationality** Malaysian  
**Gender** Female

Madam Chen Moi Kew was appointed as an Executive Director/Chief Financial Officer of the Company on 2 January 2008.

She obtained her Bachelor of Accounting Degree with First-Class Honours from the University of Malaya, Kuala Lumpur in 1987. She has been a member of both the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants since 1990 and a Member of the Financial Planning Association of Malaysia since 2003.

She began her career in 1987 when she joined Arthur Andersen & Co as an Audit Staff Assistant. In 1991, she left and joined United Malayan Banking Corporation Berhad as an Assistant Manager. In 1993, she left and took up the position as Deputy Manager in Southern Bank Berhad. In 1996, she left and was appointed as a Financial Controller at the Weld Centre (M) Sdn. Bhd..

She left in 1997 to join Luxchem Trading Sdn. Bhd.. She is currently mainly responsible for overseeing the accounting and finance functions as well as formulating financial strategies for the Group.

She does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does she have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. She does not hold any directorships in other public companies and listed entities.

She attended all five Board of Directors' meetings held during the financial year ended 31 December 2024.

### Notes:

#### 1. **Convictions for Offences (other than traffic offences)**

*Madam Chen Moi Kew has not been convicted of any offences within the past five years.*

#### 2. **Public Sanction or Penalty imposed**

*Madam Chen Moi Kew has not convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.*

# DIRECTORS' PROFILE

cont'd

**ENCIK TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI**  
*Independent Non-Executive Director*

**Age** 77 year-old  
**Nationality** Malaysian  
**Gender** Male

Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali was appointed as an Independent Non-Executive Director of the Company on 13 March 2020.

He is the Chairman of the Audit and Risk Management Committee, a member of the Remuneration Committee and Nominating Committee of Luxchem Corporation Berhad.

He is a member of the Malaysian Institute of Accountants, a Fellow of the Chartered Association of Certified Accountants (UK), a Fellow of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Certified Public Accountants. He holds a Master's degree in Business Administration (MBA) from the University of Leicester, England and MSc degree in International Business Administration from the School of Oriental and African Studies, University of London, England.

He has more than 30 years of professional working experience, including being a partner of a Big Four accounting firm. His areas of specialisation are audit and financial advisory services and currently is a partner of an accounting practice.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in other public companies and listed entities.

He attended all five Board of Directors' meetings held during the financial year ended 31 December 2024.

## Notes:

### 1. **Convictions for Offences (other than traffic offences)**

*Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali has not been convicted of any offences within the past five years.*

### 2. **Public Sanction or Penalty imposed**

*Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali has not convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.*

# DIRECTORS' PROFILE

cont'd

## MR TAN TECK KIONG

*Independent Non-Executive Director*



|             |             |
|-------------|-------------|
| Age         | 67 year-old |
| Nationality | Malaysian   |
| Gender      | Male        |

Mr Tan Teck Kiong was appointed as an Independent Non-Executive Director of the Company on 13 March 2020.

He is the Chairman of the Nominating Committee, a member of the Audit and Risk Management Committee and Remuneration Committee of Luxchem Corporation Berhad.

He holds a B.A. Accounting Degree from the University of Kent, Canterbury, United Kingdom and a Degree in Law from the Polytechnic of Central London. He is a Barrister-at-law (Lincoln's Inn) and was called to the Malaysian Bar on 29 October 1983.

With over 30 years of working experience in legal services, he specialises in Corporate Banking and Commercial Litigation as well as Divorce matters. He began with Messrs Abdul Aziz, Ong & Co as legal assistant in 1983, Subsequently, he held the position as Senior Litigation Lawyer of Messrs Kadir, Tan & Ramli in 1985 and thereafter the Litigation Partner of Messrs Tunku Mukhrizah & Partners in 1991. He is currently the Litigation Partner of Messrs Heiley Hassan, Tan & Partners since 1999.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in other public companies and listed entities.

He attended all five Board of Directors' meetings held during the financial year ended 31 December 2024.

### Notes:

#### 1. **Convictions for Offences (other than traffic offences)**

*Mr Tan Teck Kiong has not been convicted of any offences within the past five years.*

#### 2. **Public Sanction or Penalty imposed**

*Mr Tan Teck Kiong has not convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.*



## KEY SENIOR MANAGEMENT'S PROFILE

### MR NG CHAI TEIK

*Commercial Director,  
Latex Division of Luxchem Trading Sdn. Bhd. ("LTSB")*

*52 year-old  
Malaysian  
Male*



Mr Ng Chai Teik obtained his Bachelor Degree in Polymer Technology [B. Tech] with First-Class Honours from University Science Malaysia (USM) in 1997. In 2003, he obtained the Master of Business Administration (MBA) from University Utara Malaysia (UUM).

He began his career in 1997 when he joined Asia Pacific Latex Sdn. Bhd. as Production Executive. In 1999, he left and joined Allegiance Healthcare Sdn. Bhd. as a Process Engineer. In 2002, he left and took up the position as a Technical Service Manager in LTSB. He is currently responsible for overseeing and managing the sales performance and operations of the Latex Division.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in public companies and listed entities.

### MR JOSEPH TJENDRA

*President Director of PT. Luxchem Indonesia ("PTLI")*

*51 year-old  
Indonesian  
Male*



Mr Joseph Tjendra obtained his Bachelor of Business – Management from the University of Tarumanagara, Jakarta in 1997 and began his career in 1997 when he joined Mitsui & Co., Ltd. as a Sales Executive of First Plastic Division. In year 2003, he took up the position in PT. Ustrada Sakti Supplies as a Sales Manager of PVC Division and under the same group company, he was also assigned as Sales Manager of PT. Indo Lysaght until the end of 2011. In 2012, he decided to join PTLI as a Marketing Director. On 1 August 2017, he was appointed as President Director of PTLI.

He is currently responsible for daily operations in PTLI, and leading the company to achieve its direction, vision and mission.

He is the spouse of Ms Trisia Claudia. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any other directorships in public companies and listed entities.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

### MS TRISIA CLAUDIA

*Finance Director of PT. Luxchem Indonesia ("PTLI")*

52 year-old  
Indonesian  
Female



Ms Trisia Claudia obtained her Bachelor of Business – Management from the University of Atma Jaya, Jakarta in 1995 and was also active as a Student Senate member until she graduated.

She began her career in 1995 when she joined Mitsui & Co., Ltd. as a Secretary to the General Manager of Chemical Division. She continued her position as a Secretary and Marketing Assistant when Mitsui & Co., Ltd. changed the Company status from Representative Office to Foreign Investment Company called PT. Mitsui Indonesia in year 2000. She left in 2007 and established a new company called PT. Atraco Maju Sejahtera as a Finance Director.

In October 2011, PT. Atraco Maju Sejahtera and Luxchem Corporation Berhad agreed to establish a Joint Venture Company called PTLI and she also remains her position as a Finance Director in the company.

She is currently responsible for leading, directing, overseeing and managing finance and administrative matters of PTLI.

She is the spouse of Mr Joseph Tjendra. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. She does not hold any other directorships in public companies and listed entities.

### MR PANG TEE KING

*Commercial Director,  
FRP & Coating Division of Luxchem Trading Sdn. Bhd.  
("LTSB")*

59 year-old  
Malaysian  
Male



Mr Pang Tee King obtained his Bachelor of Business Administration – Marketing in 1989 and Master of Arts – Economics in 1992 from Eastern Michigan University, United States of America.

He began his career in 1992 when he joined Southern Products Marketing Sdn. Bhd. as Marketing Executive. He left the company in 1996 as Marketing Manager and joined Equal Definite Sdn. Bhd. as a Business Development Manager. In 1999, he started an import and export trading company, Jed Timur Import-Export Sdn. Bhd. as a Managing Director. He took up the position as a Business Development Manager in Luxchem Trading Sdn. Bhd. in 2001. He is currently responsible for overseeing and managing the sales performance and operations of the FRP and Coating Division.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in public companies and listed entities.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

### MR CHUAH KIM PIEW

Director of Lexis Chemical Sdn. Bhd. ("Lexis Chemical"),  
Lexis Specialties Sdn. Bhd. ("Lexis Specialties") and  
Lexis Corporation Sdn. Bhd. ("Lexis Corporation")

53 year-old  
Malaysian  
Male



Mr Chuah Kim Piew is the co-founder and Director of Lexis Chemical, Lexis Specialties and Lexis Corporation respectively, which are 55%-owned subsidiaries of Luxchem Corporation Berhad.

As the key person of the Company, he is responsible for the overall strategic business direction and growth of the Company.

He obtained his Bachelor of Science Degree, majoring in Chemistry from University of Malaya in 1996. He started his career as a R&D chemist with a Japanese brand's paint manufacturing company.

In 2002, he joined a multinational specialties chemical company as the regional Technical Service Manager. He was later promoted as the Technical Service Director of Asia in 2008 and was based in Shanghai, China. After 10 years with the specialties chemical company, he returned to Malaysia to join a chemical company as a Senior Technical Service Manager.

Armed with his technical knowledge and more than 20 years of experience in the chemical manufacturing industry, he had successfully built the Company to become one of the specialties chemical market leader for rubber gloves industry in less than five years, together with another co-founder, Mr Lee Juinn Yong.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in public companies and listed entities.

### MR LEE JUINN YONG

Director of Lexis Chemical Sdn. Bhd. ("Lexis Chemical"),  
Lexis Specialties Sdn. Bhd. ("Lexis Specialties") and  
Lexis Corporation Sdn. Bhd. ("Lexis Corporation")

47 year-old  
Malaysian  
Male



Mr Lee Juinn Yong is the co-founder and Director of Lexis Chemical, Lexis Specialties and Lexis Corporation respectively, which are 55%-owned subsidiaries of Luxchem Corporation Berhad.

He obtained his Bachelor Degree (Honours) In Technology Management majoring in Marketing from Universiti Teknologi Malaysia in 2001.

He started his career in 2001 as Sales Engineer for a US based company focusing in sales of industrial products. For career advancement, he left the company in 2005 and joined a multinational company as Country Manager, specialized in the sales of chemicals for coating business. In 2009, after accumulated many years of sales management experience, he joined another company as Business Development Manager with focus in the sales of specialty chemical for rubber glove industry. During these years, he accelerated sales management, operation and development experience, gained invaluable knowledge of the rubber glove market, and build his reputation and network in the industry.

Pursuing his entrepreneurial dream, he then decided in year 2016 to start his own business and co-founded Lexis Chemical together with Mr Chuah Kim Piew. Both Mr Lee and Mr Chuah Kim Piew also jointly set up Lexis Specialties and Lexis Corporation in the later years.

With his vast experience in sales & marketing, proven track performance, leadership and passion for continuous improvement, Mr Lee now plays an important role in accelerating sales growth and transforming Lexis Chemical from a new setup to a recognizable player in the rubber glove industry within a short period of time.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in public companies and listed entities.



## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

### MS LAU SOK CHING

Director,  
Plant of Luxchem Polymer Industries Sdn. Bhd. ("LPI")

57 year-old  
Malaysian  
Female



Ms Lau Sok Ching graduated from University of Malaya in 1994 with a Bachelor Degree in Science (Hons) – Chemistry. She began her career with Cosmo Polyurethane (M) Sdn Bhd in 1994 as Quality Control / Research & Development Executive. In 2019, she joined Central Cables Berhad as Production Planner cum ISO Coordinator.

Ms Lau Sok Ching was recruited by LPI in 2000 as Technical Manager and over the last 23 years, her career has progressed steadily in LPI and she has critical roles in the field of technical support, quality assurance / control, research & development as well as operational compliance. She has been promoted to Director, Plant on 1 July 2024 and has since been entrusted with the leadership role in leading and managing the plant.

She does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does she have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. She does not hold any directorships in public companies and listed entities.

### MR LEE SHIN HWAI

General Manager,  
Plant of Transform Master Sdn. Bhd. ("TMSB")

44 year-old  
Malaysian  
Male



Mr Lee Shin Hwai graduated from University Putra Malaysia with a Bachelor's Degree in Chemistry (Major in Industrial Chemistry) in year 2005.

After graduation, he began his career with Top Glove from 2005 to 2022, his only employer of 17 years prior to joining TMSB on 10 April 2023. He grew his career in Top Glove from Production Compounding Chemist to the last held position of General Manager of Ipoh Factories.

He is well experienced in production, operations & projects management of glove & chemical factory and passionate in continuous improvement projects. He is also a certified Lean Six Sigma Black Belt.

Upon joining TMSB, he is tasked with leading, managing and improving all aspects of TMSB.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He does not hold any directorships in public companies and listed entities.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

### MR WONG KEE ANN

Commercial Director,  
Southern Market of Luxchem Trading Sdn. Bhd. ("LTSB")

45 year-old  
Malaysian  
Male



Mr Wong Kee Ann graduated with First-Class Honours Degree's in Industrial Chemistry from Universiti Putra Malaysia in 2003. Mr Wong Kee Ann began his career as a Quality Control Chemist that same year at an edible oil refinery company.

With the aspiration of expanding his career horizon, he transitioned to a chemical sale with LTSB in the year 2004. Starting as a Sales Executive, he steadily deepened his knowledge of industrial chemical trading, strengthened his managerial and leadership roles over the years within LTSB and advanced his career to the position of Commercial Director, Southern Market, to which he was promoted to on 1 July 2024.

With his promotion, Mr Wong Kee Ann is responsible for various key result areas in LTSB. He manages the sales and operations of the Johor Bahru Branch, performs statutory duties as Company Director of LTSB, expands and develops Singapore and Southern Market, sources products and oversees Rubber Division.

He does not have any family relationship with any Directors and/or substantial shareholders of the Company, nor does he have any conflict of interest or potential conflict of interest, including interest in any competing business and its subsidiaries. He does not hold any directorships in public companies and listed entities.

### MR TANG CHII SHYAN

Commercial Director,  
Luxchem Trading Sdn. Bhd. ("LTSB")

44 year-old  
Malaysian  
Male



Mr Tang Chii Shyan graduated with a double degree in Chemical Engineering and Science (Biochemistry) from the University of Melbourne, Australia in 2005.

He joined LTSB in 2006 as Marketing Executive. Over the years, he has progressed steadily within the Company, taking up various roles in Sales & Marketing functions, as well as assuming the roles of Business Development Manager & Assistant to Managing Director, Senior Manager (MD's Office), and eventually, Commercial Director. He has in-depth sales & marketing experiences in the Latex and Rubber industries. In addition, he has also gained valuable management exposure in the manufacturing sector of the Group over the past few years.

In his current role, he is responsible for business development, product development, and overseeing the management and operations of the Group.

He is the son of Mr Tang Ying See and Madam Chin Song Mooi, both of whom are Directors and substantial shareholders of the Company. He does not hold any directorships in public companies and listed entities.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries.

#### Notes:

#### 1. Convictions for Offences (other than traffic offences)

None of the Key Senior Management has convicted of any offences within the past five years.

#### 2. Public Sanction or Penalty imposed

None of the Key Senior Management has convicted of any public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

**Dear Valued Shareholders,**

On behalf of the Board of Directors of Luxchem Corporation Berhad, I am pleased to present the Management Discussion and Analysis (“MDA”) of the Group. This MDA aims to provide shareholders with a comprehensive overview of the Group’s business, operations, financial performance in 2024, and outlook for 2025

## A. GROUP STRUCTURE

Luxchem Corporation Berhad (“LCB”) is an investment holding company, with the following subsidiaries:

| Name of Company                                     | Country of Incorporation/<br>Principal place of business | Effective Interest in equity |
|---|--|------------------------------|
| Luxchem Trading Sdn. Bhd. (“LTSB”)                  | Malaysia   | 100%                         |
| Luxchem Polymer Industries Sdn. Bhd. (“LPI”)        | Malaysia   | 100%                         |
| Luxchem Trading (S) Pte Ltd (“LTSPL”)               | Singapore  | 100%                         |
| Chemplex Composite Industries (M) Sdn. Bhd. (“CCI”) | Malaysia   | 100%                         |
| PT Luxchem Indonesia (“PTLI”)                       | Indonesia  | 92.62%                       |
| Luxchem Vietnam Company Limited (“LVCL”)            | Vietnam  | 100%                         |
| Transform Master Sdn. Bhd. (“TMSB”)                 | Malaysia   | 100%                         |
| Hurco Marketing Sdn. Bhd. (“HMSB”)                  | Malaysia   | 100%                         |
| Lexis Chemical Sdn. Bhd. (“LCSB”)                   | Malaysia   | 55%                          |
| Lexis Specialties Sdn. Bhd. (“LSSB”)                | Malaysia   | 55%                          |
| Lexis Corporation Sdn. Bhd. (“LCORP”)               | Malaysia   | 55%                          |
| <b>Subsidiary of Lexis Chemical Sdn. Bhd.</b>       |  |                              |
| Lexis Corporation (Guangzhou) Co. Ltd. (“LCG”)      | China  | 55%                          |

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## B. OVERVIEW OF LCB BUSINESS ACTIVITIES

The Group has two reportable business segments comprising:

### 1. Trading

Trading activities comprising mainly of import, export and distribution of petrochemical and other related products and these activities are carried out by LTSB, LTSPL, CCI, PTLI, LVCL, HMSB and LSSB.

Our products are mainly sold to manufacturers in the Latex, Fibreglass Reinforced Plastic ("FRP"), Polyvinyl Chloride ("PVC"), Rubber, Coating and Ceramic industries.

Our objectives are to remain focused on the Latex, FRP, PVC, Rubber and Coating industries. Within these industries, we will expand our product range, to continuously source from reliable suppliers for higher quality products and to increase our customer base, both locally and overseas.

### 2. Manufacturing

Manufacturing activities comprised the following:

- (i) Manufacturing and trading of Unsaturated Polyester Resin ("UPR") and related products.  
This activity is carried out by LPI.
- (ii) Manufacturing and trading of latex chemical dispersions, latex processing chemicals and specialty chemicals for the rubber gloves industry; and  
This activity is carried out by TMSB.
- (iii) Manufacturing and trading of former cleaning agents, powder free coagulants and polymer coatings.  
These chemicals are mostly used in the rubber gloves industry.  
This activity is carried out by LCSB.

Our major exporting countries for our manufacturing segment are Vietnam, China, Indonesia, Thailand, Bangladesh, Australia and Sri Lanka.

Our objectives are to increase our capacity utilisation, improve our plant efficiencies and to improve our margins through close monitoring of raw material price trends. We will study market in detail and expand our capacity further if it is justified.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## C. GROUP FINANCIAL PERFORMANCE

The Group's performance in FY2024 has improved compared to FY2023, with a 21.7% increase in revenue and a 36.1% rise in net income. Despite challenges such as ongoing geopolitical conflicts and fluctuations in the USD/RM exchange rate, the Group's performance in FY2024 remained resilient, providing a strong foundation for growth.

### Financial performance of the Group

|   | 2024<br>RM         | 2023<br>RM         | CHANGES<br>RM     | CHANGES<br>% |
|---|--------------------|--------------------|-------------------|--------------|
| Revenue   | 795,375,115        | 653,527,074        | 141,848,041       | 21.7%        |
| Cost of sales                                     | (668,750,077)      | (552,145,685)      | (116,604,392)     | 21.1%        |
| <b>Gross profit</b>                               | <b>126,625,038</b> | <b>101,381,389</b> | <b>25,243,649</b> | <b>24.9%</b> |
| Other operating income                            | 11,440,149         | 7,948,814          | 3,491,335         | 43.9%        |
| Selling and distribution costs                    | (9,933,341)        | (9,238,694)        | (694,647)         | 7.5%         |
| Administrative expenses                           | (39,289,086)       | (33,277,329)       | (6,011,757)       | 18.1%        |
| Other operating expenses                          | (6,422,522)        | (6,358,497)        | (64,025)          | 1.0%         |
| Net gain/(loss) on impairment of financial assets | 45,780             | (141,298)          | 187,078           | -132.4%      |
| <b>Operating profit</b>                           | <b>82,466,018</b>  | <b>60,314,385</b>  | <b>22,151,633</b> | <b>36.7%</b> |
| Finance costs                                     | (2,772,435)        | (2,587,443)        | (184,992)         | 7.1%         |
| <b>Profit before Tax</b>                          | <b>79,693,583</b>  | <b>57,726,942</b>  | <b>21,966,641</b> | <b>38.1%</b> |
| Taxation  | (20,680,853)       | (14,213,336)       | (6,467,517)       | 45.5%        |
| <b>Profit for the year</b>                        | <b>59,012,730</b>  | <b>43,513,606</b>  | <b>15,499,124</b> | <b>35.6%</b> |

### Revenue

The Group's revenue for FY2024 has increased by RM141.85 million (21.7%) as compared to FY2023. The increase in Revenue was attributable to higher volumes from both trading and manufacturing segments.

### Gross Profit

The Group's gross profit for FY2024 increased RM25.24 million (24.9%) as compared to FY2023. The higher gross profit achieved was due to:

- Higher revenue during FY2024.
- Higher gross profit margin.

### Operating Profit

The Group's operating profit for FY2024 increased by RM22.15 million (36.7%) compared to FY2023, driven by higher revenue and improved profitability. However, the operating profit in FY2024 was impacted by foreign exchange losses, whereas FY2023 benefited from foreign exchange gains.

### Profit After Tax

The Group achieved a profit after tax of RM59.01 million in FY2024, reflecting an increase of RM15.50 million compared to FY2023. This growth was primarily driven by a higher gross profit.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## D. OPERATIONS & FINANCIAL PERFORMANCE BY BUSINESS SEGMENTS

### SEGMENT : MANUFACTURING

#### Overview - Manufacturing

The performance of the Manufacturing segment in FY2024 as compared to FY2023 is summarised below:

|                                      | MANUFACTURING SEGMENT |               |               |              |
|--------------------------------------|-----------------------|---------------|---------------|--------------|
|                                      | 2024<br>RM            | 2023<br>RM    | CHANGES<br>RM | CHANGES<br>% |
| Total revenue                        | 459,123,031           | 358,462,883   | 100,660,148   | 28.1%        |
| Inter-segment revenue                | (158,178,629)         | (130,509,799) | (27,668,830)  | 21.2%        |
| External sales                       | 300,944,402           | 227,953,084   | 72,991,319    | 32.0%        |
| <b>Results</b>                       |                       |               |               |              |
| Segment results                      | 48,547,919            | 34,314,983    | 14,232,936    | 41.5%        |
| Dividend, interest and rental income | 3,880,717             | 2,084,788     | 1,795,929     | 86.1%        |
| Operating profit                     | 52,428,636            | 36,399,771    | 16,028,865    | 44.0%        |
| Finance costs                        | (787,297)             | (600,078)     | (187,219)     | 31.2%        |
| Profit before taxation               | 51,641,339            | 35,799,693    | 15,841,646    | 44.3%        |
| Taxation                             | (13,170,577)          | (8,179,196)   | (4,991,381)   | 61.0%        |
| Profit for the financial year        | 38,470,762            | 27,620,497    | 10,850,265    | 39.3%        |

Manufacturing revenue, net of inter-company transactions, increased to RM300.94 million in FY2024, marking a growth of RM72.99 million (32.0%) compared to FY2023. This increase was driven by higher revenue across all subsidiaries within the manufacturing segment.

Additionally, profit after tax from the manufacturing segment rose by RM10.85 million (39.3%), primarily due to strong revenue growth.

#### Manufacturing Unsaturated Polyester Resin ("UPR")

This manufacturing activity including the marketing of UPR are carried out by LPI, mainly under the brand name POLYMAL.

LPI produces various UPR grades used in a wide range of applications, including FRP composites, land and sea transportation, industrial equipment and structures, construction, electricals, safety equipment, anti-corrosion vessels, household furniture, architectures, flooring, and coating applications.

Established in 1997, LPI operates from Taman Teknologi Cheng, Melaka and has obtained the following certifications:

- ISO9001:2015 (Quality Management System)
- ISO14001:2015 (Environmental Management System)
- ISO45001:2018 (Occupational Health and Safety Management System)

LPI's products are sold both locally and internationally. For domestic sales, distribution is handled by LTSB, while exports to Indonesia are managed through PTLI. Sales to other international markets are exported directly by LPI.

The Company's production capacity stands at 40,000MT per annum, with a utilisation rate of approximately 79% in FY2024, up from 68% in FY2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## D. OPERATIONS & FINANCIAL PERFORMANCE BY BUSINESS SEGMENTS *cont'd*

### SEGMENT : MANUFACTURING *cont'd*

#### Overview - Manufacturing *cont'd*

##### Manufacturing Unsaturated Polyester Resin ("UPR") *cont'd*

To sustain business growth, LPI's key strategies include the following:

- Product development to enhance its product offerings.
- Further expansion of overseas markets.
- Close monitoring of USD/RM exchange rates to mitigate currency risks.
- Prompt collection of export proceeds to ensure steady cash flow.

##### Manufacturing of Rubber Latex Chemical Dispersions, Latex Processing Chemicals and Specialty Chemicals for the Latex Industry

The manufacturing and marketing of rubber latex chemical dispersions, latex processing chemicals, latex surfactants, dispersants, and specialty chemicals for the latex industry are carried out by TMSB.

TMSB commenced operations in 2011 and is located in Sitiawan, Perak. The Company has obtained the following certifications:

- ISO9001:2015 (Quality Management System)
- ISO14001:2015 (Environmental Management System)

In FY2024, TMSB's production capacity was 18,000 MT, achieving a utilisation rate of 93% in FY2024, a significant increase from 65% in FY2023.

Moving forward, TMSB will focus on improving operational efficiencies, further optimising utilisation rates, and expanding its production capacity to sustain its growth and meet increasing market demand.

##### Manufacturing of Industrial Cleaning Agents, Polymer Coatings, Coagulants, Specialty Chemicals and Additives for the Rubber Glove Industry

The manufacturing of industrial cleaning agents, polymer coatings, coagulants, specialty chemicals and additives for the rubber glove industry are carried out by LCSB.

LCSB operates from Kapar, Selangor.

LCSB has obtained the following certification: -

- ISO 9001:2015 (Quality Management System)

In FY2024, LCSB's production capacity was 46,800 MT, achieving a utilisation rate of 58%, an improvement from 39% in FY2023.

To sustain its business growth, LCSB's key strategies include:-

- Product development.
- Continuing expansion of both local and overseas markets.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## D. OPERATIONS & FINANCIAL PERFORMANCE BY BUSINESS SEGMENTS *cont'd*

### SEGMENT : TRADING

Marketing and Distribution of Industrial Chemicals and Materials

This activity is carried out by LTSB, LSSB, HMSB, PTLI, LTSPL and LVCL.

The Trading segment involves the import, export, and distribution of petrochemical and related products to industries such as Latex, Fibreglass Reinforced Plastic ("FRP"), Polyvinyl Chloride ("PVC"), Rubber, Coating, and Ceramic.

#### Major Products:

- Synthetic latex
- Latex chemicals
- Rubber chemicals
- Polymer resins and fibreglass materials
- PVC resins, plasticizers and additives

The performance of Trading segment in FY2024 as compared to FY 2023 is summarised below:

|                                      | TRADING SEGMENT |              |              |         |
|--------------------------------------|-----------------|--------------|--------------|---------|
|                                      | 2024            | 2023         | CHANGES      | CHANGES |
|                                      | RM              | RM           | RM           | %       |
| Total revenue                        | 527,929,061     | 441,269,523  | 86,659,538   | 19.6%   |
| Inter-segment revenue                | (33,498,348)    | (15,695,533) | (17,802,815) | 113.4%  |
| External sales                       | 494,430,713     | 425,573,990  | 68,856,722   | 16.2%   |
| <b>Results</b>                       |                 |              |              |         |
| Segment results                      | 26,583,129      | 21,701,884   | 4,881,245    | 22.5%   |
| Dividend, interest and rental income | 3,298,785       | 2,002,070    | 1,296,715    | 64.8%   |
| Operating profit                     | 29,881,914      | 23,703,954   | 6,177,960    | 26.1%   |
| Finance costs                        | (1,985,138)     | (1,987,365)  | 2,227        | -0.1%   |
| Profit before taxation               | 27,896,776      | 21,716,589   | 6,180,187    | 28.5%   |
| Taxation                             | (7,301,639)     | (5,833,528)  | (1,468,111)  | 25.2%   |
| Profit for the financial year        | 20,595,137      | 15,883,061   | 4,712,076    | 29.7%   |

Revenue from Trading segment increased by RM68.86 million (16.2%) compared to FY2023. The increase was primarily driven by higher revenue from LTSB.

Profit after tax ("PAT") increased by RM4.71 million, mainly due to higher PAT from LTSB.

Strategies to Sustain Competitiveness:

To remain competitive in the market, the Trading segment will focus on the following strategies:

- Keeping stocks at optimum levels to balance supply and demand efficiently.
- Ensuring prompt collection from customers to maintain healthy cash flow.
- Close monitoring of foreign currency exposures and exchange rates to mitigate risks.
- Expanding the product range to capture new market opportunities.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## E. REVENUE BY GEOGRAPHICAL SEGMENTS

| COUNTRIES            | YTD 31 Dec 24      | YTD 31 Dec 23      | CHANGES            |            |
|----------------------|--------------------|--------------------|--------------------|------------|
|                      | REVENUE<br>RM      | REVENUE<br>RM      | RM                 | %          |
| <b>Malaysia</b>      | <b>469,306,174</b> | <b>405,930,864</b> | <b>63,375,310</b>  | <b>16%</b> |
| Vietnam              | 120,099,867        | 90,044,432         | 30,055,435         | 33%        |
| Indonesia            | 74,596,674         | 60,048,389         | 14,548,285         | 24%        |
| China                | 38,731,729         | 34,370,791         | 4,360,938          | 13%        |
| Thailand             | 37,203,078         | 23,498,668         | 13,704,410         | 58%        |
| Bangladesh           | 10,076,618         | 8,657,030          | 1,419,588          | 16%        |
| Australia            | 7,869,859          | 7,684,734          | 185,126            | 2%         |
| Sri Lanka            | 6,622,467          | 5,342,198          | 1,280,269          | 24%        |
| United States        | 4,634,860          | 716,110            | 3,918,750          | 547%       |
| Algeria              | 3,284,406          | 667,918            | 2,616,488          | 392%       |
| Singapore            | 3,157,838          | 3,282,688          | (124,850)          | -4%        |
| New Zealand          | 2,864,441          | 3,521,001          | (656,560)          | -19%       |
| United Arab Emirates | 2,458,257          | 437,585            | 2,020,672          | 462%       |
| South Africa         | 2,432,389          | 415,477            | 2,016,912          | 485%       |
| Cambodia             | 2,396,646          | 2,279,155          | 117,491            | 5%         |
| Philippines          | 2,247,538          | 2,243,134          | 4,404              | 0%         |
| Japan                | 1,620,884          | 1,345,892          | 274,992            | 20%        |
| France               | 1,355,551          | 490,698            | 864,853            | 176%       |
| Egypt                | 1,185,295          | 166,050            | 1,019,245          | 614%       |
| India                | 1,022,633          | 1,114,995          | (92,362)           | -8%        |
| Others               | 2,207,911          | 1,269,265          | 938,646            | 74%        |
| <b>Total exports</b> | <b>326,068,941</b> | <b>247,596,210</b> | <b>78,472,731</b>  | <b>32%</b> |
| <b>Total</b>         | <b>795,375,115</b> | <b>653,527,074</b> | <b>141,848,041</b> | <b>22%</b> |

In FY2024, local sales increased by RM63.38 million (16%), driven by higher sales across all subsidiaries.

Export revenue grew by RM78.47 million (32%) compared to FY 2023, with increases recorded across all major subsidiaries, with notable increases from Vietnam, Indonesia and Thailand.

This strong growth in both local and export markets reflects the Group's expanding market presence and continued demand for its products. The growth was also attributed to the strategies implemented by the Group across both the Manufacturing and Trading segments, as well as the recovery of the market, which boosted overall demand.

The combination of market recovery and strategic initiatives has been instrumental in the Group's strong financial performance and market expansion in FY2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## F. OUTLOOK FOR 2025

For FY 2025, the Group anticipates that several challenging factors shaped by economic shifts and policy changes in Malaysia and global markets will continue to impact our operations.

### Key Challenges & Market Dynamics:

- Increase in Malaysia's minimum wage will raise operational costs, requiring productivity enhancements and cost efficiencies.
- Potential removal of petrol subsidies may impact transportation costs and consumer spending, affecting demand in various industries.
- USD/RM exchange rate fluctuations and raw material price volatility may impact cost structures and pricing strategies.
- Global supply chain uncertainties, driven by geopolitical tensions and shifting trade policies, may lead to sourcing challenges and cost pressures.

To mitigate these risks and drive sustainable growth, The Group will focus on:

### Trading Segment:

- Strengthening customer relationships through enhanced technical support.
- Expanding the product portfolio to cater to evolving industry needs.
- Closely monitoring market trends to optimise inventory and pricing strategies.

### Manufacturing Segment:

- Investing in product innovation to expand applications and market reach.
- Capacity expansion to meet rising demand, especially in export markets.
- Improving operational efficiencies and digital transformation for cost optimisation.

Despite the challenging outlook, by focusing on these areas, The Group aims to sustain its growth trajectory and adapt to the evolving economic environment in both Malaysia and globally. The Group remains cautiously optimistic, focusing on strategic expansion and continuous improvement to drive better performance and results in FY2025.



# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

Luxchem Corporation Berhad ("LCB" or the "Group") is honoured to present our Annual Sustainability Statement ("SS" or "the Statement") for 2024. This Statement provides an overview of the Group's sustainability performance during the period of 1 January 2024 to 31 December 2024 ("FY2024"), and is intended to be read jointly with LCB's Annual Report 2024 together with the policy made available on [www.luxchem.com.my](http://www.luxchem.com.my).

## SCOPE AND BASIS OF SCOPE

This Statement provides an overview of the Group's sustainability performance and progress carried out by our Trading and Manufacturing business segments for the period of 1 January 2024 to 31 December 2024.

The scope of this Statement covers the Group's subsidiaries which:

1. Have business operations in Malaysia; and
2. Have substantial revenue contribution or sustainability impact to the Group.

These subsidiaries fall under the said scope:

### Trading segment

- Luxchem Trading Sdn. Bhd. ("LTSB")

### Manufacturing segment

- Luxchem Polymer Industries Sdn. Bhd. ("LPI")
- Transform Master Sdn. Bhd. ("TMSB")
- Lexis Chemical Sdn. Bhd. ("LCSB")

These four subsidiaries contribute to 95% of the Group's revenue in FY2024.

We excluded the following from our reporting scope:

- companies that are not directly involved in the business, function as sales offices, or are dormant, and therefore have insignificant or no impact on the Group's overall sustainability performance and progress.
- newly acquired subsidiaries or newly incorporated subsidiaries during the year.

In the future, the Group will evaluate and look to providing a report covering all our operations and geographical region.

## REPORTING FRAMEWORK

This Statement has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition).

## STATEMENT OF ASSURANCE

The contents of this Statement have been reviewed and approved by the Management Sustainability Committee and the Board of LCB.

It is not compulsory for this Statement to be reviewed by our internal auditor or independently assured by an external party. However, we acknowledge that independent assurance enhances data accuracy and transparency. We are improving our internal reporting processes and aim to obtain reasonable assurance for our Scope 1 and Scope 2 GHG emissions starting in 2028.

## PERFORMANCE DATA

Where possible, we have included data from the two previous financial years for comparison purposes, providing stakeholders a clearer picture of our sustainability progress. We have also addressed our primary challenges and stakeholders' concerns, ensuring a balanced report that highlights both our achievements and areas for improvement.

Restatements were made for FY2022 and FY2023's energy consumption, emission generated and waste management to enhance comparability.

## FEEDBACK

We seek to continuously improve upon all aspects of our sustainability journey, including our approach, processes, and performance and welcome any comments and feedback from our stakeholders. You may direct them via email at [sustainability@luxchem.com.my](mailto:sustainability@luxchem.com.my)

# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY GOVERNANCE STRUCTURE AND RESPONSIBILITIES

The Group strive to integrate sustainability into the core of our business, incorporating Economic, Environmental, Social and Governance (“EESG”) considerations into our decision-making and operations. As the Group looks to ensure sustainability is embedded across all aspects of our organisation, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in the Board Charter.

## GOVERNANCE FRAMEWORK

Our governance framework comprises four interconnected tiers, each with defined roles and responsibilities:

### BOARD OF DIRECTORS (STRATEGIC OVERSIGHT)

- The Board is ultimately responsible for defining the Group’s sustainability vision, setting strategic objectives, and overseeing EESG performance.
- **Responsibilities:**
  - Approve sustainability strategies, policies, and targets, and ensure these targets as well as performance against these targets are communicated to its internal and external stakeholders.
  - Overseeing sustainability-related risk and opportunities, including climate change.
  - Align sustainability goals with the Group’s long-term strategy.
  - Evaluate progress through quarterly sustainability updates.

### BOARD COMMITTEES (SPECIALISED OVERSIGHT)

Key Board Committees are entrusted with specific aspects of sustainability governance:

| Committee                                    | Sustainability Responsibilities  |
|--|--|
| Audit and Risk Management Committee (“ARMC”) | <ul style="list-style-type: none"> <li>- Review and monitor material sustainability risks, including climate-related risks.</li> <li>- Ensure integration of sustainability risks into the Enterprise Risk Management (“ERM”) framework.</li> </ul>  |
| Remuneration Committee (“RC”)                | <ul style="list-style-type: none"> <li>- Establish sustainability-linked Key Performance Indicators (“KPIs”) for executive directors and senior management.</li> <li>- Ensure performance evaluations incorporate EESG targets, including review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.</li> </ul> |
| Nominating Committee (“NC”)                  | <ul style="list-style-type: none"> <li>- Assess Board competencies on sustainability and recommend training programs.</li> <li>- Ensure diversity in the Board composition, including gender and expertise in sustainability matters.</li> </ul>   |

### MANAGEMENT SUSTAINABILITY COMMITTEE (“MSC”) (OPERATIONAL OVERSIGHT)

- Led by the Managing Director/Chief Executive Officer, comprising Executive Directors and selected representatives. The MSC translates the Board’s strategic directives into actionable plans.
- **Responsibilities:**
  - Monitor stakeholder engagement outcomes and ensure alignment with material issues.
  - Oversee the execution of sustainability initiatives across subsidiaries.
  - Evaluate performance against set targets and report progress to the Board.

# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY WORKING GROUP (“SWG”) (IMPLEMENTATION)

- The SWG, comprising middle management and subsidiary representatives, ensures the effective implementation of sustainability strategies.
- **Responsibilities:**
  - Execute day-to-day sustainability initiatives.
  - Track and report performance metrics (e.g., GHG emissions, water usage, and diversity).
  - Collaborate across functions to drive progress on EESG goals.
  - Coordinate on the preparation of Sustainability Report.

The following diagram represents the Group’s sustainability governance structure:



The Board of Directors strive to continuously be equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic capacity building programmes. The Board is also cognisant of ensuring that the required competencies in relation to sustainability is periodically assessed to strengthen board leadership and oversight of sustainability matters.

# SUSTAINABILITY STATEMENT

cont'd








## STAKEHOLDERS' ENGAGEMENT & MATERIALITY

### ALIGNMENT WITH THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS ("UN SDGS")






The UN SDGs, established in 2015, comprise 17 global objectives aimed at creating a better world by 2030 through the elimination of poverty, reduction of inequality, and combatting climate change.

The Group is committed to aligning its sustainability efforts with 11 key SDGs, focusing on environmental sustainability and mitigating its ecological footprint alongside business growth. By integrating the SDGs into our sustainability agenda, we establish a clear framework for action, prioritising areas of maximum impact. This alignment not only reinforces our commitment to global development but also enhances transparency and accountability, enabling stakeholders to monitor our contributions toward a sustainable future. This foundation underpins our materiality assessment and guides our strategic priorities.

| SDG   | Goal   | Material Matters   |
|---|--|--|
|  | End poverty in all its forms everywhere  | <ul style="list-style-type: none"> <li>- Community Investment</li> <li>- Human Rights and Labour Standard</li> </ul>   |
|  | Ensure healthy lives and promote well-being for all at all ages                                    | <ul style="list-style-type: none"> <li>- Health &amp; Safety</li> <li>- Water and Waste Management</li> <li>- Community Investment</li> </ul>  |
|  | Achieve gender equality and empower all women and girls  | <ul style="list-style-type: none"> <li>- Talent Management</li> <li>- Community Investment</li> <li>- Diversity</li> </ul>   |
|  | Ensure availability and sustainable management of water and sanitation for all                     | <ul style="list-style-type: none"> <li>- Water and Waste Management</li> <li>- Community Investment</li> </ul>   |
|  | Promote sustained, inclusive, and sustainable economic growth, employment, and decent work for all | <ul style="list-style-type: none"> <li>- Financial Performance</li> <li>- Health &amp; Safety</li> <li>- Talent Management</li> <li>- Human Rights and Labour Standard</li> <li>- Business Ethics &amp; Corporate Governance</li> </ul>  |
|  | Reduce inequality within and among countries   | <ul style="list-style-type: none"> <li>- Financial Performance</li> <li>- Diversity</li> </ul>   |
|  | Ensure sustainable consumption and production patterns   | <ul style="list-style-type: none"> <li>- Environmental Management</li> <li>- Energy and Emission Management</li> <li>- Water and Waste Management</li> <li>- Quality Management</li> <li>- Anti-Bribery &amp; Anti-Corruption</li> </ul> |

# SUSTAINABILITY STATEMENT

cont'd

| SDG   | Goal   | Material Matters  |
|---|--|---|
|  | Take urgent action to combat climate change and its impacts  | <ul style="list-style-type: none"> <li>- Environmental Management</li> <li>- Energy and Emission Management</li> <li>- Water and Waste Management</li> </ul>  |
|  | Conserve and sustainably use the oceans, seas, and marine resources for sustainable development  | <ul style="list-style-type: none"> <li>- Environmental Management</li> <li>- Water and Waste Management</li> </ul>  |
|  | Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss | <ul style="list-style-type: none"> <li>- Water and Waste Management</li> </ul>  |
|  | Promote peaceful and inclusive societies, provide access to justice, and build accountable institutions  | <ul style="list-style-type: none"> <li>- Anti-Bribery &amp; Anti-Corruption</li> <li>- Community Investment</li> <li>- Business Ethics &amp; Corporate Governance</li> <li>- Human Rights and Labour Standard</li> <li>- Diversity</li> </ul> |

## ENGAGEMENT APPROACH

The Group recognises the importance of proactive engagement with stakeholders to align sustainability initiatives with their expectations and needs. Our approach to stakeholder engagement involves a combination of structured and informal interactions to capture diverse perspectives.

## FREQUENCY AND METHODS OF ENGAGEMENT

The table below outlines key stakeholders, the frequency of engagement, and the platforms used for interaction.

| Key Stakeholders                     | Engagement platforms  | Area of interest or concerns   | Group's Response   |
|--------------------------------------|---|--|--|
| Shareholders, Financiers & Investors | <b>As required</b> <ul style="list-style-type: none"> <li>- One-on-one meetings</li> <li>- Bursa announcements</li> <li>- Company's Website</li> <li>- E-mails/Letters/Surveys</li> <li>- Site visits</li> </ul> <b>Quarterly</b> <ul style="list-style-type: none"> <li>- Quarterly Financial Results</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>- Annual General Meetings</li> <li>- Annual Reports</li> </ul> | <ul style="list-style-type: none"> <li>- Financial Performance</li> <li>- Business strategy and direction</li> <li>- Continued shareholders' return</li> <li>- Ethical business practices</li> <li>- Sustainability efforts</li> </ul> | <ul style="list-style-type: none"> <li>- Issuance of quarterly results announcements</li> <li>- Timely response to queries and shareholders' feedback</li> <li>- Disclosure of sustainability and governance practices in annual report</li> </ul> |



# SUSTAINABILITY STATEMENT

cont'd

| Key Stakeholders                            | Engagement platforms  | Area of interest or concerns   | Group's Response   |
|---|---|--|--|
| Customers                                   | <b>As required</b> <ul style="list-style-type: none"> <li>- One-on-one meetings</li> <li>- Customer visits</li> <li>- Social compliance audit</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>- Customer satisfaction surveys</li> <li>- Trade exhibitions</li> </ul>   | <ul style="list-style-type: none"> <li>- Product pricing and quality</li> <li>- Technical and after-sales support</li> <li>- Ethical business practices</li> <li>- Product and service efficiency</li> </ul>   | <ul style="list-style-type: none"> <li>- Increased customer engagements and visits to better understand needs and challenges</li> </ul>  |
| Suppliers, Principals/ Agencies             | <b>As required</b> <ul style="list-style-type: none"> <li>- Supplier visit, correspondence and negotiation</li> <li>- Product trainings and meetings</li> <li>- Market/product feedback</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>- Supplier evaluation</li> </ul>  | <ul style="list-style-type: none"> <li>- Financial stability</li> <li>- Product specifications and quality</li> <li>- Brand awareness</li> <li>- Payment terms</li> </ul>  | <ul style="list-style-type: none"> <li>- Close engagement to maintain reliable supply chain</li> <li>- Collaboration with suppliers to develop new products</li> </ul>                                   |
| Employees                                   | <b>As required</b> <ul style="list-style-type: none"> <li>- Orientation</li> <li>- Meetings</li> <li>- Training programs</li> </ul> <b>On-going</b> <ul style="list-style-type: none"> <li>- Open-door policies</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>- Performance appraisals</li> <li>- Appreciation &amp; recreational activities</li> </ul> | <ul style="list-style-type: none"> <li>- Financial and job stability</li> <li>- Job enrichment and career progression</li> <li>- Salary benchmarking &amp; benefit review</li> <li>- Reward and recognition</li> <li>- Safe and secure working environment</li> <li>- Training &amp; development</li> <li>- Compliance to labour laws</li> </ul> | <ul style="list-style-type: none"> <li>- Providing competitive remuneration and benefits</li> <li>- Providing employees with training and upskilling programs</li> </ul>                                 |
| Regulatory, government and statutory bodies | <b>As required</b> <ul style="list-style-type: none"> <li>- Correspondence</li> <li>- Site inspections and visits</li> <li>- Seminar and dialogues sessions</li> <li>- Meetings with regulators</li> <li>- Reporting on regulatory requirements and compliance</li> </ul>   | <ul style="list-style-type: none"> <li>- Adherence to regulatory requirements</li> <li>- Adherence to government policies</li> </ul>   | <ul style="list-style-type: none"> <li>- Maintaining stringent compliance to applicable local and international laws, legislation and standards</li> </ul>   |
| Local Communities                           | <b>As required</b> <ul style="list-style-type: none"> <li>- Local council meetings</li> </ul> <b>Ongoing</b> <ul style="list-style-type: none"> <li>- Corporate social responsibility programs</li> </ul>   | <ul style="list-style-type: none"> <li>- Community investment and development</li> <li>- Charitable contribution</li> <li>- Job creation</li> <li>- Environmental management and protection</li> </ul>   | <ul style="list-style-type: none"> <li>- Providing employment and career development opportunities to Malaysians</li> <li>- Contribute to community developments through financial assistance</li> </ul> |

# SUSTAINABILITY STATEMENT

cont'd

## MATERIALITY ASSESSMENT

### PURPOSE AND PROCESS

The Group acknowledge the critical impact of material matters on our ability to create and sustain long-term stakeholder value.

The materiality assessment ensures the Group identifies, prioritises, and manages sustainability topics most relevant to stakeholders and business operations. The review was performed in line with the methodologies outlined by Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3rd Edition).

The Group's last comprehensive materiality assessment was undertaken in 2023, through which 16 material matters were identified. In 2024, we conducted an annual review to assess the ongoing relevance of the material matters identified. Following the review in 2024, the material matters identified remains unchanged from 2023 but some material matters are consolidated or revised to align with Bursa's common sustainability indicator.

Notable changes:

| Previous Material Matter                           | Updated Material Matter                | Remark   |
|--|--|--|
| - Code of Ethics and Conducts for Business Partner | Business Ethics & Corporate Governance | Consolidated the material matters under "Business Ethics & Corporate Governance" |
| - Whistleblowing Policy                            |  |  |
| - Director Remuneration Policy                     |  |  |
| - Director Fit and Proper Policy                   |  |  |
| - Director Code of Best Practice                   | Diversity                              | Revised to align with Bursa's common sustainability indicator                    |
| Gender Diversity                                   |  |  |
| Energy Management                                  | Energy and Emission Management         |  |

We aim to conduct a comprehensive materiality assessment every 3 years to stay aligned with evolving stakeholder expectations and global sustainability trends.

### ASSESSMENT PROCESS

#### Review Material Matters Assessment

- Existing material matters were reviewed to ensure relevance to industry peers and Bursa Malaysia's list of common sustainability matters.

#### Stakeholder Engagement

- Inputs from internal and external stakeholders were obtained to understand their perceptions on each material matter.
- Stakeholders rated scores on a scale of 0 to 4 for each material matter.
- Using an equal-weighted approach applied across all stakeholders, average rating scores were tabulated.
- In addition, stakeholders' feedback and concerns were gathered to better understand their needs and expectations.

#### Weighting Methodology

- Topics were scored based on their significance to stakeholders (external importance) and the Group's strategic priorities (internal importance).

#### Review and Approval

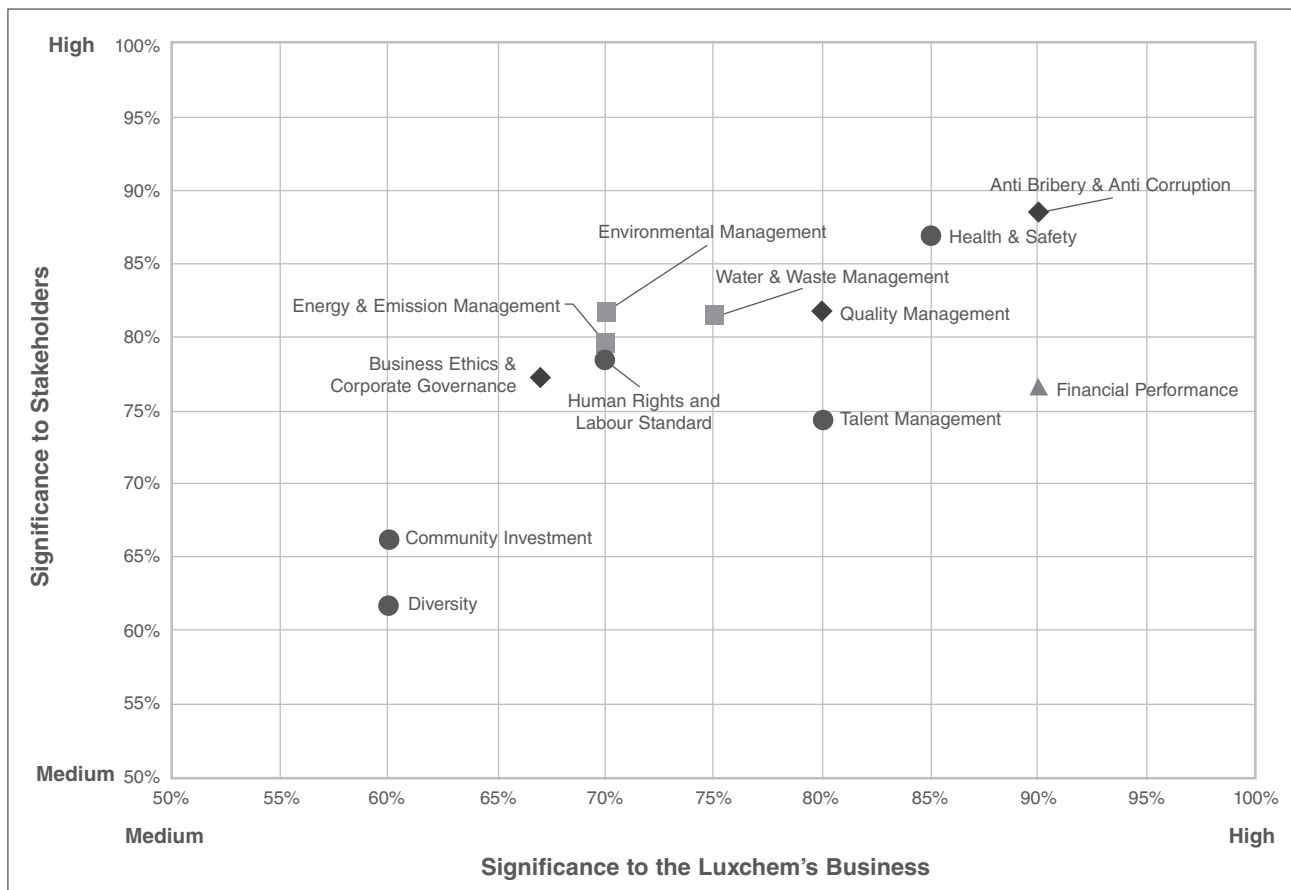
- Results were validated by the MSC and the Materiality Matrix and findings were presented to the Board of Directors for approval.

# SUSTAINABILITY STATEMENT

cont'd

## MATERIALITY MATRIX

The assessment produced the following matrix, visualising the prioritisation of material topics:



| ▲ Economic Indicator    | ■ Environmental Indicator  | ● Social Indicator  | ◆ Governance Indicator   |
|-------------------------|--|---|--|
| - Financial Performance | - Environmental Management<br>- Energy & Emission Management<br>- Water & Waste Management | - Health & Safety<br>- Human Rights and Labour Standard<br>- Diversity<br>- Talent Management<br>- Community Investment | - Business Ethics & Corporate Governance<br>- Anti-Bribery & Anti-Corruption<br>- Quality Management |

Following the engagements in open dialogue with stakeholders and conducting a comprehensive impact analysis, the Group has defined five key sustainability priorities: Health & Safety, Environmental Management, Energy & Emissions Management, Water & Waste Management, and Quality Management. These priorities are strategically aligned with the Group's operational objectives and long-term business resilience.

Recognising the critical role of the UN SDGs in shaping a sustainable future, the Group prioritises 6 (six) specific SDGs to align its sustainability priorities with global imperatives and drive meaningful impact.



# SUSTAINABILITY STATEMENT

cont'd

## RISK MANAGEMENT

The Group's Enterprise Risk Management (ERM) framework, aligned with the principles of the COSO ERM Framework, integrates sustainability and climate-related risks alongside corporate, financial, and operational risks. This alignment ensures a structured and comprehensive approach to risk management, enabling the Group to identify, assess, and manage risks effectively within its defined risk appetite. Regular revisions and monitoring by designated risk owners and management are complemented by deliberations from the ARMC and the MSC.

| Material Matters             | Risks  | Opportunities   |
|------------------------------|--|---|
| <b>Economic</b>              |  |   |
| Financial Performance        | Poor financial performance threatens business continuity and loss of investment opportunity.   | Sustainable financial performance attracts investors and delivers long-term value for all stakeholders.   |
| <b>Environmental</b>         |  |   |
| Health & Safety              | Workplace incidences, health hazards and non-compliance with safety regulations can lead to loss in productivity and legal liabilities.  | Implementing robust safety and health measures contributes to a conducive environment for enhanced productivity.  |
| Environmental Management     | As environmental regulations evolve in step with changing norms and expectations around environmental protection, any incidents of non-compliance could result in the suspension of operations, financial penalties and reputational damage.             | By adhering to environmental laws and regulations, we can reduce our environmental footprint and make a greater positive impact on natural environments surrounding the areas where we operate, earmarking ourselves as a responsible organisation.   |
| Energy & Emission Management | Increased costs associated with stricter environmental regulations and reduction in government subsidies.  | <ul style="list-style-type: none"> <li>- Efficient energy management may have potential to lower operational expenses.</li> <li>- Transitioning to renewable energy sources can provide long-term cost saving, reduce reliance on fossil fuels, which are subject to price volatility and reduce our carbon footprint.</li> </ul> |
| Water & Waste Management     | <ul style="list-style-type: none"> <li>- Poor water management leads to higher costs and potential scarcity of water resources</li> <li>- Non-compliance with environmental regulations result in consequences from authorities and activists</li> </ul> | <ul style="list-style-type: none"> <li>- Efficient water management may reduce operational costs and promote water conservation.</li> <li>- Efficient waste management creates cost savings and promotes circular economy practices.</li> </ul>   |

# SUSTAINABILITY STATEMENT

cont'd

| Material Matters   | Risks  | Opportunities  |
|--|--|--|
| <b>Social</b>  |  |  |
| Human Rights and Labour Standard   | <ul style="list-style-type: none"> <li>- Non-compliance with laws and regulations may impact our ability to market our products and attract and retain clients.</li> <li>- Non-compliance may also lead to legal ramifications, thus damaging our reputation.</li> </ul> | By maintaining strong human rights practices, we can reinforce our reputation as a responsible employer and improve our competitiveness.   |
| Diversity  | Any instance of discriminatory employment practices may lead to conflicts, tainting working relationship, impact the wellbeing of our employees, and significantly damage our reputation.  | By nurturing workplaces that value and promotes diversity, equity and inclusion, we can establish ourselves as a fair and responsible organisation.  |
| Talent Management  | <ul style="list-style-type: none"> <li>- Disengaged and underdeveloped employees contribute to lower productivity and performance.</li> <li>- Unattractive benefits and remuneration affect employee's motivation.</li> </ul>  | By delivering effective learning and development programs, we can drive long-term employee satisfaction and improve our ability to attract and retain top quality talent.                      |
| Community Investment   | Business activities that negatively impact communities affect LCB's social license to operate.   | Regular engagements through community impact programs strengthen our relationship with local communities.  |
| <b>Governance</b>  |  |  |
| <ul style="list-style-type: none"> <li>- Business Ethics &amp; Corporate Governance</li> <li>- Anti-Bribery &amp; Anti-Corruption</li> </ul> | Poor corporate governance practices may tarnish LCB's reputation and image.  | Effective corporate governance practices enhance LCB's reputation as a trustworthy company amongst stakeholders.   |
| Quality Management   | Non-compliance to or shortfalls against product quality and safety standards may result in financial penalties and potential operational disruptions, which would in turn impact our reputation in key markets.  | By consistently delivering to high quality and safety standards that meet the needs and expectations of the market, we can forge a strong competitive edge and drive long-term business value. |

# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY TARGETS VS PERFORMANCE

Below are our key targets and progress to date:

| ENVIRONMENTAL   | 2022    | 2023    | 2024   | Target 2024 | Achievement 2024 | Target  |
|---|---------|---------|--------|-------------|------------------|---|
| Energy Management   |         |         |        |             |                  |   |
| Total energy consumption (MWh)  | 10,836* | 11,249* | 13,380 | 10,611      | Not Achieved     | Reduce Energy usage per metric ton by 10% by 2030 compared with 2021 baseline   |
| Water   |         |         |        |             |                  |   |
| Total volume of water used (m³)   | 52,921  | 42,401  | 50,998 | 79,499      | Achieved         | Reduce Water usage per metric ton by 10% by 2030 compared with 2021 baseline  |
| Waste management  |         |         |        |             |                  |   |
| Total waste generated:  | 1,983   | 1,895   | 1,983  | 1,810       | Not Achieved     | Reduce Waste Generation per metric ton by 10% by 2030 compared with 2021 baseline   |
| (i) total waste diverted from disposal  | 1,812*  | 1,834*  | 1,923  |             |                  |   |
| (ii) total waste directed to disposal   | 171*    | 61*     | 60     |             |                  |   |
| Emission Management   |         |         |        |             |                  |   |
| Total emissions in tonnes of CO <sub>2</sub> e  | 5,288*  | 4,753*  | 5,420  | 5,937       | Achieved         | To reduce its greenhouse gas (GHG) emissions intensity by 10% by the year 2030, compared to 2021 baseline.                        |
| Scope 1 emissions in tonnes of CO <sub>2</sub> e  | 2,166*  | 1,585*  | 2,048  |             |                  |   |
| Scope 2 emissions in tonnes of CO <sub>2</sub> e  | 2,073*  | 2,082*  | 2,088  |             |                  |   |
| Scope 3 emissions in tonnes of CO <sub>2</sub> e (for the categories of business travel and employee commuting) | 1,049*  | 1,086*  | 1,284  |             |                  |   |
|   |         |         |        |             |                  |   |
| SOCIAL  | 2022    | 2023    | 2024   | Target 2024 | Achievement 2024 | Target  |
| Community/Society   |         |         |        |             |                  |   |
| Total amount invested in the community where the target beneficiaries are external to the listed issuer         | 346,400 | 28,879  | 19,809 | 25,000      | Not Achieved     | Continuously increase our positive impact on the communities where we operate through strategic community investment initiatives. |
| Total number of beneficiaries of the investment in communities  | 14      | 10      | 7      | 10          | Not Achieved     |   |
| Diversity   |         |         |        |             |                  |   |
| Percentage of directors by gender and age group   | 33%     | 33%     | 33%    | 30%         | Achieved         | 30% of woman director at the Board level  |

\* Restated



# SUSTAINABILITY STATEMENT

cont'd

| <b>SOCIAL</b> <i>cont'd</i>  | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   | <b>Target 2024</b> | <b>Achievement 2024</b> | <b>Target</b>  |
|--|---------------|---------------|---------------|--------------------|-------------------------|--|
| <b>Health &amp; Safety</b>   |               |               |               |                    |                         |  |
| Number of work-related fatalities  | 0             | 0             | 0             | 0                  | Achieved                | Target Zero cases per year per company   |
| Lost time incident rate ("LTIR")   | 0.35          | 1.00          | 0.80          | 1.00               | Achieved                | Target LTIR less than 1.0  |
| Number of employees trained on health and safety standards   | 71%<br>(188)  | 59%<br>(162)  | 97%<br>(276)  | 80%                | Achieved                | Target 80% employee to attend at least 1 safety training annually.   |
| <b>Labour practices and standards</b>  |               |               |               |                    |                         |  |
| Percentage of employees that are contractors or temporary staff  | 4.55%         | 3.28%         | 6.45%         | 10%                | Achieved                | No more than 10% employees are contractors or temporary staff  |
| Total number of employee turnover by employee category:  | 19.8%<br>(51) | 15.7%<br>(42) | 15.1%<br>(41) | <15%               | Not Achieved            | Target attrition rate no more than 15% for the Group   |
| Senior Management  | 9.3%<br>(1)   | 0%<br>(0)     | 25.7%<br>(3)  | <15%               | Not Achieved            |  |
| Middle Management  | 3.8%<br>(2)   | 1.8%<br>(1)   | 18.9%<br>(11) | <15%               | Not Achieved            |  |
| Executive  | 13.8%<br>(8)  | 19.9%<br>(12) | 18.4%<br>(11) | <15%               | Not Achieved            |  |
| Non-Executive  | 29.5%<br>(40) | 20.8%<br>(29) | 11.2%<br>(16) | <15%               | Achieved                |  |
| Number of substantiated complaints concerning human rights violations                                  | 0             | 0             | 0             | 0                  | Achieved                | Target Zero Substantiated complaint  |
| <b>GOVERNANCE</b>  |               |               |               |                    |                         |  |
| <b>Anti-corruption</b>   |               |               |               |                    |                         |  |
| Percentage of employees who have received training on anti-corruption by employee category:            | 0%            | 12%           | 94%           | 100%               | Not Achieved            | 100% completion by year end  |
| Senior Management  | 0%            | 33%           | 92%           | 100%               | Not Achieved            |  |
| Middle Management  | 0%            | 10%           | 98%           | 100%               | Not Achieved            |  |
| Executive  | 0%            | 16%           | 93%           | 100%               | Not Achieved            |  |
| Non-Executive  | 0%            | 9%            | 93%           | 100%               | Not Achieved            |  |
| Percentage of operations assessed for corruption-related risks   | 0%            | 40%           | 0%            | 12.5%              | Not Achieved            | 1 site per annum   |
| Confirmed incidents of corruption and action taken   | 0             | 0             | 0             | 2                  | Achieved                | Target no more than 2 Total Whistleblowing case per annum for the group  |
| <b>Supply chain management</b>   |               |               |               |                    |                         |  |
| Proportion of spending on local suppliers  | 45.1%         | 51.0%         | 47.60%        | 40.0%              | Achieved                | We aim to achieve a minimum of 40% sourcing from local suppliers that meet our quality, cost, and delivery criteria. |
| <b>Data privacy and security</b>   |               |               |               |                    |                         |  |
| Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | 0             | 0             | 0             | 0                  | Achieved                | Target Zero Substantiated complaint  |

# SUSTAINABILITY STATEMENT

cont'd

## KEY ESG HIGHLIGHTS 2024



### Environmental

- **11.8%** reduction in energy intensity in manufacturing from 2023.
- **20.9%** reduction in Scope 1 and Scope 2 GHG emissions intensity from 2023.
- **521,880kWH** Solar Power Generated for consumption.
- Approximately **395 tCO<sub>2</sub>e** avoided through solar energy utilisation.
- Diverted **97.0%** of scheduled waste from landfills.



### Social

- **46.1%** women in managerial roles.
- **93.0%** local workforce.
- Improved Lost Time Injury Rate (LTIR) by **20.0%** from 2023.
- Achieved an **87.8%** customer satisfaction score.
- Maintained a **Zero** fatality record.



### Governance

- **47.6%** Procurement spent on local suppliers.
- Recorded **Zero** whistleblowing instances, including human rights violations.

# SUSTAINABILITY STATEMENT

cont'd

## MANAGEMENT APPROACH FOR MATERIAL MATTERS

### ECONOMIC DISCLOSURE

#### WHY IS THIS IMPORTANT?

LCB's financial performance supports the creation of long-term value and the Group's sustainability agenda. We are mindful of our responsibilities to create decent employment opportunities and promote economic development within the local communities. Our goal is to ensure long-term resilience by leveraging our assets and sharing the wealth generated with our stakeholders.

#### OUR APPROACH

LCB's approach to sustaining and achieving good economic performance is by executing our business strategy, which includes staying abreast with economic condition, maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement, mitigating identified risks relevant to our business as well as pursuing market expansion through diversification into new geographies.

#### OUR PERFORMANCE

In 2024, the Group recorded a total revenue and interest income of RM803.2 million, up from RM658.2 million in 2023. LCB continues to generate wealth for our stakeholders, as reflected in the financial data presented below.

|   | 2022<br>RM         | 2023<br>RM         | 2024<br>RM         |
|---|--------------------|--------------------|--------------------|
| <b>Economic Value Generated (Revenue and Interest Income)</b> | 804,682,097        | 658,166,484        | 803,154,082        |
| Economic value distributed:                                   |                    |                    |                    |
| - Operating costs   | 700,448,658        | 561,384,379        | 678,683,418        |
| - Employee salaries and benefits                              | 29,806,498         | 30,492,324         | 34,298,385         |
| - Dividend Returns to Shareholders                            | 21,395,322         | 17,116,258         | 17,116,258         |
| - Tax paid to government                                      | 18,724,661         | 15,357,951         | 21,685,095         |
| - Repayment to Financiers                                     | 2,587,443          | 2,647,733          | 2,772,435          |
| - Community investment  | 346,400            | 28,879             | 19,810             |
| <b>Economic value distributed</b>                             | <b>773,308,982</b> | <b>627,027,524</b> | <b>754,575,401</b> |
| <b>Economic value retained</b>                                | <b>31,373,115</b>  | <b>31,138,960</b>  | <b>48,578,681</b>  |

Note:

The financial results presented in the table are derived from the audited financial statement and our Management Discussion and Analysis, which are available for reference in our Annual Report 2024.

# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENTAL DISCLOSURE

### ENERGY AND EMISSION MANAGEMENT

#### WHY IS THIS IMPORTANT?

The Group acknowledges the crucial role that energy plays in powering our operations and our energy consumption and GHG emissions contribute to climate change impacts. We recognise that as a responsible corporate citizen, it is our responsibility to reduce our carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy.

#### OUR APPROACH

The Group aims to reduce our environmental footprints and establish operational resilience to deliver long-term value to our business, stakeholders and communities. We are guided by our Sustainability Policy, which outlines the Group's objective to effectively manage and minimise the impacts arising from our business operations.

#### MAINTAINING A CARBON MONITORING SYSTEM

In the pursuit of streamlining carbon management, we have digitalised our emissions tracking capabilities by leveraging technologies to enhance accuracy, timeliness and overall effectiveness. Through the implementation of a Carbon Management Platform, we have improved our accuracy in calculating our emissions data. The platform allows us to measure our GHG emissions across our operations, analyze our GHG performance and plan for mitigation actions to lower our GHG emissions.

Our Carbon Management Platform is aligned with ISO14064(Greenhouse Gases) and GHG Protocol, the two (2) most widely used standards for corporate GHG emissions measurement and reporting. It is also preconfigured with locally approved emissions factors, IPCC2006, EFDB, DEFRA, EPA and other emissions factor sources enhancing the credibility of our reporting.

The digitalisation of emission tracking represents a pivotal step in our sustainability journey. By harnessing the power of technology, we are not only meeting current environmental challenges but also positioning ourselves for a more sustainable and resilient future.

#### TRANSITION TO A GREENER FUTURE

Since April 2022, the Group has made a significant stride towards a greener future by transitioning our Malacca manufacturing plant, LPI, from diesel to natural gas. This shift represents a substantial reduction in carbon emissions compared to diesel fuel.

Given that natural gas and electricity are our primary emission sources, enhancing energy efficiency remains a crucial strategy for climate action. To achieve this, we implement responsible energy practices such as optimising air-conditioning temperatures, upgrading to energy-efficient LED lighting, and prioritising timely preventive maintenance. These efforts, combined with our shift to cleaner energy sources, underscore our dedication to integrating sustainability into every aspect of our operations.

#### EXPANDING RENEWABLE ENERGY USE

Acknowledging the substantial role we can play in mitigating climate change concerns, we remain committed to transitioning towards sustainable energy sources. In this regard, we recognise the significance of embracing solar energy as an alternative, clean, and renewable energy source that reduces harmful GHG emissions and our carbon footprint.

# SUSTAINABILITY STATEMENT

cont'd

In line with our commitment to sustainability, we have intensified our reliance on renewable energy by integrating solar panels into our manufacturing plants. In December 2024, we successfully commissioned 329 kWp (kilowatt-peak, the maximum power output under ideal conditions) of solar panels at our Sitiawan plant, following an investment of RM578k.

As of 31 December 2024, our total installed solar capacity across the Malacca and Sitiawan plants has reached 787 kWp. To further enhance our clean energy adoption, the Group is investing an additional RM432k to install 197 kWp of photovoltaic systems on the rooftops of our remaining manufacturing plant, LCSB. This expansion, targeted for commissioning in 2025, will increase the Group's total installed solar capacity to 984 kWp, resulting in a potential annual reduction of 1,003 tCO<sub>2</sub>e in GHG emissions.

Looking ahead, we will continue evaluating the feasibility of installing solar panels at additional locations, prioritising this initiative to reduce our reliance on non-renewable energy sources. By doing so, we aim to significantly lower our Scope 2 GHG emissions and reinforce our commitment to environmental sustainability. In addition, the Group is exploring complementary strategies, including subscribing to TNB's Green Electricity Tariff (GET) and integrating battery energy storage systems (BESS). These efforts reflect our dedication to minimising our carbon footprint, enhancing energy efficiency, and achieving long-term operational benefits such as cost savings and energy independence.

## TRANSITION TO ELECTRIC VEHICLE

While energy efficiency and renewable energy represent significant avenues for emission reduction, we are committed to maximising our contribution to the green agenda, particularly through our non-road and road vehicles. In our efforts to minimise emissions, we have replaced a portion of our diesel forklifts with electric counterparts across our manufacturing plants and warehouse. By transitioning to electric forklifts, which produce zero emissions during operation, we are able to substantially reduce our total emissions and reduce our environmental footprint.

To date, our warehouse and manufacturing plants have purchased a total of 6 electric forklifts to replace our existing diesel forklifts, thus reducing the dependence on conventional fuel-type handling equipment. In addition to environmental benefits, electric forklifts have lower maintenance costs compared to conventional diesel forklifts, resulting in long-term cost savings. Our transition will continue, with a target to achieve full electric forklift usage by 2030.

## OUR PROGRESS

In FY2024, the Group consumed 49,013 GJ of energy, an 18.7% increase primarily driven by higher sales activity. Despite this rise in total consumption, energy intensity has improved, decreasing by 11.8%, reflecting enhanced operational efficiency.

| Total Energy Consumption (Gj) |                             | 2022          | 2023          | 2024          | Energy Intensity (Gj/Tonne of Production) |
|-------------------------------|-----------------------------|---------------|---------------|---------------|---|
| Scope 1                       | Natural Gas                 | 9,434         | 25,296        | 31,470        |   |
|                               | Diesel                      | 20,591        | 2,448         | 2,602         |   |
|                               | Petrol                      | 2,043         | 2,251         | 2,480         |   |
| Scope 2                       | Electricity (Manufacturing) | 9,623         | 10,158        | 11,014        |   |
|                               | Electricity (Trading)       | 1,076         | 1,123         | 1,446         |   |
|                               |                             | <b>42,767</b> | <b>41,276</b> | <b>49,013</b> |   |

|      |      |
|------|------|
| 2024 | 0.60 |
| 2023 | 0.68 |
| 2022 | 0.72 |

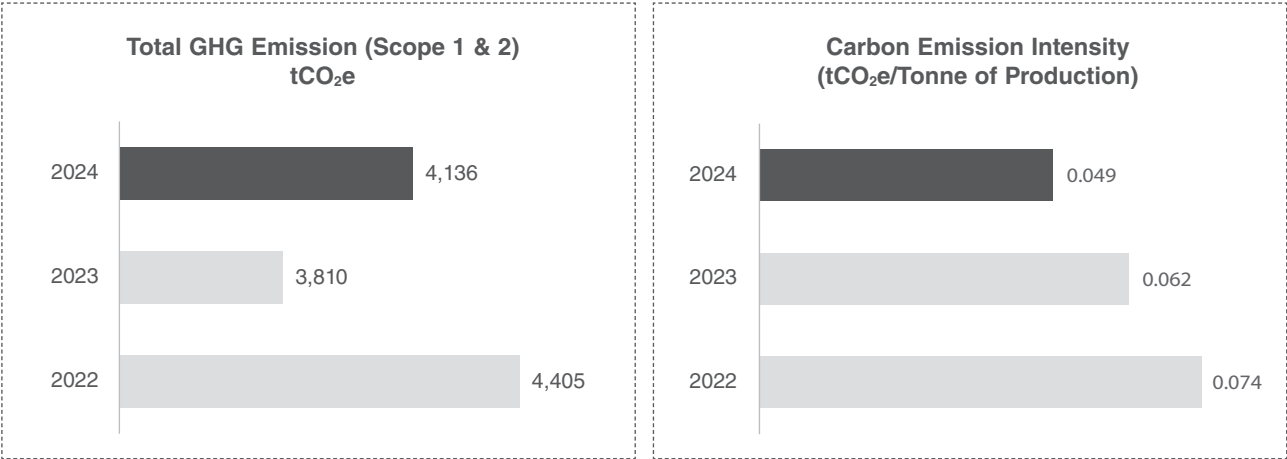
Note:

Intensity calculation only includes data of Manufacturing segment

# SUSTAINABILITY STATEMENT

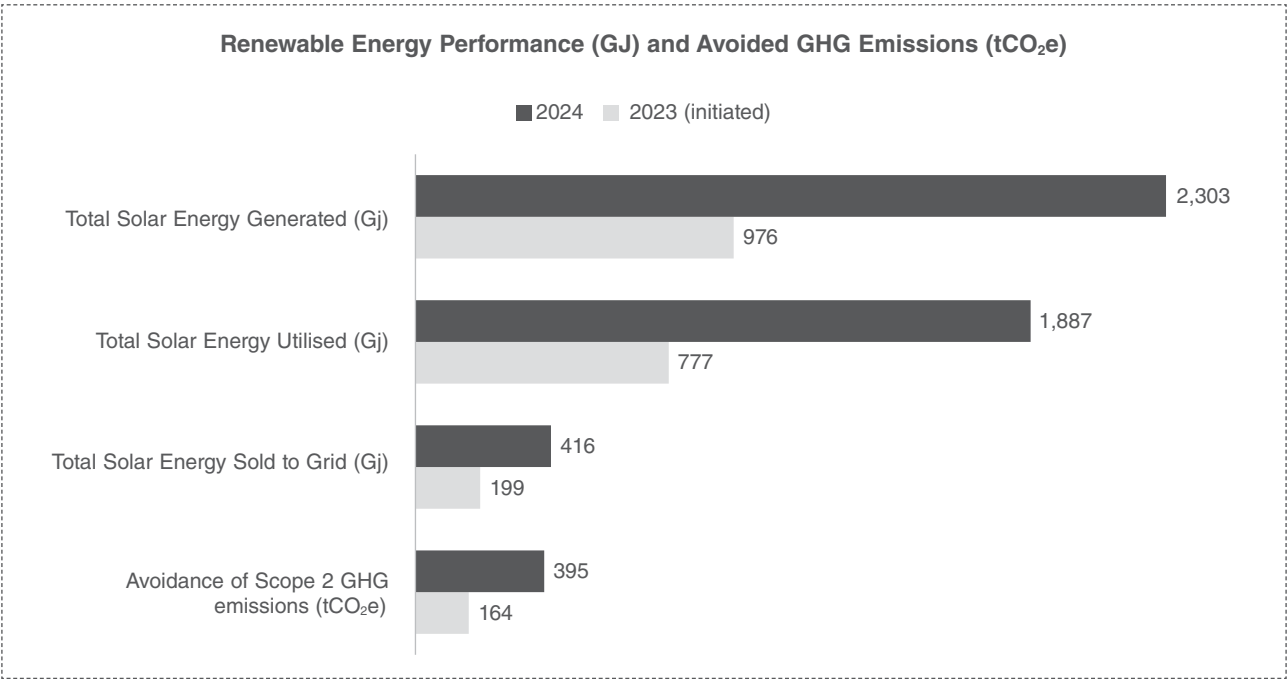
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In FY2024, the Group's combined Scope 1 and 2 emissions increased by 8.5%, driven by higher sales activity. However, emissions intensity improved by 20.9% reflects the effectiveness of our energy efficiency initiatives. These include a reduction in non-renewable grid electricity consumption and an increase reliance on solar energy.



Note:

Intensity calculation only includes data of Manufacturing segment



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENTAL MANAGEMENT

### WHY IS THIS IMPORTANT?

As a responsible manufacturer, we acknowledge the profound and extensive impacts our operations may exert on natural ecosystems and resources across land, air, water and soil. Our pledge towards upholding environmental compliance is rooted in our duty to conduct business ethically. Accordingly, we consistently prioritise the minimisation of our environmental footprint with the primary goal of safeguarding our planet and its resources for the well-being of future generations.

### OUR APPROACH

#### ADOPTING A STRINGENT APPROACH TO ENVIRONMENTAL COMPLIANCE

To ensure environmental compliance with the requirements set forth by the Department of Environment ("DoE") and other international standards, we have adopted a rigorous Environmental Management System (EMS) framework. This framework, aligned with the Plan-Do-Check-Act (PDCA) cycle of ISO 14001, encompasses six key components to effectively manage environmental impacts.

Additionally, our employees adhere to detailed Standard Operating Procedures (SOPs) for the responsible handling of effluents, chemicals, and hazardous waste. These measures not only prioritise employee safety but also guarantee stringent compliance with environmental regulations and protect the environment.

### OUR PROGRESS

As a testament to our unwavering commitment to environmental excellence, we are proud to have achieved zero incidents of non-compliance with environmental laws and regulations in FY2024. With 67% of our factories certified to ISO 14001, we are continually striving to improve our environmental performance and reduce our impact on the planet.

## WATER & WASTE MANAGEMENT

### WHY IS THIS IMPORTANT?

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, the Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

By meticulously managing waste, we reduce our ecological footprint, which contributes to mitigating environmental degradation. This approach not only minimises environmental impacts but also optimises resource utilisation, thereby promoting resource and cost efficiency. Additionally, responsible waste management ensures compliance with regulatory standards, demonstrating our commitment to upholding legal requirements and ethical principles while safeguarding our financial and reputational interests.

### OUR APPROACH

The Group strives to prioritise proper waste management to reduce our environmental impact benefit the surrounding communities, especially in relation to our manufacturing operations. We generate different types of waste, including hazardous waste categorised as scheduled waste, as well as non-hazardous such as domestic waste and recyclable waste. Improper waste management can have far-reaching consequences, including detrimental effects on air and water quality, soil contamination, and heightened risks of hazardous material exposure for both our employees and the surrounding communities in the areas where we operate. Recognising the severity of these potential impacts, it is crucial to implement proactive measures to uphold responsible waste management practices across all our operations.



# SUSTAINABILITY STATEMENT

cont'd

## HAZARDOUS WASTE MANAGEMENT

In strict compliance with regulations set by local environmental regulations, we engage certified waste contractors registered with the DoE to manage our hazardous wastes, ensuring the highest standards of environmental responsibility at all times.

Utilising the Electronic Scheduled Waste Information System ("eSWIS") developed by the DoE, we ensure systematic monitoring of waste-related data from its point of generation through to treatment and disposal processes. The adoption of eSWIS provides numerous advantages, including streamlined processes and improved accuracy in reporting.

In an effort to minimise sludge disposal to landfills, we implemented filter press technology to decrease the volume of waste generated from our Industrial Effluent Treatment System ("IETS").

The Group remains dedicated to sustainable waste management through partnerships with certified contractors specialising in the recovery and treatment of scheduled wastes, particularly:

- **SW204** (sludge containing heavy metals)
- **SW305** (spent lubricating oil)
- **SW322** (non-halogenated organic solvents)
- **SW323** (halogenated organic solvents)

Through these collaborations, scheduled wastes are transformed into alternative raw materials, reducing disposal and supporting circular economy practices. For example:

- SW204 is stabilised and encapsulated to prevent heavy metal contamination, transforming it into alternative raw materials for use in cement plants.
- SW305 is refined and reprocessed into reusable lubricants or alternative fuel.
- SW322 & SW323 undergo solvent recovery and treatment for reuse in industrial applications.

These initiatives reinforce our commitment to environmental sustainability, resource efficiency, and regulatory compliance.

## EFFLUENT MANAGEMENT

Effluent is generated mainly from our manufacturing plant, namely TMSB and LCSB. We monitor effluent discharge from the IETS to ensure compliance with the DoE Standard B limit as per the Environmental Quality (Industrial Effluent) Regulations 2009 ("IER 2009"). Performance monitoring is conducted monthly by an IETS-competent person certified by the DoE. Furthermore, we also monitor the final effluent discharge using external third-party laboratory.

## DRIVING AWARENESS ACROSS OUR WORKFORCE

We strive to educate our staff and workers on water conservation and explore collaborations with relevant stakeholders to identify and implement water conservation opportunities through innovative technologies.

As part of our commitment to responsibly manage waste generated from our operations, we have implemented the Waste Hierarchy concept, which focuses on the 5R principles of Remove, Recover, Recycle, Reuse and Reduce.

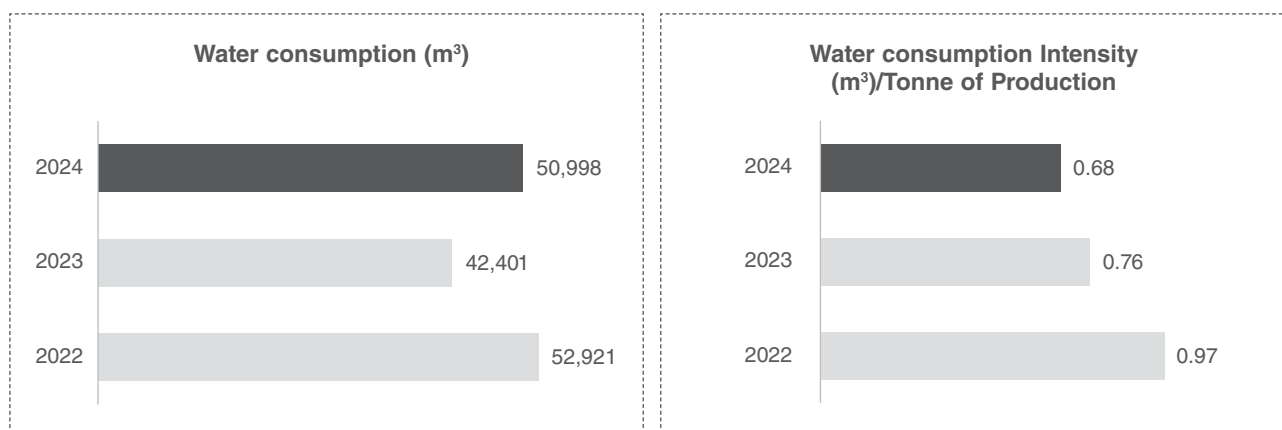
The Group has initiated a dedicated recycling campaign in our manufacturing plant, namely TMSB to enhance our waste management and domestic waste handling practices and enhance awareness of recycling across our workforce. The Group targets to roll out this initiative to the remaining two manufacturing plants, namely LPI and LCSB in 2025.

# SUSTAINABILITY STATEMENT

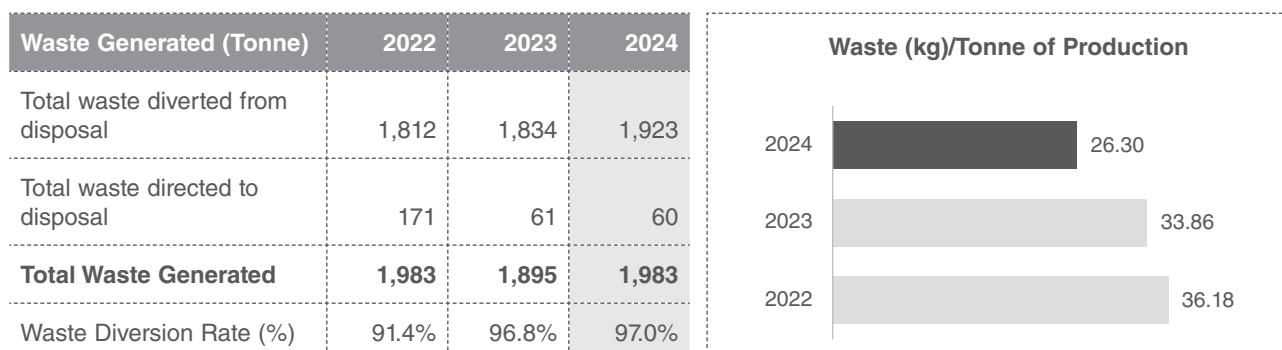
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## OUR PROGRESS

In FY2024, our manufacturing plants consumed 50,998 m<sup>3</sup> of water, a 20% increase driven by higher sales activity. However, water consumption intensity improved, decreasing by 10%, reflecting enhanced efficiency measures.



Total waste generated from production increased by 4.6% (approximately 88 tonnes) compared to the previous year. However, we achieved an impressive waste diversion rate of 97.0%, significantly reducing landfill disposal. Additionally, waste intensity decreased by 22% to 26.3 kg per tonne of production, reflecting improved efficiency and optimised resource utilisation.



Note:

Only includes data of Manufacturing segment

## HEALTH & SAFETY

### WHY IS THIS IMPORTANT?

Ensuring the health and safety of our employees are of vital importance. Given the nature of our operations, they could be at risk of various potential hazards, including extreme temperatures, exposure to air pollutant and high levels of noise, potentially leading to work-related injuries such as burns, cuts or fractures. In addition to these health and safety risks, any incidents that occur within our premises can lead to operational disruptions, legal penalties and damage to our reputation.

By fostering a robust safety culture and ensuring compliance with all relevant health and safety regulations, we can enhance the quality of our workplaces while promoting greater productivity, ultimately driving improved efficiency and output.

# SUSTAINABILITY STATEMENT

cont'd

## OUR APPROACH

The Group complies with the regulatory compliance, i.e. Occupational Safety and Health Act 1994 ("OSHA") and monitors the work accident and incident occurred at workplace and ensure that necessary actions (e.g proactive approach to identifying potential hazards, implementing proper signage and PPE protocols, conducting regular inspections and maintenance of critical equipment to prevent malfunctions and accidents, and providing comprehensive training to all employees on safe work practices and emergency procedures) are taken in addressing these issues at workplace.

## OUR PROGRESS

Total cases of work accident reported are as follows:

|                | LTSB   | LPISB | TMSB | LCSB |
|----------------|--|-------|------|------|
| <b>Target:</b> | Work accident not more than 2 cases per annum of each subsidiary company |       |      |      |
| <b>2024</b>    | -  | 3     | -    | -    |
| <b>2023</b>    | -  | 3     | -    | -    |
| <b>2022</b>    | -  | 1     | -    | -    |

In FY2024, all reported work accidents were thoroughly investigated, with root causes identified and corrective actions implemented accordingly.

All work accidents, including those in high-risk environment, required investigation, analysis of the root cause, recommendations and execution of the preventive actions had been reported and documented.

In addition, the Group provides free annual occupational medical examination and appropriate Personal Protective Equipment to employees according to the nature of and risk exposure level of the jobs. Trainings are also provided as and when necessary.

Qualified OSHA officers are appointed to oversee the Group's safety and health matters. They are responsible for ensuring compliance with safety regulations and implementing necessary measures to maintain a safe workplace. Safety issues are regularly reviewed, discussed, and addressed to uphold a high standard of workplace health and safety.

## HUMAN RIGHTS AND LABOUR STANDARD

### WHY IS THIS IMPORTANT?

In today's global landscape, upholding human rights is a moral imperative and crucial aspect of sustainable business practices. By recognising the inherent dignity and worth of our employees and treating them with respect, fairness and integrity, regardless of their background or identity, we can foster an environment of inclusivity and shared values, thereby enhancing long-term morale and productivity.

Moreover, managing social risks are paramount for ensuring a safe and secure operating environment for our stakeholders. By proactively addressing potential risks and vulnerabilities, we uphold our commitment to human rights while safeguarding the well-being of our employees, communities and broader stakeholder groups, as well as our value chain.

We believe that upholding fair labour practices and respecting human rights are not only moral obligations but fundamental to driving our sustainability as an organisation and empowering long-term success across our value chain. As such, we have ingrained these considerations deeply within our values, driving action to safeguard the dignity of our workforce, enhance their safety and protect their fundamental human rights at all times. This unlocks improved employee satisfaction, loyalty and productivity, while also enhancing the trust of our stakeholders and our reputation as an organisation.

# SUSTAINABILITY STATEMENT

cont'd

## OUR APPROACH

To drive employees' performance, The Group ensures its employees receive fair and competitive remunerations and provide appropriate reward for recognition. The Group also ensures employees' benefits are reviewed and benchmarked as and when necessary and career enhancement opportunities are provided to the potential and qualified employees. Training and development plans are executed according to level up competencies, skills and knowledge required for the jobs.

Performance evaluation is conducted annually and employees' career are planned and progressed according to the approved salary ranges and grading structure.

The Group takes labour matters seriously and ensure that relevant regulations and legislations are complied with.

## OUR PROGRESS

In FY2024, the Group ensured that its subsidiaries were well prepared to comply with regulatory requirements. The Group has taken necessary action to ensure full compliance of Minimum Wages Order 2024, which had come into effect on 1 February 2025.

Additionally, the Group introduced e-learning training modules covering the topics such as MACC and fire safety across the major subsidiaries. Moving forward, the Group aims to expand its e-learning offerings with more training modules in the coming years.

## DIVERSITY

### WHY IS THIS IMPORTANT?

Upholding diversity and inclusivity enriches organisations through diverse of perspectives and experiences, driving innovation and creativity. Fostering diversity cultivates varied perspectives, experiences, and backgrounds; that may bring different perspective in ideas, insights, and approaches to problem-solving. This diversity of thought fuels innovation and creativity, enabling organisations to adapt in a dynamic market. In tandem, inclusivity ensures that all employees feel valued and empowered to contribute their unique talents, fostering a sense of belonging and commitment, boosting employee engagement and retention rates.

Furthermore, embracing diversity and inclusivity enhances external relationships and reputation. A diverse workforce better understands and caters to the needs of diverse customer bases. Likewise, advocating diversity demonstrates equality in business practices, enhancing the organisation's reputation and attractiveness as an employer and partner.

## OUR APPROACH

Guided by our Gender Diversity Policy, diversity is promoted to all employees, regardless of age, gender, ethnicity, nationality, sexual orientation, cultural background, religious belief and socioeconomic status. To practice fairness and non-discrimination in our workplace, we prioritise merit, experience and professional criteria in recruiting and in managing all employee-related matters, including training, performance evaluation, remuneration and promotion.

We are aligned with MCCG's recommendation of having 30% of female directors on the Board. Presently, our Board consists of six (6) members, of whom two (2) are women, representing 33% female participation.

For detailed information on our Gender Diversity Policy and Workforce Policy, please refer to our corporate website at: <http://www.luxchem.com.my/corporate-policies.html>

# SUSTAINABILITY STATEMENT

cont'd

## OUR PROGRESS

Figures reported in the table below only taking into consideration major subsidiaries operating in Malaysia. As such, it may differ from the Workforce Diversity report in this Annual Report at page 75.

Percentage of employees by gender, employee category, ethnicity and age group as follows:

| Age Group by Employee Category |                      | 2022       |            | 2023       |            | 2024       |            |
|--------------------------------|----------------------|------------|------------|------------|------------|------------|------------|
|                                |                      | Total      | %          | Total      | %          | Total      | %          |
| Senior Management              | Under 30             | -          | -          | -          | -          | -          | -          |
|                                | Between 30-50        | 1          | 10%        | 2          | 18%        | 4          | 33%        |
|                                | Above 50             | 9          | 90%        | 9          | 82%        | 8          | 67%        |
| Middle Management              | Under 30             | 2          | 4%         | 3          | 5%         | 3          | 6%         |
|                                | Between 30-50        | 39         | 71%        | 45         | 73%        | 38         | 72%        |
|                                | Above 50             | 13         | 25%        | 14         | 22%        | 12         | 23%        |
| Executive                      | Under 30             | 21         | 36%        | 17         | 29%        | 14         | 24%        |
|                                | Between 30-50        | 32         | 54%        | 35         | 59%        | 39         | 66%        |
|                                | Above 50             | 6          | 10%        | 7          | 12%        | 6          | 10%        |
| Non-Executive                  | Under 30             | 67         | 48%        | 59         | 42%        | 63         | 41%        |
|                                | Between 30-50        | 68         | 48%        | 78         | 55%        | 83         | 55%        |
|                                | Above 50             | 6          | 4%         | 5          | 3%         | 6          | 4%         |
| <b>TOTAL</b>                   | <b>Under 30</b>      | <b>90</b>  | <b>34%</b> | <b>79</b>  | <b>29%</b> | <b>80</b>  | <b>29%</b> |
|                                | <b>Between 30-50</b> | <b>140</b> | <b>53%</b> | <b>160</b> | <b>58%</b> | <b>164</b> | <b>59%</b> |
|                                | <b>Above 50</b>      | <b>34</b>  | <b>13%</b> | <b>35</b>  | <b>13%</b> | <b>32</b>  | <b>12%</b> |

| Gender Group by Employee Category |               | 2022       |            | 2023       |            | 2024       |            |
|-----------------------------------|---------------|------------|------------|------------|------------|------------|------------|
|                                   |               | Total      | %          | Total      | %          | Total      | %          |
| Senior Management                 | Male          | 7          | 70%        | 8          | 73%        | 9          | 75%        |
|                                   | Female        | 3          | 30%        | 3          | 27%        | 3          | 25%        |
| Middle Management                 | Male          | 30         | 56%        | 34         | 57%        | 26         | 49%        |
|                                   | Female        | 24         | 44%        | 26         | 43%        | 27         | 51%        |
| Executive                         | Male          | 21         | 36%        | 20         | 34%        | 25         | 42%        |
|                                   | Female        | 38         | 64%        | 38         | 66%        | 34         | 58%        |
| Non-Executive                     | Male          | 107        | 76%        | 115        | 79%        | 118        | 78%        |
|                                   | Female        | 34         | 24%        | 30         | 21%        | 34         | 22%        |
| <b>TOTAL</b>                      | <b>Male</b>   | <b>165</b> | <b>63%</b> | <b>177</b> | <b>65%</b> | <b>178</b> | <b>64%</b> |
|                                   | <b>Female</b> | <b>99</b>  | <b>38%</b> | <b>97</b>  | <b>35%</b> | <b>98</b>  | <b>36%</b> |

The Group has achieved at least 20% of women in key senior management level from FY 2022 to FY 2024.

# SUSTAINABILITY STATEMENT

cont'd

| By Ethnicity |               | 2022       |            | 2023       |            | 2024       |            |
|--------------|---------------|------------|------------|------------|------------|------------|------------|
|              |               | Total      | %          | Total      | %          | Total      | %          |
| Malay        | Male          | 84         | 61%        | 89         | 63%        | 100        | 64%        |
|              | Female        | 53         | 39%        | 53         | 37%        | 56         | 36%        |
| Chinese      | Male          | 47         | 55%        | 51         | 59%        | 42         | 55%        |
|              | Female        | 39         | 45%        | 36         | 41%        | 34         | 45%        |
| Indian       | Male          | 8          | 53%        | 6          | 43%        | 8          | 50%        |
|              | Female        | 7          | 47%        | 8          | 57%        | 8          | 50%        |
| Others       | Male          | 26         | 100%       | 31         | 100%       | 28         | 100%       |
|              | Female        | -          | -          | -          | -          | -          | -          |
| <b>TOTAL</b> | <b>Male</b>   | <b>165</b> | <b>63%</b> | <b>177</b> | <b>65%</b> | <b>178</b> | <b>64%</b> |
|              | <b>Female</b> | <b>99</b>  | <b>38%</b> | <b>97</b>  | <b>35%</b> | <b>98</b>  | <b>36%</b> |

In FY2024, the total employees of LTSB, LPI SB, TMSB & LCSB is 276, an increase of 2 headcount from FY2023.

Of the total workforce, 178 employees (64%) are male, while 98 employees (36%) are female. The higher proportion of male employees is primarily due to the nature of our manufacturing operations across three plants.

Regarding nationality, Malaysians form the majority of the Group's workforce, accounting for 258 employees (93%). The Group remains committed to supporting Malaysia's economy and local communities through employment opportunities and sustainable business practices.

## TALENT MANAGEMENT

### WHY IS THIS IMPORTANT?

Our employees are crucial to powering our continued growth and advancement as an organisation. By ensuring fair and merit-based compensation, providing ample training and development opportunities, and maintaining excellent labour relations, we strive to ensure high levels of employee engagement, motivation and satisfaction. This, in turn, leads to improved retention and the continuous growth of our human capital over time, enabling us to build a pipeline of people who are ready to assume leadership roles within the organisation.

Ultimately, by investing in our people, we remain competitive and create greater value as an organisation, even as market conditions evolve.

### OUR APPROACH

We embrace a holistic approach to talent management that encompasses clear strategies across employee recruitment, development, retention, leadership and succession planning, with the aim of nurturing a highly skilled and high calibre workforce. Our practices in each of these areas are encapsulated within our employee management system and its associated policies and procedures.

### OUR PROGRESS

To maximise employee potential, the Group provides training and development through various methods. From FY2022 to FY2024, the Training Hours Per Headcount achieved for LTSB, LPI, TMSB & LCSB are as follows:

| Average Training Hours Per Employee | 2022         | 2023         | 2024         |
|-------------------------------------|--------------|--------------|--------------|
| Senior Management                   | 24.40        | 18.17        | 18.23        |
| Middle Management                   | 17.68        | 23.22        | 19.11        |
| Executive                           | 15.56        | 17.29        | 18.29        |
| Non-Executive                       | 10.49        | 14.26        | 12.40        |
| <b>TOTAL</b>                        | <b>13.89</b> | <b>17.44</b> | <b>16.00</b> |

# SUSTAINABILITY STATEMENT

cont'd

In FY2024 the Average Training Hours Per Employee in FY2024 is 16 hours, reflecting an 8.26% decrease from 17.44 hours in FY2023. The reduction was primarily due to the Group's focus on On-The-Job training during the year.

The Group continues to evaluate, plan, execute, monitor and adopt the changing needs of the training that meet the business and operational requirements.

## COMMUNITY INVESTMENT

### WHY IS THIS IMPORTANT?

We believe that the value we create as a business should contribute to the sustainable development of society. In doing so, we not only fulfill our mandate as a responsible corporate citizen but build stronger relationships with local communities and our stakeholders at large, contributing to our reputation and long-term business success.

### OUR APPROACH

Investing in community development forms the core of our community management efforts, encompassing the enhancement of infrastructures, facilitation of proper developments, promotion of economic prosperity and spearheading of environmental sustainability.

Any proposals for donations or sponsorships, such as those for humanitarian causes, healthcare, education and community development, should not influence any business decisions or serve as compensation for improper payments or bribery.

### OUR PROGRESS

The Group remains committed to supporting local communities through donations. In FY2024, a total of RM19,879.90 was contributed to various beneficiaries as part of our ongoing community support initiatives.

## GOVERNANCE DISCLOSURE

### BUSINESS ETHICS AND CORPORATE GOVERNANCE

#### WHY IS THIS IMPORTANT?

Business ethics and corporate governance play a pivotal role in guiding us to operate with integrity and responsibility. Upholding our governance principles, robust policies and ethical standards transparently fosters trust, confidence and loyalty among our stakeholders, allowing us to nurture enduring relationships with them and cultivate a positive reputation. Furthermore, adhering to these principles reduces the likelihood of encountering legal or financial penalties, reputational harm or other adverse consequences, thereby safeguarding our credibility and integrity.

#### OUR APPROACH

#### MAINTAINING A ROBUST FRAMEWORK OF CODES AND POLICIES

To drive ethical business conduct across our business footprint, we have developed a comprehensive set of codes and policies that are applicable to all business units with the Group. These codes and policies are communicated to all employees and stakeholders, including third-party vendors (where appropriate), with all personnel expected to fully comprehend and comply with the rules and regulations stipulated within while carrying out their responsibilities. To ensure their continued relevance and effectiveness, all our codes and policies undergo periodic reviews.



# SUSTAINABILITY STATEMENT

cont'd

Our list of policies is outlined as follows:

| Corporate Policies:   | Sustainability Policies:   |
|---|--|
| <ul style="list-style-type: none"> <li>- Anti-Bribery and Anti-Corruption ("ABAC") Policy</li> <li>- Code of Ethics and Conducts for Business Partner</li> <li>- Whistleblowing Policy</li> <li>- Directors' Remuneration Policy</li> <li>- Directors' Fit and Proper Policy</li> <li>- Directors' Code of Best Practice</li> </ul> | <ul style="list-style-type: none"> <li>- Gender Diversity Policy</li> <li>- Community Investment Policy</li> <li>- Sustainability Policy</li> <li>- Quality Management Policy</li> <li>- Workforce Policy</li> </ul> |

## COMPLIANCE MANAGEMENT

The Group upholds corporate governance and abide by regulations governing our business operations to maintain reputation and manage risks.

We are complying with the relevant legislations and regulations include, but are not limited to:

- Companies Act 2016
- Employment Act 1955
- Fire Services Act 1988
- Environment Quality Act 1974
- Environmental Quality (Clean Air) Regulation 2014
- Occupational Safety and Health Act 1994 ("OSHA 1994")
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Guidelines On Conduct of Directors of Listed Corporations and their Subsidiaries by Securities Commission

## CERTIFYING OUR OPERATIONAL SITES

Each of our manufacturing facilities has achieved various management system certifications, showcasing our dedication to quality, health and safety as well as environmental management.

|  |   |      |
|--|---|------|
| ISO 9001:2015 Quality Management System Certificate        | ✓ | LTSB |
|  | ✓ | LPI  |
|  | ✓ | TMSB |
|  | ✓ | LCSB |
| ISO 14001:2015 Environmental Management System Certificate | ✓ | LPI  |
|  | ✓ | TMSB |
| ISO 45001:2018 Occupational Health & Safety Certificate    | ✓ | LPI  |

## ANTI-BRIBERY & ANTI-CORRUPTION

The Group maintains a steadfast commitment against corruption and bribery, implementing stringent measures to adhere to the requirements outlined in Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our Anti-Bribery and Anti-Corruption ("ABAC") Policy is crafted in accordance with the ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") standard, encompassing all employees irrespective of their roles, third-party individuals and organisations which include customers and suppliers. This provides a clear direction to our stakeholders on our internal limits and processes.

We always strive to regularly engage our employees on this topic and this year, we conducted a group-wide virtual training to provide employees with a refresher course on anti-corruption and bribery and highlight the key items in our Group policy attended by all employees. All head office staff were handed with a written commitment to declare that they have read, understood and will adhere to the Group's ABAC Policy, and 100% of them responded to the written commitment.

# SUSTAINABILITY STATEMENT

cont'd

## OUR PROGRESS

| Anti-corruption   | 2022 | 2023 | 2024 |
|---|------|------|------|
| Percentage of employees who have received training on anti-corruption by employee category: | -    | 12%  | 94%  |
| Senior Management   | -    | 33%  | 92%  |
| Middle Management   | -    | 10%  | 98%  |
| Executive   | -    | 16%  | 93%  |
| Non-Executive   | -    | 9%   | 93%  |
| Percentage of operations assessed for corruption-related risks                              | -    | 40%  | 0%   |
| Confirmed incidents of corruption and action taken  | -    | -    | -    |

In FY2024, no whistle-blowing reports were received, and there were zero (0) incidents of corruption, reflecting our strong commitment to a zero-tolerance approach toward bribery and corruption. Furthermore, no employees were dismissed, nor were any contracts with business partners terminated due to unethical behavior during the year.

## QUALITY MANAGEMENT

### WHY IS THIS IMPORTANT?

Ensuring consistent and timely delivery of products that meet customer requirements and expectations are crucial for maintaining our success. By prioritising these aspects, we not only enhance trust with our stakeholders but also strategically position the Group for sustained growth in a competitive market. Moreover, the invaluable feedback from our customers serves as an acknowledgement of the quality of our products and provides insights for continuous improvement, which, in turn, strengthens our market position in the industry.

## OUR APPROACH

### PRODUCT QUALITY AND CUSTOMER SATISFACTION

Product quality is of paramount to the Group's business. To stay on top of the fast-changing business environment, products and services that are effective and reliable to our stakeholders are key to our business. All our major business operations in Malaysia, LTSB, LPI, TMSB and LCSB adhere to rigorous quality standards, being ISO 9001:2015 Quality Management Systems certified.

In the event of a complaint, we employ a thorough root cause analysis tracing issues back to the manufacturing process and necessitate the implementation of corrective actions through necessary adjustments. Any identified issues are communicated via Corrective Action Request Form to facilitate a thorough investigation and identification of the root cause.

We conduct customer satisfaction survey annually to obtain feedback on our performance and product quality. This is to guarantee that our products meet customers' needs with consistent quality and maintain proactive relationships with customers.

### IMPROVING PRODUCT QUALITY, PRODUCTIVITY AND CONTINUOUS LEARNING

We adopt a proactive approach to optimising product quality and enhancing productivity through various initiatives, encompassing:

- Strengthening of inspection process for consistent product quality before delivery to customers
- Addressing customer complaints related to product quality promptly and effectively
- Conducting audits to ensure adherence to established standards and procedures
- Initiating a compulsory induction programme for new employees, which includes communication of the quality expectations for our products
- Equipping our employees with essential skills and knowledge to identify and address quality issues through training

# SUSTAINABILITY STATEMENT

cont'd

## OUR PROGRESS

Our customer satisfaction surveys recorded the following results:

| Year |           | LTSB   | LPISB  | TMSB   | LCSB   |
|------|-----------|--------|--------|--------|--------|
| 2024 | Score (%) | 97.4%* | 87.4%* | 83.2%^ | 83.0%^ |
| 2023 | Score (%) | 96.2%  | 96.43% | 84.0%  | 83.0%  |
| 2022 | Score (%) | 97.7%  | 95.5%  | 76.4%  | 86.5%  |

\* Based on Good & Excellent rating

^ Average customer satisfactory score

## SUPPLY CHAIN MANAGEMENT

### WHY IS THIS IMPORTANT?

The Group's commitment to sustainability extends beyond our internal operations to include our supply chain, as well as ensuring that all goods and services we procure adhere to the highest standards. To achieve this, the Group adopts a responsible supply chain approach by extending key policies, such as the ABAC policy, to our suppliers.

### OUR APPROACH

#### SUPPORTING LOCAL SUPPLIERS

We are committed to strengthening the local economies in our operational areas by actively seeking partnerships with local suppliers whenever feasible. This not only creates job opportunities within our local communities but also stimulates economic growth. Furthermore, engaging with local partners enables shorter lead times, facilitates communication, empowers local skills and enhances supply chain flexibility.

## OUR PROGRESS

### LOCAL PROCUREMENT

In FY2024, procurement expenses allocated to local suppliers for material purchases decreased to 47.6% from 51.0%, primarily due to the nature of our trading business, which involves sourcing materials globally. However, in our manufacturing business segment, procurement from local suppliers increased to 69.3% in FY2024, up from 65.8% in FY2023, reinforcing our commitment to supporting local suppliers.

# SUSTAINABILITY STATEMENT

cont'd

## BURSA MALAYSIA THREE-YEAR SUSTAINABILITY PERFORMANCE DATA

| Indicator   | Measurement Unit | 2022       | 2023      | 2024      |
|---|------------------|------------|-----------|-----------|
| <b>Bursa (Anti-corruption)</b>  |                  |            |           |           |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category              |                  |            |           |           |
| Senior Management   | Percentage       | -          | 33.00     | 92.00     |
| Middle Management   | Percentage       | -          | 10.00     | 98.00     |
| Executive   | Percentage       | -          | 16.00     | 93.00     |
| Non-Executive   | Percentage       | -          | 9.00      | 93.00     |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks  | Percentage       | -          | 40.00     | -         |
| Bursa C1(c) Confirmed incidents of corruption and action taken  | Number           | -          | -         | -         |
| <b>Bursa (Community/Society)</b>  |                  |            |           |           |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR              | 346,400.00 | 28,879.00 | 19,809.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities  | Number           | 14.00      | 10.00     | 7.00      |
| <b>Bursa (Diversity)</b>  |                  |            |           |           |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category                             |                  |            |           |           |
| Age Group by Employee Category  |                  |            |           |           |
| Senior Management Under 30  | Percentage       | -          | -         | -         |
| Senior Management Between 30-50   | Percentage       | 10.00      | 18.00     | 33.00     |
| Senior Management Above 50  | Percentage       | 90.00      | 82.00     | 67.00     |
| Middle Management Under 30  | Percentage       | 4.00       | 5.00      | 6.00      |
| Middle Management Between 30-50   | Percentage       | 71.00      | 73.00     | 72.00     |
| Middle Management Above 50  | Percentage       | 25.00      | 22.00     | 22.00     |
| Executive Under 30  | Percentage       | 36.00      | 29.00     | 24.00     |
| Executive Between 30-50   | Percentage       | 54.00      | 59.00     | 66.00     |
| Executive Above 50  | Percentage       | 10.00      | 12.00     | 10.00     |
| Non-Executive Under 30  | Percentage       | 48.00      | 42.00     | 41.00     |
| Non-Executive Between 30-50   | Percentage       | 48.00      | 55.00     | 52.00     |
| Non-Executive Above 50  | Percentage       | 4.00       | 3.00      | 4.00      |
| Gender Group by Employee Category   |                  |            |           |           |
| Senior Management Male  | Percentage       | 70.00      | 73.00     | 75.00     |
| Senior Management Female  | Percentage       | 30.00      | 27.00     | 25.00     |
| Middle Management Male  | Percentage       | 56.00      | 57.00     | 49.00     |
| Middle Management Female  | Percentage       | 44.00      | 43.00     | 51.00     |
| Executive Male  | Percentage       | 36.00      | 34.00     | 42.00     |
| Executive Female  | Percentage       | 64.00      | 66.00     | 58.00     |
| Non-Executive Male  | Percentage       | 76.00      | 79.00     | 78.00     |
| Non-Executive Female  | Percentage       | 24.00      | 21.00     | 22.00     |
| Bursa C3(b) Percentage of directors by gender and age group   |                  |            |           |           |
| Male  | Percentage       | 67.00      | 67.00     | 67.00     |
| Female  | Percentage       | 33.00      | 33.00     | 33.00     |
| Under 30  | Percentage       | -          | -         | -         |
| Between 30-50   | Percentage       | -          | -         | -         |
| Above 50  | Percentage       | 100.00     | 100.00    | 100.00    |

# SUSTAINABILITY STATEMENT

cont'd

| Indicator   | Measurement Unit | 2022      | 2023       | 2024      |
|---|------------------|-----------|------------|-----------|
| <b>Bursa (Energy management)</b>  |                  |           |            |           |
| Bursa C4(a) Total energy consumption  | Megawatt         | 10,835.63 | 11,248.79* | 13,380.26 |
| <b>Bursa (Health and safety)</b>  |                  |           |            |           |
| Bursa C5(a) Number of work-related fatalities   | Number           | -         | -          | -         |
| Bursa C5(b) Lost time incident rate ("LTIR")  | Rate             | 0.35      | 1.00       | 0.80      |
| Bursa C5(c) Number of employees trained on health and safety standards  | Number           | 188.00    | 162.00     | 269.00    |
| <b>Bursa (Labour practices and standards)</b>   |                  |           |            |           |
| Bursa C6(a) Total hours of training by employee category  |                  |           |            |           |
| Senior Management   | Hours            | 269.00    | 218.00     | 237.00    |
| Middle Management   | Hours            | 973.00    | 1,393.00   | 1,166.00  |
| Executive   | Hours            | 934.00    | 1,072.00   | 1,152.00  |
| Non-Executive   | Hours            | 1,521.00  | 2,097.00   | 1,909.00  |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff   | Percentage       | 4.55      | 3.28       | 6.45      |
| Bursa C6(c) Total number of employee turnover by employee category  |                  |           |            |           |
| Senior Management   | Number           | 1.00      | -          | 3.00      |
| Middle Management   | Number           | 2.00      | 1.00       | 11.00     |
| Executive   | Number           | 8.00      | 12.00      | 11.00     |
| Non-Executive   | Number           | 40.00     | 29.00      | 16.00     |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations   | Number           | -         | -          | -         |
| <b>Bursa (Supply chain management)</b>  |                  |           |            |           |
| Bursa C7(a) Proportion of spending on local suppliers   | Percentage       | 45.10     | 51.00      | 47.60     |
| <b>Bursa (Data privacy and security)</b>  |                  |           |            |           |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data                    | Number           | -         | -          | -         |
| <b>Bursa (Water)</b>  |                  |           |            |           |
| Bursa C9(a) Total volume of water used  | Megalitres       | 52,921.00 | 42,401.00  | 50,998.00 |
| <b>Bursa (Waste management)</b>   |                  |           |            |           |
| Bursa C10(a) Total waste generated  | Metric tonnes    | 1,983.00  | 1,895.00*  | 1,983.00  |
| Bursa C10(a)(i) Total waste diverted from disposal  | Metric tonnes    | 1,812.00  | 1,834.00*  | 1,923.00  |
| Bursa C10(a)(ii) Total waste directed to disposal   | Metric tonnes    | 171.00    | 61.00*     | 60.00     |
| <b>Bursa (Emissions management)</b>   |                  |           |            |           |
| Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e   | Metric tonnes    | 2,197.00  | 1,624.00*  | 2,048.00  |
| Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e   | Metric tonnes    | 2,208.00  | 2,186.00*  | 2,088.00  |
| Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting) | Metric tonnes    | 1,197.00  | 1,240.00*  | 1,284.00  |

(\*) Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Luxchem Corporation Berhad (“**the Company**”) recognises the importance of corporate governance and is committed to practise it throughout the Company and its subsidiaries (“**the Group**”) to protect and enhance the shareholders’ value and the financial performance of the Group.

The Board is pleased to provide a Corporate Governance Overview Statement pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) that explains an overview of the application of the corporate governance practices of the Group during the financial year ended 31 December 2024 (“**FY 2024**”) in this Annual Report with reference to the following three principles as set out in the Malaysian Code on Corporate Governance (“**MCCG**”):

- A. Board Leadership and Effectiveness;
- B. Effective Audit and Risk Management; and
- C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Board has also provided specific disclosures on the application of each Practice in its Corporate Governance Report (“**CG Report**”), which was announced together with the Annual Report of the Company on 18 April 2025. Shareholders may obtain this CG Report by accessing this link [www.luxchem.com.my](http://www.luxchem.com.my) for further details.

All the objectives, terms of reference, scope and capacity of the Board and its Board Committees are regularly reviewed and updated in the Board Charter of the Company to ensure their relevance and applicability to the changing business environment, regulatory requirements and operational compliance.

The Board is of the view that the Company has, in all material aspect, complied with majority of the Principles and Practices as set out in the MCCG. The explanations for the departures of the Principles and Practices are also provided in the CG Report. During the FY 2024, there were no whistleblowing cases received by the Company.

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### (I) Board Responsibilities

The Board comprises three (3) Independent Directors namely, Datuk Kwan Foh Kwai, Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali and Mr Tan Teck Kiong. The Independent Directors and its existing Board members are responsible for the overall corporate governance of the Group. In addition to their Board’s responsibilities, the Independent Directors also sit in the following Board Committees of the Company:

| Designation | Audit And Risk Management Committee             | Nominating Committee                            | Remuneration Committee                          |
|-------------|---|---|---|
| Chairman    | Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali | Mr Tan Teck Kiong                               | Datuk Kwan Foh Kwai                             |
| Members     | Mr Tan Teck Kiong                               | Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali | Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali |
|             | Datuk Kwan Foh Kwai                             | Datuk Kwan Foh Kwai                             | Mr Tan Teck Kiong                               |

The Board is cognisant that, as recommended under Practice 1.4 of the MCCG, the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. However, the Board has decided to periodically assess the practicability of this recommendation in view that the Chairman of the Board, Datuk Kwan Foh Kwai is also a member of the above Board Committees. Given that the current Board Committees are robust and efficient in meeting their objectives, adding or reducing the number of directors to comply with this practice may not necessarily yield the desired results.

The Board, comprising three (3) Independent Directors and three Executive Directors, continues to ensure its effectiveness and provide strong leadership to the Management of the Group by establishing the Group’s objectives and targets clearly and communicating these objectives and targets across the Management in the Group. In order to ensure the businesses are being properly managed, the Board reviews and adopts its strategic plan, performs periodic reviews of the financial results, conduct risk assessment, and oversees the conduct of the business.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

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

To uphold good corporate governance, the Board reviews the Board Charter and Terms of Reference of Board Committees as and when necessary, and updates them when needed, to ensure that it remains relevant and consistent with the Board's objective, current law and regulations and the best practices to enable the Board to discharge its responsibilities effectively. The Board Charter also serves as a reference for the Directors' fiduciary duties, responsibilities, and the functions of the Board Committees. The Board Charter of the Company is available on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my).

The Board also defined its schedule of matters reserving key decisions to be made by the Board, which was attached together with the Board Charter. By reserving these matters, the Board ensures that the control in the Group is retained in the Board.

Nonetheless, the Board may, at its discretion, delegate any of the reserved matters to the Committee of the Board specifically constituted for that purpose. Furthermore, the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee shall consider and determine such matters for which they are responsible in accordance with their terms of reference in force from time to time.

The Board has also put in place a Directors' Code of Best Practice, setting out the standards of ethics and conducts needed to create good corporate behaviour. The Directors' Code of Best Practice is annexed and updated in the Board Charter which also serves as a reference for all personnel in the Group. Since FY 2019, the Board has extended the Code of Best Practice to the Group's Key Management, Heads of Department and sales personnel of the Group. Such extension promotes good corporate governance behaviours among all levels of employees in the Group.

The positions of Chairman and Managing Director/Chief Executive Officer ("MD/CEO") are separately held in ensuring balance of power, accountability and division of roles and responsibilities of the Board and Management. Nonetheless, the leadership and effectiveness of the Board are integrated into management through the MD/CEO. Board's authority conferred to Management is delegated to the MD/CEO. Formal position descriptions for the Chairman and MD/CEO outlining their respective roles and responsibilities are set out in the Board Charter.

For upholding Board's effectiveness, the Board is supported by qualified and competent Company Secretaries. Presently, the Board is assisted by three (3) qualified and competent Company Secretaries. One of them is a member of Malaysian Institute of Accountants whilst the other two are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries provide support to the Board in carrying out its fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. In this respect, they play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, codes, guidelines, legislations and the principles of best corporate governance practices.

All Directors have unrestricted access to the advice and services of the Company Secretaries for the purposes of the Board's affairs and the business of the Group. The appointment and removal of Company Secretaries or Secretaries of Board Committees shall be the prerogative of the Board as a whole.

Further information on the roles and responsibilities carried out by the Company Secretaries during FY 2024 are set out in Practice 1.5 of the Company's CG Report. The Board understands that the supply, timeliness and quality of the information may affect the effectiveness of the Board to oversee the conduct of business and to evaluate Management's performance of the Group. All Board members have full and unrestricted access to all information pertaining to the Group's business and affairs, including amongst others, financial, operational and corporate matters as well as activities and performance of the Company to enable them to discharge their duties effectively.

When external advice is necessary, the requesting Director should provide proper notice to the Company Secretary of his/her intention to seek independent advice, including the name(s) of the professional advisors that he or she intends to contact, along with a brief summary of the subject matter for which professional advice is sought. In the event that one or more Directors seek to appoint one or more advisors, the Chairman should take steps to facilitate discussions to reach a consensus.

Fees for the independent professional advice will be payable by the Company with the approval from the Chairman before engagement of such professional advice.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

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

For avoidance of doubt, the above restriction shall not apply to Executive Directors in furtherance their executive responsibilities and within the Board's delegated powers on access to information and professional advice.

The fundamental of Directors' commitment to leadership and effectiveness is devotion of time and continuous improvement of knowledge and skillsets. The Board undertakes to meet at least four (4) times a year, which are scheduled in advance to facilitate the Directors in planning their meeting schedule for the year. During FY 2024, five Board meetings were held and the details of attendance of each Director at the meetings were as follows:

| Name of Directors                               | Designation                                | Attendance |
|---|--|------------|
| Datuk Kwan Foh Kwai                             | Independent Non-Executive Chairman         | 5/5        |
| Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali | Independent Non-Executive Director         | 5/5        |
| Mr Tan Teck Kiong                               | Independent Non-Executive Director         | 5/5        |
| Mr Tang Ying See                                | Managing Director/Chief Executive Officer  | 5/5        |
| Madam Chin Song Mooi                            | Executive Director                         | 5/5        |
| Madam Chen Moi Kew                              | Executive Director/Chief Financial Officer | 5/5        |

Attending relevant corporate training and seminars would enable all Board members to discharge their duties more effectively during their tenure. The Board, via the Nominating Committee, continues to identify and assess the training needs of the Directors from time to time. The details of the internal/external trainings including seminars and conferences attended by Directors during FY 2024 were as follows:

| Name of Director                          | Date Attended                     | Course Title   |
|---|-----------------------------------|--|
| Datuk Kwan Foh Kwai                       | 4 December 2024 – 5 December 2024 | Mandatory Accreditation Programme Part II: Leading for Impact (LIP)  |
| Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali | 31 July 2024                      | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module One   |
|   | 5 August 2024                     | MIA Webinar Series: MPERS Financial Reporting – what to look out for   |
|   | 6 August 2024                     | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Two   |
|   | 7 August 2024                     | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Three, Unit One                                   |
|   | 8 August 2024                     | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Three, Unit Two                                   |
|   | 9 August 2024                     | MIA Webinar Series: Asset Accounting under MPERS – Covering Property, Plant & Equipment, Investment Property and Biological Assets |
|   | 13 August 2024                    | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Three, Unit Three                                 |
|   | 15 August 2024                    | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Four, Unit One                                    |
|   | 15 August 2024                    | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Four, Unit Three                                  |
|   | 19 August 2024                    | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Four, Unit Two                                    |
|   | 19 August 2024                    | ICAEW Ethics CPD Course from Theory to Practice – Verified Learning Award Module Four, Unit Four                                   |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

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

| Name of Director | Date Attended                      | Course Title   |
|------------------|------------------------------------|--|
| Tang Ying See    | 18 September 2024                  | Seminar on “[SSM Webinar] Common Offences Under Companies Act 2016”                |
|                  | 20 November 2024                   | Anti-Bribery and Corruption in the Workplace Part One: Corruption in the Workplace |
|                  | 20 November 2024                   | Anti-Bribery and Corruption in the Workplace Part Two: Corporate Liability         |
|                  | 13 December 2024                   | Quick Guide to Fire Safety   |
| Chin Song Mooi   | 18 September 2024                  | Seminar on “[SSM Webinar] Common Offences Under Companies Act 2016”                |
|                  | 22 October 2024                    | Anti-Bribery and Corruption in the Workplace Part One: Corruption in the Workplace |
|                  | 22 October 2024                    | Anti-Bribery and Corruption in the Workplace Part Two: Corporate Liability         |
|                  | 8 November 2024                    | Cyber Security Awareness Training  |
| Chen Moi Kew     | 13 December 2024                   | Quick Guide to Fire Safety   |
|                  | 20 June 2024                       | LPI E-Invoice Training   |
|                  | 26 June 2024                       | LTSB - BDO E-Invoice Gap Analysis Walkthrough                                      |
|                  | 27 June 2024                       | Training on Euler and EOLIS System   |
|                  | 10 July 2024                       | LPI E-Invoice Training (Part 2)  |
|                  | 12 July 2024                       | LTSB E-Invoice BC Training   |
|                  | 30 September 2024 – 1 October 2024 | Internal QMS Auditor   |
|                  | 18 October 2024                    | Anti-Bribery and Corruption in the Workplace Part One: Corruption in the Workplace |
|                  | 18 October 2024                    | Anti-Bribery and Corruption in the Workplace Part Two: Corporate Liability         |
|                  | 7 November 2024                    | Annual Seminar on Year 2025 Budget and Other Tax Developments                      |
|                  | 8 November 2024                    | Cyber Security Awareness Training  |
|                  | 17 November 2024                   | Quick Guide to Fire Safety   |

In addition, Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Audit Committee and Board meetings.

Mr Tan Teck Kiong did not attend any training during the financial year, but he has enhanced his knowledge and kept abreast with the latest development on statutory and regulatory requirements from the briefings given by the Internal Auditors, External Auditors and the Company Secretaries from time to time during the Audit Committee and Board Meetings. In March 2025, Mr Tan Teck Kiong attended a suitable training programme. Moving forward, the Nominating Committee will ensure that all Directors attend training programmes periodically.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### (II) Board Composition

To drive the Board's leadership and effectiveness, the Board, through the Nominating Committee, ensures the Company has the right board composition to enhance the Board decision-making process and the transparency of policies and procedures in the election and evaluation of Directors. Currently, the Board consists of Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals. The Board comprises six (6) members, with half of them being Independent Non-Executive Directors. This is in line with Practice 5.2 of the MCCG, which requires non-Large Companies to have at least half of the Board members as Independent Directors. Additionally, the Board has met the requirements of having at least 30% women Directors, with two (2) of its board members being female, which is in line with Practice 5.9 of the MCCG.

The Nominating Committee also assisted the Board in conducting performance evaluation of the Board, Board Committees and individual Directors, and providing constructive feedback by reviewing the summaries of the evaluations and presenting them to the Board regarding their performance during FY 2024. In this way, the Board ensured that its effectiveness was maintained and continuously enhanced. The performance evaluation of the Board includes its performance in addressing the Company's material sustainability risks and opportunities.

The Nominating Committee is responsible for making recommendations of new appointments to the Board and Key Senior Management. New nomination, if any, is assessed and recommended to the Board for appointment. The Nominating Committee will utilise independent sources to identify suitably qualified candidates for new appointment to the Board in the future.

New appointing Director(s) or Director(s) subject for re-election is required to complete Directors' Fit and Proper assessment in accordance with the Directors' Fit and Proper Policy and to be reviewed by the Nominating Committee before recommending to the Board. There was no new appointment of director to the Board in FY 2024.

The adoption of Directors' Fit and Proper Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its director has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director.

The Board takes cognisance of the importance of independence and objectivity in relation to the decision-making process and effectiveness of the Board's function. The Board therefore has adopted the same criteria of "Independent" used in the definition of "Independent Directors" prescribed by the MMLR. Nominating Committee also carries out the evaluation on the independence of each Independent Director on an annual basis.

During FY 2024, the Nominating Committee conducted a fit and proper assessment of Madam Ching Song Mooi and Madam Chen Moi Kew, who sought re-election as Directors at the 32<sup>nd</sup> AGM on 23 May 2024. As part of the assessment, both Madam Ching Song Mooi and Madam Chen Moi Kew submitted their Fit and Proper Declaration Forms to the Nominating Committee. Following the evaluation, the Nomination Committee recommended their re-election as Directors.

On 13 February 2025, the Nominating Committee also carried out a fit and proper assessment of the retiring Directors namely, Datuk Kwan Foh Kwai and Mr Tang Ying See ("Retiring Directors"), who are seeking re-election at the upcoming 33<sup>rd</sup> AGM. This assessment included the submission of the Fit and Proper Declaration Forms by the Retiring Directors. The Nominating Committee is satisfied with the Retiring Directors' compliance with the Company's Fit and Proper Policy.

Based on the satisfactory results of the annual assessment of the Retiring Directors for FY 2024, the Board, on 13 February 2025, agreed with the Nominating Committee's recommendation to propose re-election of the Retiring Directors at the upcoming 33<sup>rd</sup> AGM.

On 13 February 2025, all members of the Board, through the Nominating Committee, assessed the Independent Directors, namely Datuk Kwan Foh Kwai, Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali and Mr Tan Teck Kiong, as well as the Executive Directors. In summary, all members of the Board met the qualifications, performance criteria, and expectations for FY 2024. The Nominating Committee was satisfied with the performance and contributions of the Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

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

The Board is satisfied with its current composition in providing a check and balance in the Board, with appropriate representations of minority interest through the composition of Independent Non-Executive Directors.

A summary of the Board Composition is set out below:

| Gender | %  |
|--------|----|
| Male   | 67 |
| Female | 33 |

The Board has established a Gender Diversity Policy and set objectives as follows:

- To achieve 30% women Director at Board level.
- To achieve at least 20% women in Key Senior Management level at the Group level.

The Gender Diversity Policy is available on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my)

The tables below show the composition of the Board by Ethnicity and Independence:

| Ethnicity | %  |
|-----------|----|
| Chinese   | 83 |
| Malay     | 17 |

| Independence             | %  |
|--------------------------|----|
| Independent Director     | 50 |
| Non-Independent Director | 50 |

### (III) Remuneration

Board leadership and effectiveness is supported by diversity of talents in the Board and Management. The Board, through its Remuneration Committee, evaluates and determines the level of remuneration of its Directors and Senior Management on annual basis which enables the Group to attract, retain and motivate Directors and Senior Management with relevant experience and expertise needed.

The Director Remuneration Policy is available on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my). The Board is satisfied that all Executive Directors and Senior Management are remunerated based on the Group's performance, market conditions and their responsibilities, whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board and the Board Committee; their attendance and/or special skills and expertise they bring to the Board.

The aggregate remuneration paid or payable to all Directors of the Company during FY 2024 is listed on a named basis, with the detailed remuneration breakdown available under Practice 8.1 of the CG Report. However, the Board decided not to disclose the remuneration of the top five (5) Senior Management in bands of RM50,000 under Practice 8.2 of the MCCG, as the Board believes that disclosing the Senior Management's remuneration on a named basis would not be in the best interest of the Group due to confidentiality concerns.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL B: EFFECTIVENESS AUDIT AND RISK MANAGEMENT

### (I) Audit and Risk Management Committee

The Board has established an effective and independent Audit and Risk Management Committee (“**ARMC**”). All the members of ARMC are Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board. With the present composition structure and practice, the ARMC is able to objectively review and report its findings and recommendations to the Board.

Annually, the ARMC reviews the suitability, objectivity, independence and remuneration of the External Auditors before recommending them to the shareholders for re-appointment at the AGM. During FY 2024, the ARMC held one private meeting each with the External Auditors and the Internal Auditors, without the presence of the Executive Directors, Company Secretaries and Management of the Company. As part of the ARMC review processes, the ARMC has also obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The amount of audit fees and non-audit fees paid/payable to the Messrs BDO PLT by the Company and by the Group for FY 2024 were as follows:

|                            | Company (RM)   | Group (RM)     |
|----------------------------|----------------|----------------|
| Statutory audit fees       | 97,000         | 385,000        |
| Assurance related services | 5,000          | 5,000          |
| Non-audit services         | 4,500          | 54,500         |
| <b>Total</b>               | <b>106,500</b> | <b>444,500</b> |

Collectively, the ARMC possesses a wide range of necessary skills to discharge its duties. The ARMC has completed the annual assessment form and confirmed their abilities and competencies to read, analyse and interpret financial statements and are qualified to review the accuracy of the Group's financial statements.

In order to strengthen the financial literacy of each member and the ability to understand matters under the purview of the ARMC, including the financial reporting process, all the ARMC members are encouraged to participate in continuous professional development programmes on accounting and auditing standards, practices and rules. This would enable them to continuously apply a critical and probing view on the company's financial reporting process, transactions and other financial information, and effectively challenge management's assertions on the company's financials.

The Board is responsible to ensure that the financial statements of the Company present a fair and balance view and the Group's financial position, performance and prospects and such financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards. The Board is assisted by the ARMC to review the accuracy, adequacy, disclosure requirements, as well as compliance with applicable financial reporting standards of the Group's financial statements.

### (II) Risk Management and Internal Control Framework

The Board acknowledges that risk management and internal control system are an integral part of effective management practices. The underlying risk management principle of the Group is to balance the costs and benefits of managing and treating risks. There is an on-going process in place to identify, evaluate, monitor and manage the key risks faced by the Group. The Board reviews the key risks highlighted on a regular basis to ensure that relevant actions are taken to mitigate the risks level of the Group to safeguard shareholders' investment and Group's assets.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL B: EFFECTIVENESS AUDIT AND RISK MANAGEMENT *cont'd*

### (II) Risk Management and Internal Control Framework *cont'd*

The Board has established an Internal Audit Function which is outsourced to an independent professional firm, Crowe Governance Sdn. Bhd. The ARMC reviews and approves the Internal Audit plan, scope of work and the fees for the Internal Audit Function in order to ensure that the internal audit is functioned effectively and independently. Functionally, the Internal Auditors report directly to the ARMC, and they are responsible for conducting periodic reviews and appraisals of risk management, follow-up and internal controls system of the Group. The yearly performance of the Internal Audit Function is also assessed by the ARMC.

The Internal Auditors have performed its work in accordance with the principles of the international internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns. Further disclosure on the conduct of the Internal Audit Function and performance assessment by the ARMC is disclosed in the Statement on Risk Management and Internal Control included in this Annual Report.

Key elements of the risk management and internal control system of the Group have been established to facilitate proper conduct of the Group's businesses. Among others, the Company has adopted Anti-Bribery and Anti-Corruption Policy, Code of Ethics & Conduct for Business Partners, Whistleblowing Policy, Directors' Remuneration Policy, Directors' Fit and Proper Policy, Conflict of Interest Policy, Directors' Code of Best Practice, Gender Diversity Policy, Community Investment Policy, Sustainability Policy and Quality Management Policy.

The Company has implemented an Enterprise Risk Management ("ERM") in 2018 to assess the Group's key business risks and, the risk tolerance level, and to take the necessary actions to manage / address the identified risks effectively. The reports of ERM will be presented by Management to the ARMC before tabling to the Board for notation.

The Board is assisted by the ARMC to ensure that the risk and control framework is embedded into the culture, processes and structures of the Group. Further details of the Group's state of risk management and internal control system covering its key features, Board's and Management's responsibilities in overseeing risk management framework, as well as the Management's assurance to the Board, are reported in the Statement on Risk Management and Internal Control which is included in the Annual Report.

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

### (I) Engagement with Stakeholders

The Board values the importance of continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. It is generally recognised that on-going engagement and communication with stakeholders builds trust and understanding between the Company and its stakeholders as well as enables the shareholders to appreciate the Company's objectives and the strength of its management.

The Company organises its corporate policies and announcements in appropriate categories in its corporate website to ease stakeholders in accessing the various announcements and policies made.

The Company also provides highlights of past financial information and a list of frequently asked questions to provide shareholders with a greater understanding of the Company's business and performance. The shareholders are allowed to share their feedback and questions with the Company via email at: [luxchem@luxchem.com.my](mailto:luxchem@luxchem.com.my) outside of the general meeting.

Separately, disclosures on management of material economic, environmental and social risks and opportunities are reported in the Sustainability Report as contained in this Annual Report for stakeholders' reference.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

### (II) Conduct of General Meetings

The Board recognises the rights of shareholders.

During FY 2024, the Company conducted its virtual AGM on 23 May 2024 by leveraging on technology to facilitate voting in absentia and remote shareholders' participation and allowed shareholders to raise questions before and during the conduct of AGM.

At the last AGM, the Company had given at least 28 days' notice period for Notice of the Thirty-Second AGM prior to the meeting and all Board members attended the said AGM. The Chairman also provided sufficient time and opportunities for the shareholders to ask questions and seek clarifications from the Chairman, Chairman of Board Committees, Directors and Management during the AGM on any matters pertaining to the matters disclosed in the Annual Report, corporate developments in the Group, business outlook, the resolutions being proposed in the AGM and the operational and financial performance of the Company.

Explanations were provided for the proposed resolutions set out in the Notice of the Thirty-Second AGM to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.29A(1) of the MMLR and MCCG best practice, all the resolutions set out in the Notice of the Thirty-Second AGM were put to vote by poll via the remote participation and voting facilities which were available on Tricor's TIIH online website at <https://tiih.online>. The Company also appointed an independent scrutineer, Scrutineer Solutions Sdn. Bhd., to verify the poll results of the AGM before the Chairman declared that all the resolutions had been carried. The outcome of the AGM was announced via Bursa LINK on the same day.

This Statement was approved by the Board on 13 February 2025.



## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of their financial performance and cash flows of the Group and the Company for the financial year then ended, in accordance with the requirements of Malaysia Financial Reporting Standards ("**MFRS**"), International Financial Reporting Standards ("**IFRS**") and the requirements of Companies Act 2016 as well as Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements of the Group and the Company for the financial year ended 31 December 2024, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that the preparation of financial statements are in compliance with MFRS and IFRS reporting requirements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible in ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and in compliance with the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“**the Board**”) of Luxchem Corporation Berhad (“**the Company**”) is pleased to present its Audit and Risk Management Committee (“**ARMC**”) Report for the financial year ended 31 December 2024 (“**FY 2024**”) in accordance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”).

## 1. COMPOSITION

The ARMC comprises three Independent Non-Executive Directors (“**INEDs**”) and all the INEDs meet the independence criteria set out in Paragraph 1.01 and Practice Note 13 of the MMLR. Hence, the Company has complied with the requirements of Paragraphs 15.09 and 15.10 of the MMLR, and Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (“**MCCG**”).

The Chairman and members of ARMC are:

| Name of Committee Members                       | Position |
|---|----------|
| Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali | Chairman |
| Datuk Kwan Foh Kwai                             | Member   |
| Mr Tan Teck Kiong                               | Member   |

The Chairman of ARMC, Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali, is not the Chairman of the Board. He is a member of the Malaysian Institute of Accountants, a Fellow of the Association Chartered Certified Accountants (UK), Fellow of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Certified Public Accountants.

The Terms of Reference of the ARMC outlining its authorities, duties, and responsibilities are published on the Company’s website at [www.luxchem.com.my](http://www.luxchem.com.my).

## 2. MEETING AND ATTENDANCE

During the FY 2024, five meetings were held. The attendance of each member at the meetings were as follows:

| Name of Committee Members                       | Attendance |
|---|------------|
| Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali | 5/5        |
| Datuk Kwan Foh Kwai                             | 5/5        |
| Mr Tan Teck Kiong                               | 5/5        |

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

## 3. SUMMARY OF WORK OF THE ARMC

During the FY 2024, the ARMC carried out its duties and functions in line with its Terms of Reference. The following are the summary of work carried out by the ARMC:

### i. Ensuring Financial Statements Comply with Applicable Financial Reporting Standards

- a) Reviewed all interim financial statements and financial results of the Group with Management before recommending the same to the Board for approval and release to Bursa Securities. When reviewing the interim financial results in the quarterly meetings, the Managing Director/Chief Executive Officer (“MD/CEO”) and Executive Director/Chief Financial Officer (“ED/CFO”) were invited to present the interim financial results to the ARMC.

During the presentation, the MD/CEO and ED/CFO gave their explanations for any material changes in the Group’s financial performance to the ARMC, and their assurance that the interim financial statements were in compliance with Part A of Appendix 9B of MMLR and the relevant approved accounting standards so as to give a true and fair view of the interim financial statements.

- b) On 7 March 2024, the ARMC reviewed the draft annual audited financial statements for the financial year ended 31 December 2023, its Directors’ and Auditors’ Reports and other significant accounting issues with the External Auditors. The External Auditors, BDO PLT also presented their audit review findings to the ARMC. The key considerations in deliberating these financial statements were whether the financial statements prepared by the Management complied with the relevant Malaysian Financial Reporting Standards (MFRS) and the expected audit opinion to be rendered by the External Auditors.

The ARMC was satisfied with the above review and recommended the draft audited financial statements for the financial year ended 31 December 2023 to the Board for approval at its meeting on 7 March 2024. The audited financial statements which were included in the 2023 Annual Report, were issued to the shareholders on 23 April 2024.

### ii. Reviewing the Audit Findings of the External Auditors and Assessing their Performance, Suitability and Independence of External Auditors

- a) On 24 October 2024, the ARMC reviewed the audit plan of the Group prepared by the External Auditors in relation to their scope of audit, audit methodology and timetable, audit materiality, areas of focus and fraud risk assessment prior to the commencement of their annual audit. The External Auditors also updated the ARMC on audit related matters, including but not limited to, new MFRS and key audit matters to be included in the auditors’ report.
- b) Conducted one private session with the External Auditors without the presence of Executive Directors, Company Secretaries and Management on 22 February 2024. This review process ensures that critical issues, if any, are being objectively brought up to the attention of the ARMC members.
- c) Reviewed the overall performance of the External Auditors, including assessment of their independence, technical competency, resources and reasonableness of their audit fees and non-audit fees. At the ARMC meeting held on 24 October 2024, the ARMC took note of the audit services rendered by BDO PLT. Mr Tan Seong Yuh, the engagement partner also confirmed that BDO PLT has been independent throughout the conduct of their audit engagement in accordance with the relevant ethical requirements to safeguard the quality and reliability of audited financial statements. The ARMC also considered the information presented in the Annual Transparency Report of BDO PLT in assessing its suitability and objectivity.

### iii. Review the Group’s Risk Management Framework

During the FY 2024, the ARMC members were regularly updated and briefed on all the risk management matters that had taken place in all the major subsidiaries of the Company. The ARMC was satisfied that the risks were actively identified, assessed and monitored to safeguard shareholders’ investments and the Company’s assets.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

## 3. SUMMARY OF WORK OF THE ARMC *cont'd*

### iv. Overseeing the Governance Practices in the Company

- a) Reviewed the Corporate Governance (“CG”) Overview Statement, CG Report, ARMC Report, Statement on Risk Management and Internal Control, and Sustainability Report and recommended to the Board for consideration and approval.
- b) Reviewed the related party transactions entered into by the Group and conflict of interest situation that might arise within the Group, if any, on a quarterly basis, to ensure that they were not detrimental to the interests of the minority shareholders.
- c) Reviewed the adequacy and effectiveness of the Group’s risk management and internal control system based on the Risk Management Committee’s presentation and internal audit reports, and report the same to the Board accordingly.

### v. Reviewing the Internal Audit Findings and Assisting the Board in Reviewing the Effectiveness and Adequacy of the Internal Control System in Key Operation Processes

- a) Reviewed and approved the internal audit plan to ensure adequate scope and coverage on key activities of the Group.
- b) Reviewed the internal audit reports of the Group, which outlined the audit issues, recommendations for improvements on reported weaknesses to ensure that management action plans are taken promptly to improve the system of internal control based on the Internal Auditors’ recommendations and follow-up from the previous findings.
- c) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that the internal audit function is effective.
- d) Conducted one private session with the Internal Auditors without the presence of Executive Directors, Company Secretaries and Management on 22 February 2024.

The Board was satisfied that the ARMC members had discharged their functions, duties and responsibilities in accordance with its Terms of Reference in ensuring the Company upheld its CG Standards during the FY 2024.

## 4. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional internal audit service provider, i.e. Crowe Governance Sdn. Bhd. (“**Internal Auditors**”). The Internal Auditors conduct their assessment and provide independent and objective assurance to the ARMC and the Board on the adequacy and effectiveness of the risk management, internal control system, anti-corruption, whistleblowing and governance processes of the Group.

All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. All employees in the firm are required to complete the Independence Declaration Form on annual basis. In addition, all the internal audit personnel involved are required to acknowledge on the Employee Professional Conduct and Ethics Declaration on assignment basis. The internal audit department of Crowe Governance Sdn. Bhd. is led by Mr Amos Law and his qualification is as follows:

|                                   |   |
|-----------------------------------|---|
| <b>Name</b>                       | Amos Law, Executive Director  |
| <b>Professional Qualification</b> | Certified Internal Auditor (“ <b>CIA</b> ”),<br>Chartered Institute of Internal Auditors (“ <b>CIIA</b> ”),<br>Certification in Risk Management Assurance (“ <b>CRMA</b> ”) |

All the internal audit functions were carried out in accordance with International Professional Practices Framework issued by The Institute of Internal Auditors Malaysia.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

## 4. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION *cont'd*

The Internal Auditors report directly to the ARMC on the outcome of its appraisal of the Group's risk management activities which includes its internal control system. The Internal Auditors organised their work in accordance with the principles of the internal auditing standards covering the conduct of audit planning, execution, documentations, communication of findings and consultation with key stakeholders on audit concerns.

The internal audit plan was reviewed and approved by the ARMC. The internal audit reports were presented to the ARMC on a quarterly basis. The ARMC reviews the audit findings and action plans taken by the Management to address the audit findings and issues, before reporting to the Board. The Internal Auditors also follow up on the Management's implementation of all the audit recommendations and ascertain the status of implementation thereof for improvement on the system of internal control.

The Internal Auditors attended four ARMC meetings during the FY 2024 and conducted their reviews on the following key audit areas of the respective entities:

- i. Luxchem Polymer Industries Sdn Bhd on Production, Quality Assurance & Quality Control and Inventory Management.
- ii. Luxchem Trading Sdn Bhd on Warehouse Management (Pulau Indah) & Shipping Function.
- iii. PT Luxchem Indonesia on Sales, Billing, Collection and Credit Control, Procurement to Payment, Foreign Exchange Management & Section 17A of Malaysian Anti-Corruption Commission (Amendment) Act 2018.
- iv. Follow-up Audits on the Transform Master Sdn Bhd, Luxchem Polymer Industries Sdn Bhd and Lexis Chemical Sdn Bhd.

The Internal Auditors had reported their findings and reviews to the ARMC members and all the reviews were adequate and met the ARMC's expectations.

The fee incurred for the internal audit function in respect of FY 2024 was RM88,000 (2023: RM87,800).

This ARMC Report was approved by the Board on 13 February 2025.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“**the Board**”) of Luxchem Corporation Berhad (“**the Company**”) is pleased to present its Statement on Risk Management and Internal Control. This Statement which describes the state of risk management and internal control of the Company and its subsidiaries (“**the Group**”) during the financial year ended 31 December 2024 is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”), based on the guidance of the “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers” (“**SORMIC Guidelines**”).

## BOARD RESPONSIBILITIES

The Board acknowledges its responsibility for reviewing the adequacy and integrity of the Group’s risk management and internal control system; identifying the principal risks in the Group; and establishing appropriate control environment and framework to manage risks. The Board has laid down the following processes and used the following information in deriving its comfort on the state of internal control and risk management of the Group presently:

- Periodic review of financial information covering financial performance, quarterly financial results and key business indicators;
- Financial performance analysis against business objectives and targets;
- Audit and Risk Management Committee’s review and consultation with the Management on the integrity of the financial results, annual report and audited financial statements;
- Presentation of risk management assessment and results by Risk Management Committee (“**RMC**”);
- External Auditors’ comments on internal controls noted in their course of statutory audits, if any;
- Internal audit findings and reports on the review of the system of internal controls presented by the internal auditors;
- Management assurance that the Group’s risk management and internal control systems have been operating adequately and effectively, in all material respects.

## GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### Risk Management

The Group has adopted and implemented an internationally recognised risk management framework based on the guidelines by Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”). The Group has also established a RMC to assist the Board in reviewing the effectiveness of risk management in the Group. The RMC is headed by Managing Director and assisted by Key Senior Management and Heads of Department to undertake the following duties:

- To identify, evaluate and monitor the risks;
- To formulate and carry out strategies and actions needed to manage risks;
- To promote and embed risk awareness within the Group and in the operational processes;
- To ensure adequate information and resources are in place for managing risks effectively; and
- To report to the Board periodically on the material risks, their impact on Group’s operations and the status of management corrective actions to manage these risks.

During the financial year under review, the risks of the Group that have been identified, were discussed, reviewed, evaluated, and monitored in order to mitigate or manage those risks effectively. The Board were briefed and updated on the risk management matters regularly throughout 2024.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

### Internal Control System

The Board is committed to maintain a strong control structure to facilitate the achievement of the Group's business objectives and has delegated its responsibility of overseeing the Group's internal control system to the Audit and Risk Management Committee.

The Board has outsourced its internal audit function to an independent professional internal audit service provider, i.e. Crowe Governance Sdn. Bhd. ("**Independent Internal Auditors**") to carry out the reviews and assessments on the adequacy and effectiveness of the Group's internal control system. The Independent Internal Auditors will present its findings and recommendations of each review to the Audit and Risk Management Committee at its meetings on a quarterly basis.

Following are the internal controls formulated to provide reasonable assurance that the likelihood of significant adverse impact on business objectives arising from an event, is at an acceptable level to the Group:

- I. Organisation structure defining the management responsibilities and hierarchy structure of monitoring and reporting lines as well as accountability to the Board Committees;
- II. The establishment of Board Committees namely the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee with written Terms of Reference to assist the Board in discharging its specific responsibilities;
- III. Limit of authority and approval to facilitate delegation of authority;
- IV. Operational reporting process covering periodic reporting from the Heads of Management to the Executive Directors to ensure that business operations are in line with pre-approved objectives and targets;
- V. Monthly management and credit meetings with Heads of Department to enable Management to share, monitor and decide on the business development, changes and actions to be taken to ensure that financial exposures, if any, are minimised;
- VI. Provision of training and development programmes to enhance the competitiveness and capability of the staff to carry out their respective duties in achieving the Group's objectives;
- VII. Daily off-site information systems back up procedures;
- VIII. Having ISO 9001:2015 Quality Management Systems for Luxchem Trading Sdn. Bhd. and Lexis Chemical Sdn. Bhd., ISO 9001:2015 and ISO 14001:2015 for Transform Master Sdn. Bhd., ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Management Systems for Luxchem Polymer Industries Sdn. Bhd. in forming the basis of production, operational and management procedures for these subsidiaries;
- IX. The Audit and Risk Management Committee reviews the quarterly financial reports, annual financial statements, group risk management report and the internal audit reports;
- X. The Whistleblowing Policy, which is available on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my), continues to be in force during the financial year under review. The Whistleblowing Policy provides a structured reporting channel and guidance for all stakeholders to provide or disclose information on frauds, concerns or non-compliance of rules or procedures that may affect the reputation of the Group. There were no whistleblowing cases received by the Company during the financial year under review.



# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

### Internal Control System *cont'd*

XI. The Company has also established and made known its official stance on anti-corruption on a Group basis. Apart from Anti-Bribery & Anti-Corruption Policy which is available for reading on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my), the Company has also undertaken several activities as follows:

- Established a Code of Ethics & Conduct for Business Partners, Code of Ethics & Conduct for Employees and Conflict of Interest Policy which in combination, strengthen the spirit of compliance of laws, regulations and proper and responsible conducts within the Group and its business chains.
- Review and revise operational processes from time to time to enhance Management's integrity especially in the areas of appointing and assessing the suitability of new and existing vendors, potential new hires and, proper and responsible conducts of employees.
- Established a structured, systematic and periodical review of internal control relating to combating bribery and corruption.
- Established a Remuneration Policy to support the Group's interest, vision and mission by proposing, reviewing, revising remuneration packages of the Independent Non-Executive Director(s), the Executive Director(s) and the Key Senior Management.
- Established a Directors' Fit and Proper Policy for guiding the appointment and re-election of Directors of the Company and its subsidiaries.
- Established a Directors' Code of Best Practice to promote good governance, ethical behaviour, accountability and transparency.
- Established a Conflict of Interest Policy for the purposes of identifying, evaluating, approving, reporting and monitoring such conflict of interest situations, and to ensure all conflicts of interest are dealt with and addressed expeditiously.

XII. The procedures for Annual Declaration of Independence and Conflict of Interest for Board of Directors, Subsidiary's Company Directors, Heads of Division, Branch and Department of all subsidiary companies including all the sales personnel were in place during the financial year under review. The declaration is important to amplify the Group's determination in promoting and educating professionalism in all levels of employees in the Group as well as advocating the adoption of good corporate governance practices of the Group as a whole.

### Internal Audit

The Independent Internal Auditor, Crowe Governance Sdn. Bhd ("**Internal Auditor**") provides an independent and objective assurance to the Audit and Risk Management Committee and the Board on the adequacy and effectiveness of the Group's governance, risk management and internal control system. All assessment findings and recommendations of each review were presented to the Audit and Risk Management Committee on a quarterly basis.

During the financial year under review, the Internal Auditor has reviewed the following areas:

- a) Compliance of Group's policies, standard operating procedures, and applicable laws and regulations, which are significant to the Group's business;
- b) Significant issues and gaps are identified and propose recommendations for improvements;
- c) All corrective actions are implemented by the management within the agreed timeline; and
- d) Significant non-compliances and weaknesses are monitored and reported to the Audit and Risk Management Committee.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM *cont'd*

### Management Responsibilities and Assurance to the Board

The Management is responsible to the Board for:

- Identifying risks that are relevant to the Group's business objectives and strategies;
- Designing, formulating, implementing and monitoring the implementation of the risk management framework in line with the Group's strategic direction and risk appetite; and
- Reporting to the Board on changes to the risks or emerging risks and corrective actions taken to mitigate or manage these risks.

The Board has received assurance from the Managing Director/Chief Executive Officer and Executive Director/Chief Financial Officer that, to the best of their knowledge, the Group's risk management and internal control system are operating adequately and effectively, in all material respects during the financial year under review and up to the date of issuance of this Statement.

## CONCLUSION

The Board recognises that it is imperative for the Group's risk management and internal control system to be continuously improved and adaptive to the changing and the evolving business environment. Therefore, the Board is committed in strengthening the Group's system of risk management and internal controls to achieve its business objectives.

The Board is satisfied with the existing on-going processes for identifying, evaluating, monitoring and managing significant risks faced by the Group, and that the existing level of risk management and internal control system are adequate and effective to facilitate the Group to achieve its business objectives and strategies. There were no material losses that have resulted from any inadequacy or failure of the Group's risk management and internal control system that would require separate disclosure in the 2024 Annual Report.

## REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2024 Annual Report. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report (revised in November 2022) ["AAPG 3"] issued by the Malaysian Institute of Accountants. The External Auditors' procedures were conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control for the Group.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the SORMIC Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 13 February 2025.

## ADDITIONAL COMPLIANCE INFORMATION

- **UTILISATION OF PROCEEDS**

There were no proceeds raised by the Company from any corporate proposal during the financial year ended 31 December 2024.

- **MATERIAL CONTRACTS INVOLVING INTEREST OF THE DIRECTORS, CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS**

There were no material contracts entered into by the Company and its subsidiaries, involving the interest of the Directors, Chief Executive who is not a Director or major shareholders which were still subsisting at the end of the financial year ended 31 December 2024.

- **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

During the financial year ended 31 December 2024, there were no recurrent related party transactions of a revenue or trading nature involving the Directors and/or substantial shareholders of the Company.

- **EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

There were no ESOS offered nor options exercised during the financial year ended 31 December 2024.

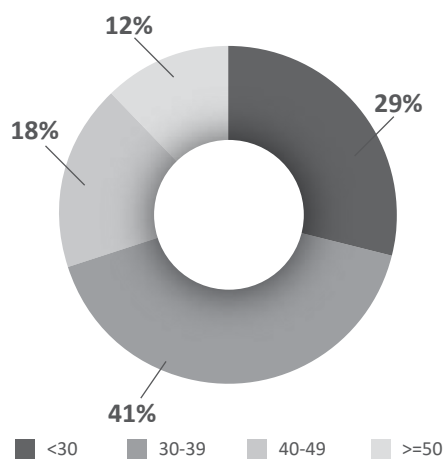
# ADDITIONAL COMPLIANCE INFORMATION

cont'd

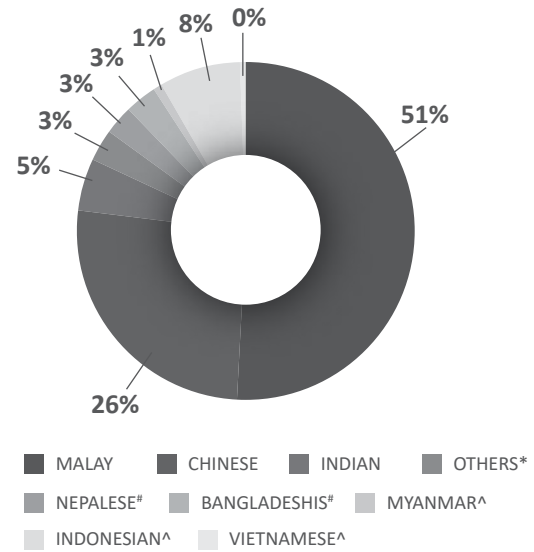
## • WORKFORCE DIVERSITY

The Group's workplace statistics in terms of age, ethnicity, gender and nationality as at 31 December 2024 are disclosed below:

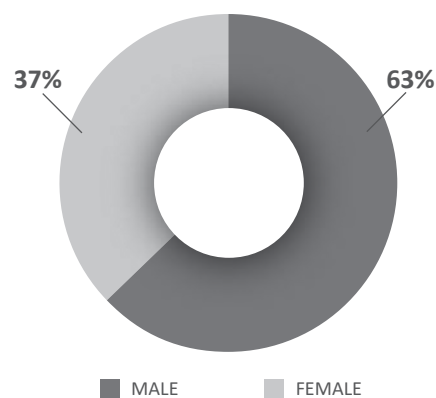
i) AGE GROUP



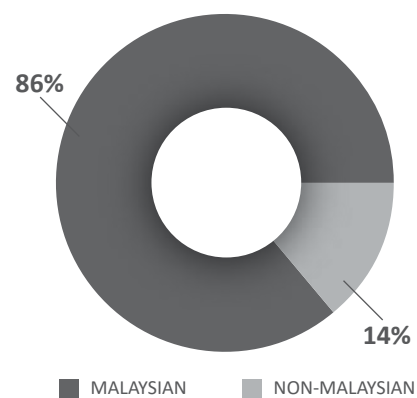
ii) ETHNICITY



iii) GENDER



iv) NATIONALITY



A grayscale background image showing a hand holding a pen, poised to write on a document. The document contains some faint, illegible text and numbers. A white geometric network of lines and dots is overlaid on the entire image, creating a modern, digital feel.

# FINANCIAL STATEMENTS

|    |   |
|----|---|
| 77 | Directors' Report   |
| 83 | Statement by Directors                                      |
| 83 | Statutory Declaration                                       |
| 84 | Independent Auditors' Report                                |
| 88 | Statements of Financial Position                            |
| 90 | Statements of Profit or Loss and Other Comprehensive Income |
| 92 | Consolidated Statement of Changes in Equity                 |
| 94 | Statement of Changes in Equity                              |
| 95 | Statements of Cash Flows                                    |
| 98 | Notes to the Financial Statements                           |

# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly manufacturing, importing, exporting and distribution of chemical and petrochemical products, trading of hardware and other materials required for interior decoration, construction and development. The principal activities and the details of the subsidiaries are set out in Note 9 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## RESULTS

|                               | Group<br>RM | Company<br>RM |
|-------------------------------|-------------|---------------|
| Profit for the financial year | 59,012,730  | 15,797,080    |
| Attributable to:              |             |               |
| Owners of the parent          | 48,000,385  | 15,797,080    |
| Non-controlling interests     | 11,012,345  | -             |
|                               | 59,012,730  | 15,797,080    |

## DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

|   | RM         |
|---|------------|
| Second single-tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 21 March 2024 | 8,558,129  |
| First single-tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 30 August 2024 | 8,558,129  |
|   | 17,116,258 |

Subsequent to the financial year, the Board of Directors of the Company had on 13 February 2025 declared a second single-tier interim dividend of 1.00 sen per ordinary share amounting to RM10,697,661 for the financial year ended 31 December 2024. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

# DIRECTORS' REPORT

cont'd

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tang Ying See\*  
Chin Song Mooi\*  
Chen Moi Kew\*  
Datuk Kwan Foh Kwai  
Tan Teck Kiong  
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali

\* Directors of the Company and its subsidiaries

Subsidiaries of Luxchem Corporation Berhad (excluding Directors who are also Directors of the Company)

Lau Sok Ching (Appointed on 1 April 2024)  
Wong Kee Ann (Appointed on 1 April 2024)  
Joseph Tjendra  
Trisia Claudia  
Ng Chai Teik  
Pang Tee King  
Kor Soo Bee  
Lee Juinn Yong  
Chuah Kim Piew  
Tew Kar Wai @ Teoh Kar Wai (Resigned on 8 August 2024)

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

|                              | Number of ordinary shares    |           |                                |
|------------------------------|------------------------------|-----------|--------------------------------|
|                              | Balance<br>as at<br>1.1.2024 | Acquired  | Balance<br>as at<br>31.12.2024 |
| <b>Shares in the Company</b> |                              |           |                                |
| Tang Ying See                |                              |           |                                |
| - Direct                     | 14,655,600                   | 1,150,900 | 15,806,500                     |
| - Indirect*                  | 444,826,500                  | 3,486,300 | 448,312,800                    |
| Chin Song Mooi               |                              |           |                                |
| - Direct                     | 6,791,700                    | 3,486,300 | 10,278,000                     |
| - Indirect**                 | 452,690,400                  | 1,150,900 | 453,841,300                    |



# DIRECTORS' REPORT

cont'd

## DIRECTORS' INTERESTS cont'd

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

|                       | ← Number of ordinary shares → |          |          |                                |
|-----------------------|-------------------------------|----------|----------|--------------------------------|
|                       | Balance<br>as at<br>1.1.2024  | Acquired | Disposed | Balance<br>as at<br>31.12.2024 |
| Shares in the Company |                               |          |          |                                |
| Chen Moi Kew          |                               |          |          |                                |
| - Direct              | 4,590,000                     | -        | -        | 4,590,000                      |
| Datuk Kwan Foh Kwai   |                               |          |          |                                |
| - Direct              | 2,126,600                     | 262,200  | -        | 2,388,800                      |
| - Indirect***         | 2,200,000                     | -        | -        | 2,200,000                      |

\* Deemed interested by virtue of his substantial shareholdings in Chemplex Resources Sdn. Bhd., his spouse, Chin Song Mooi's shareholdings, his son, Tang Chii Shyan's shareholdings and his daughter-in-law, Ervinna Teo's shareholdings in the Company.

\*\* Deemed interested by virtue of her substantial shareholdings in Chemplex Resources Sdn. Bhd., her spouse, Tang Ying See's shareholdings, her son, Tang Chii Shyan's shareholdings and her daughter-in-law, Ervinna Teo's shareholdings in the Company.

\*\*\* Deemed interested by virtue of his spouse, Datin Lee Hung Kuen's shareholdings in the Company.

|  | ← Number of ordinary shares → |          |          |                                |
|--|-------------------------------|----------|----------|--------------------------------|
|  | Balance<br>as at<br>1.1.2024  | Acquired | Disposed | Balance<br>as at<br>31.12.2024 |
| Shareholdings in holding company, Chemplex Resources Sdn. Bhd. |                               |          |          |                                |
| Tang Ying See - Direct   | 782                           | -        | -        | 782                            |
| Chin Song Mooi - Direct  | 218                           | -        | -        | 218                            |

By virtue of their interests in shares in the holding company, Tang Ying See and Chin Song Mooi are also deemed to be interested in shares in the Company and its subsidiaries to the extent of interests held by the holding company and for which there were no movements in their interests in the shares held during the financial year.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

# DIRECTORS' REPORT

cont'd

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remunerations received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who received remunerations from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

|                              | Group<br>RM      | Company<br>RM  |
|------------------------------|------------------|----------------|
| Fees                         | 296,301          | 165,000        |
| Short-term employee benefits | 7,371,842        | 15,000         |
| Defined contribution plan    | 849,155          | -              |
| Defined benefit obligations  | 78,630           | -              |
| Others                       | 118,436          | -              |
| Benefits-in-kind             | 67,350           | -              |
|                              | <u>8,781,714</u> | <u>180,000</u> |

## INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

The amount of insurance premium paid for the Directors and the officers of the Group and of the Company was RM11,750.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

# DIRECTORS' REPORT

cont'd

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY *cont'd*

### (I) AS AT THE END OF THE FINANCIAL YEAR *cont'd*

- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (a) The Directors are not aware of any circumstances:
  - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (b) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

### (III) AS AT THE DATE OF THIS REPORT

- (a) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (b) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (c) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## HOLDING COMPANY

The Directors regard Chemplex Resources Sdn. Bhd., a company incorporated in Malaysia as the holding company.

# DIRECTORS' REPORT

cont'd

## AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

|                            | Group<br>RM | Company<br>RM |
|----------------------------|-------------|---------------|
| Statutory audit            | 449,204     | 97,000        |
| Assurance related services | 5,000       | 5,000         |
|                            | 454,204     | 102,000       |

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Tang Ying See**  
Director

Kuala Lumpur  
28 March 2025

**Chen Moi Kew**  
Director

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Tang Ying See and Chen Moi Kew, being two of the Directors of Luxchem Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 88 to 149 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Tang Ying See**  
Director

Kuala Lumpur  
28 March 2025

**Chen Moi Kew**  
Director

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chen Moi Kew (CA 6359), being the Director primarily responsible for the financial management of Luxchem Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 88 to 149 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by     )  
the abovenamed at Kuala Lumpur         )  
this 28 March 2025                             )

**Chen Moi Kew**  
Director

Before me:

# INDEPENDENT AUDITORS' REPORT

To the Members of Luxchem Corporation Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Luxchem Corporation Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 88 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### a) Impairment assessment of goodwill

As at 31 December 2024, the carrying amount of goodwill arising on consolidation from Transform Master Sdn. Bhd. and Lexis Chemical Sdn. Bhd. amounted to RM35,802,888 and RM25,897,266 respectively as disclosed in Note 7 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units ("CGUs") in determining the recoverable amount. These key assumptions include forecast growth in revenues, operating profit margins and terminal values as well as determining an appropriate pre-tax discount rate.

#### **Audit response**

Our audit procedures included the following:

- (a) compared prior period projections to actual outcome to assess the reliability of management forecasting process;
- (b) compared cash flow projections against recent performance, and assessed and challenged the key assumptions in projection to available external industry sources of data;

# INDEPENDENT AUDITORS' REPORT

To the Members of Luxchem Corporation Berhad  
(Incorporated in Malaysia)  
cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### Key Audit Matters *cont'd*

#### a) Impairment assessment of goodwill *cont'd*

##### **Audit response** *cont'd*

Our audit procedures included the following: *cont'd*

- (c) evaluated the reasonableness of projected operating profit margins and growth rates by assessing evidence available to support the key assumptions in projection;
- (d) verified pre-tax discount rates for the CGUs by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (e) performed sensitivity analysis of our own to stress test the key assumptions in the impairment models.

#### b) Impairment assessment of investments in subsidiaries

As at 31 December 2024, the carrying amount of the investments in subsidiaries amounted to RM277,267,671 as disclosed in Note 9 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of these subsidiaries in determining the recoverable amount. These key assumptions include forecast growth in revenues, operating profit margins and terminal values as well as determining an appropriate pre-tax discount rate.

##### **Audit response**

Our audit procedures included the following:

- (a) compared prior period projections to actual outcome to assess the reliability of management forecasting process;
- (b) compared cash flow projections against recent performance, and assessed and challenged the key assumptions in projection to available external industry sources of data;
- (c) evaluated the reasonableness of projected operating profit margins and growth rates by assessing evidence available to support the key assumptions in projection;
- (d) verified pre-tax discount rate for each subsidiaries by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (e) performed sensitivity analysis of our own to stress test the key assumptions in the impairment models.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.



# INDEPENDENT AUDITORS' REPORT

To the Members of Luxchem Corporation Berhad  
(Incorporated in Malaysia)  
cont'd

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON *cont'd*

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

To the Members of Luxchem Corporation Berhad  
(Incorporated in Malaysia)  
cont'd

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS cont'd

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *cont'd*

- e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT**  
201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Kuala Lumpur  
28 March 2025

**Tan Seong Yuh**  
03314/07/2025 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

|   |      | Group       |             | Company     |             |
|---|------|-------------|-------------|-------------|-------------|
|   |      | 2024        | 2023        | 2024        | 2023        |
|   | Note | RM          | RM          | RM          | RM          |
| ASSETS                                      |      |             |             |             |             |
| Non-current assets                          |      |             |             |             |             |
| Property, plant and equipment               | 5    | 125,156,610 | 121,060,111 | -           | -           |
| Investment properties                       | 6    | 6,377,455   | 2,658,479   | -           | -           |
| Goodwill                                    | 7    | 65,315,203  | 64,706,662  | -           | -           |
| Intangible assets                           | 8    | 108,113,689 | 114,244,010 | -           | -           |
| Investments in subsidiaries                 | 9    | -           | -           | 277,267,671 | 277,743,222 |
| Other investments                           | 10   | 1,340,005   | 1,062,492   | -           | -           |
| Deferred tax assets                         | 11   | 319,201     | 314,273     | -           | -           |
|   |      | 306,622,163 | 304,046,027 | 277,267,671 | 277,743,222 |
| Current assets                              |      |             |             |             |             |
| Inventories                                 | 12   | 101,238,414 | 66,523,124  | -           | -           |
| Trade and other receivables                 | 13   | 149,743,111 | 110,399,815 | 1,534,477   | 7,946       |
| Current tax assets                          |      | 5,375,696   | 6,760,197   | -           | 2,382       |
| Cash and bank balances                      | 14   | 258,562,214 | 252,670,473 | 25,643,808  | 27,619,784  |
|   |      | 514,919,435 | 436,353,609 | 27,178,285  | 27,630,112  |
| TOTAL ASSETS                                |      | 821,541,598 | 740,399,636 | 304,445,956 | 305,373,334 |
| EQUITY AND LIABILITIES                      |      |             |             |             |             |
| Equity attributable to owners of the parent |      |             |             |             |             |
| Share capital                               | 15   | 298,077,797 | 298,077,797 | 298,077,797 | 298,077,797 |
| Treasury shares                             | 15   | (70,536)    | (70,536)    | (70,536)    | (70,536)    |
| Reserves                                    | 16   | 265,975,228 | 235,541,676 | 5,738,195   | 7,057,373   |
|   |      | 563,982,489 | 533,548,937 | 303,745,456 | 305,064,634 |
| Non-controlling interests                   |      | 86,159,237  | 79,798,399  | -           | -           |
| TOTAL EQUITY                                |      | 650,141,726 | 613,347,336 | 303,745,456 | 305,064,634 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024  
cont'd

|                                     | Note | Group       |             | Company     |             |
|-------------------------------------|------|-------------|-------------|-------------|-------------|
|                                     |      | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM  |
| <b>LIABILITIES</b>                  |      |             |             |             |             |
| <b>Non-current liabilities</b>      |      |             |             |             |             |
| Retirement benefits                 | 17   | 732,533     | 759,346     | -           | -           |
| Lease liabilities                   | 18   | 354,955     | 508,852     | -           | -           |
| Borrowings                          | 20   | 9,233,222   | 12,016,542  | -           | -           |
| Deferred tax liabilities            | 11   | 27,470,207  | 28,439,156  | -           | -           |
|                                     |      | 37,790,917  | 41,723,896  | -           | -           |
| <b>Current liabilities</b>          |      |             |             |             |             |
| Trade and other payables            | 19   | 58,092,925  | 45,341,897  | 647,689     | 308,700     |
| Lease liabilities                   | 18   | 375,420     | 399,427     | -           | -           |
| Borrowings                          | 20   | 72,735,915  | 38,731,438  | -           | -           |
| Current tax liabilities             |      | 2,404,695   | 855,642     | 52,811      | -           |
|                                     |      | 133,608,955 | 85,328,404  | 700,500     | 308,700     |
| <b>TOTAL LIABILITIES</b>            |      | 171,399,872 | 127,052,300 | 700,500     | 308,700     |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | 821,541,598 | 740,399,636 | 304,445,956 | 305,373,334 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024

|  | Note | Group         |               | Company     |            |
|--|------|---------------|---------------|-------------|------------|
|  |      | 2024<br>RM    | 2023<br>RM    | 2024<br>RM  | 2023<br>RM |
| Revenue  | 21   | 795,375,115   | 653,527,074   | 17,832,000  | 17,480,000 |
| Cost of sales  |      | (668,750,077) | (552,145,685) | -           | -          |
| Gross profit   |      | 126,625,038   | 101,381,389   | 17,832,000  | 17,480,000 |
| Other operating income   |      | 11,440,149    | 7,948,814     | 884,537     | 850,167    |
| Selling and distribution costs   |      | (9,933,341)   | (9,238,694)   | -           | -          |
| Administration expenses  |      | (39,289,086)  | (33,277,329)  | (579,024)   | (512,408)  |
| Other operating expenses   |      | (6,422,522)   | (6,358,497)   | (2,131,796) | (120,213)  |
| Finance costs  | 22   | (2,772,435)   | (2,587,443)   | -           | -          |
| Net gain/(loss) on impairment of financial assets                                      |      | 45,780        | (141,298)     | -           | -          |
| Profit before tax  | 23   | 79,693,583    | 57,726,942    | 16,005,717  | 17,697,546 |
| Tax expense  | 24   | (20,680,853)  | (14,213,336)  | (208,637)   | (200,612)  |
| Profit for the financial year  |      | 59,012,730    | 43,513,606    | 15,797,080  | 17,496,934 |
| <b>Other comprehensive (loss)/income, net of tax</b>                                   |      |               |               |             |            |
| <b>Items that may be reclassified subsequently to profit or loss</b>                   |      |               |               |             |            |
| Foreign currency translation   |      | (803,887)     | 644,035       | -           | -          |
| <b>Items that will not be reclassified subsequently to profit or loss</b>              |      |               |               |             |            |
| Remeasurement of defined benefit obligation  |      | 32,292        | 35,664        | -           | -          |
| Fair value gain on equity investments at fair value through other comprehensive income |      | 277,513       | 251,636       | -           | -          |
|  |      | 309,805       | 287,300       | -           | -          |
| Total other comprehensive (loss)/income for the financial year net of tax              |      | (494,082)     | 931,335       | -           | -          |
| Total comprehensive income for the financial year                                      |      | 58,518,648    | 44,444,941    | 15,797,080  | 17,496,934 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024  
cont'd

|   | Note | Group      |            | Company    |            |
|---|------|------------|------------|------------|------------|
|   |      | 2024<br>RM | 2023<br>RM | 2024<br>RM | 2023<br>RM |
| Profit attributable to:   |      |            |            |            |            |
| Owners of the parent  |      | 48,000,385 | 37,061,332 | 15,797,080 | 17,496,934 |
| Non-controlling interests   |      | 11,012,345 | 6,452,274  | -          | -          |
|   |      | 59,012,730 | 43,513,606 | 15,797,080 | 17,496,934 |
| Total comprehensive income attributable to:                             |      |            |            |            |            |
| Owners of the parent  |      | 47,549,810 | 37,947,749 | 15,797,080 | 17,496,934 |
| Non-controlling interests   |      | 10,968,838 | 6,497,192  | -          | -          |
|   |      | 58,518,648 | 44,444,941 | 15,797,080 | 17,496,934 |
| Earnings per ordinary share attributable to owners of the parent (sen): |      |            |            |            |            |
| - Basic   | 25   | 4.49       | 3.46       |            |            |
| - Diluted   | 25   | 4.49       | 3.46       |            |            |

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

| Group  | Note | Non-distributable |                                 |                       | Distributable      |                      |                              | Total equity RM |
|--|------|-------------------|---------------------------------|-----------------------|--------------------|----------------------|------------------------------|-----------------|
|  |      | Share capital RM  | Exchange translation reserve RM | Fair value reserve RM | Treasury shares RM | Retained earnings RM | Non-controlling interests RM |                 |
| <b>Balance as at 1 January 2024</b>          |      | 298,077,797       | 547,705                         | 767,151               | (70,536)           | 234,226,820          | 79,798,399                   | 613,347,336     |
| Profit for the financial year                |      | -                 | -                               | -                     | -                  | 48,000,385           | 11,012,345                   | 59,012,730      |
| Foreign currency translations                |      | -                 | (757,997)                       | -                     | -                  | -                    | (45,890)                     | (803,887)       |
| Fair value gain on equity investments        |      | -                 | -                               | 277,513               | -                  | -                    | -                            | 277,513         |
| Remeasurement of defined benefit obligations |      | -                 | -                               | -                     | -                  | 29,909               | 2,383                        | 32,292          |
| Total comprehensive income                   |      | -                 | (757,997)                       | 277,513               | -                  | 48,030,294           | 10,968,838                   | 58,518,648      |
| <b>Transactions with owners</b>              |      |                   |                                 |                       |                    |                      |                              |                 |
| Dividends paid                               | 26   | -                 | -                               | -                     | -                  | (17,116,258)         | (4,608,000)                  | (21,724,258)    |
| Total transactions with owners               |      | -                 | -                               | -                     | -                  | (17,116,258)         | (4,608,000)                  | (21,724,258)    |
| <b>Balance as at 31 December 2024</b>        |      | 298,077,797       | (210,292)                       | 1,044,664             | (70,536)           | 265,140,856          | 86,159,237                   | 650,141,726     |

The accompanying notes form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024  
cont'd

| Group  | Note | Non-distributable |                                 |                       | Distributable      |                      |                              | Total equity RM |
|--|------|-------------------|---------------------------------|-----------------------|--------------------|----------------------|------------------------------|-----------------|
|  |      | Share capital RM  | Exchange translation reserve RM | Fair value reserve RM | Treasury shares RM | Retained earnings RM | Non-controlling interests RM |                 |
| <b>Balance as at 1 January 2023</b>          |      | 298,077,797       | (54,044)                        | 515,515               | (70,536)           | 214,248,714          | 76,271,207                   | 588,988,653     |
| Profit for the financial year                |      | -                 | -                               | -                     | -                  | 37,061,332           | 6,452,274                    | 43,513,606      |
| Foreign currency translations                |      | -                 | 601,749                         | -                     | -                  | -                    | 42,286                       | 644,035         |
| Fair value gain on equity investments        |      | -                 | -                               | 251,636               | -                  | -                    | -                            | 251,636         |
| Remeasurement of defined benefit obligations |      | -                 | -                               | -                     | -                  | 33,032               | 2,632                        | 35,664          |
| Total comprehensive income                   |      | -                 | 601,749                         | 251,636               | -                  | 37,094,364           | 6,497,192                    | 44,444,941      |
| <b>Transactions with owners</b>              |      |                   |                                 |                       |                    |                      |                              |                 |
| Dividends paid                               | 26   | -                 | -                               | -                     | -                  | (17,116,258)         | (2,970,000)                  | (20,086,258)    |
| Total transactions with owners               |      | -                 | -                               | -                     | -                  | (17,116,258)         | (2,970,000)                  | (20,086,258)    |
| <b>Balance as at 31 December 2023</b>        |      | 298,077,797       | 547,705                         | 767,151               | (70,536)           | 234,226,820          | 79,798,399                   | 613,347,336     |

The accompanying notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

| Company                                | Note | Non-distributable | Distributable   |                   | Total equity |
|--|------|-------------------|-----------------|-------------------|--------------|
|  |      | Share capital     | Treasury shares | Retained earnings |              |
|  |      | RM                | RM              | RM                | RM           |
| <b>Balance as at 1 January 2024</b>    |      | 298,077,797       | (70,536)        | 7,057,373         | 305,064,634  |
| Profit for the financial year          |      | -                 | -               | 15,797,080        | 15,797,080   |
| Other comprehensive income, net of tax |      | -                 | -               | -                 | -            |
| Total comprehensive income             |      | -                 | -               | 15,797,080        | 15,797,080   |
| <b>Transaction with owners</b>         |      |                   |                 |                   |              |
| Dividends paid                         | 26   | -                 | -               | (17,116,258)      | (17,116,258) |
| Total transaction with owners          |      | -                 | -               | (17,116,258)      | (17,116,258) |
| <b>Balance at 31 December 2024</b>     |      | 298,077,797       | (70,536)        | 5,738,195         | 303,745,456  |
| <b>Balance as at 1 January 2023</b>    |      | 298,077,797       | (70,536)        | 6,676,697         | 304,683,958  |
| Profit for the financial year          |      | -                 | -               | 17,496,934        | 17,496,934   |
| Other comprehensive income, net of tax |      | -                 | -               | -                 | -            |
| Total comprehensive income             |      | -                 | -               | 17,496,934        | 17,496,934   |
| <b>Transaction with owners</b>         |      |                   |                 |                   |              |
| Dividends paid                         | 26   | -                 | -               | (17,116,258)      | (17,116,258) |
| Total transaction with owners          |      | -                 | -               | (17,116,258)      | (17,116,258) |
| <b>Balance at 31 December 2023</b>     |      | 298,077,797       | (70,536)        | 7,057,373         | 305,064,634  |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

|   |       | Group        |             | Company      |              |
|---|-------|--------------|-------------|--------------|--------------|
|   |       | 2024         | 2023        | 2024         | 2023         |
|   | Note  | RM           | RM          | RM           | RM           |
| CASH FLOWS FROM OPERATING ACTIVITIES                            |       |              |             |              |              |
| Profit before tax   |       | 79,693,583   | 57,726,942  | 16,005,717   | 17,697,546   |
| Adjustments for:  |       |              |             |              |              |
| Amortisation of intangible assets                               | 8     | 6,802,845    | 6,577,595   | -            | -            |
| Bad debts written off   | 23    | 3,750        | 13,340      | -            | -            |
| Depreciation of investment property                             | 6     | 34,265       | 28,304      | -            | -            |
| Depreciation of property, plant and equipment                   | 5     | 6,735,975    | 6,471,429   | -            | -            |
| Defined benefit obligations                                     | 17(b) | 129,594      | 121,765     | -            | -            |
| Dividend income   | 23    | (6,960)      | (182,635)   | (17,832,000) | (17,480,000) |
| Net gain on changes in fair value of forward exchange contracts | 23    | (14,929)     | (12,495)    | -            | -            |
| Gain on disposal of property, plant and equipment               | 23    | (141,219)    | (387,097)   | -            | -            |
| Gain on modification/termination of lease                       | 23    | (51)         | (4,873)     | -            | -            |
| Impairment losses on:   |       |              |             |              |              |
| - trade receivables   | 13(g) | 762,625      | 765,141     | -            | -            |
| - other receivables   | 13(h) | -            | 64,547      | -            | -            |
| Impairment losses on investment in subsidiaries                 | 9     | -            | -           | 1,992,136    | -            |
| Interest income   | 23    | (7,778,967)  | (4,639,410) | (884,325)    | (849,706)    |
| Interest expense  | 22    | 2,772,435    | 2,587,443   | -            | -            |
| Inventories written down  | 12(d) | 920,323      | 733,376     | -            | -            |
| Inventories written off   | 12(f) | 627,267      | 3,748,636   | -            | -            |
| Intangible asset written off                                    | 8     | 2            | -           | -            | -            |
| Property, plant and equipment written off                       | 5     | 176,774      | 108,253     | -            | -            |
| Net unrealised loss/(gain) on foreign exchange                  | 23    | 707,783      | 461,604     | 143          | (160)        |
| Reversal of impairment losses on trade receivables              | 13(g) | (808,405)    | (688,390)   | -            | -            |
| Reversal of inventories written down                            | 12(e) | (409,754)    | (467,328)   | -            | -            |
| Reversal of inventories written off                             | 12(g) | (794,611)    | -           | -            | -            |
| Operating profit/(loss) before working capital changes          |       | 89,412,325   | 73,026,147  | (718,329)    | (632,320)    |
| Increase in inventories   |       | (34,275,076) | (2,408,658) | -            | -            |
| (Increase)/Decrease in trade and other receivables              |       | (38,371,726) | 1,012,685   | 195          | (90)         |
| Increase in trade and other payables                            |       | 11,335,491   | 3,596,007   | 38,989       | 1,442        |

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024  
cont'd

|  |       | Group         |               | Company      |              |
|--|-------|---------------|---------------|--------------|--------------|
|  |       | 2024          | 2023          | 2024         | 2023         |
|  | Note  | RM            | RM            | RM           | RM           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> <i>cont'd</i>                                      |       |               |               |              |              |
| Cash generated from/(used in) operations   |       | 28,101,014    | 75,226,181    | (679,145)    | (630,968)    |
| Tax paid   |       | (18,945,826)  | (14,410,662)  | (153,444)    | (184,424)    |
| Interest received  |       | 7,778,967     | 4,639,410     | 884,325      | 849,706      |
| Interest paid  |       | (2,732,968)   | (2,546,286)   | -            | -            |
| Retirement benefits paid   | 17(b) | (63,088)      | (34,708)      | -            | -            |
| Net cash from/(used in) operating activities   |       | 14,138,099    | 62,873,935    | (51,736)     | 34,314       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |       |               |               |              |              |
| Purchase of property, plant and equipment  | 5(d)  | (15,058,465)  | (9,926,642)   | -            | -            |
| Purchase of intangible assets  | 8     | (151,367)     | (43,678)      | -            | -            |
| Proceeds from disposal of property, plant and equipment  |       | 981,165       | 569,620       | -            | -            |
| Dividend received  | 23    | 6,960         | 182,635       | 17,832,000   | 17,480,000   |
| Net cash outflow on acquisition of a subsidiary  | 9(e)  | (607,383)     | -             | (1,216,585)  | -            |
| Advances to a subsidiary   |       | -             | -             | (1,526,869)  | -            |
| Placement of deposits with licensed banks with original maturity of more than three (3) months |       | (9,011,509)   | (107,570,844) | (3,205,800)  | (16,301,986) |
| Net cash (used in)/from investing activities   |       | (23,840,599)  | (116,788,909) | 11,882,746   | 1,178,014    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |       |               |               |              |              |
| Repayments on lease liabilities  |       | (478,937)     | (688,266)     | -            | -            |
| Interest paid on lease liabilities   |       | (39,467)      | (41,157)      | -            | -            |
| Drawdown of borrowings   |       | 238,259,806   | 165,340,664   | -            | -            |
| Repayment of borrowings  |       | (208,746,837) | (170,551,817) | -            | -            |
| Dividends paid   | 26    | (17,116,258)  | (17,116,258)  | (17,116,258) | (17,116,258) |
| Dividends paid to non-controlling interests  |       | (4,608,000)   | (2,970,000)   | -            | -            |
| Net cash from/(used in) financing activities   |       | 7,270,307     | (26,026,834)  | (17,116,258) | (17,116,258) |
| Net decrease in cash and cash equivalents  |       | (2,432,193)   | (79,941,808)  | (5,181,776)  | (15,903,930) |
| Cash and cash equivalents at beginning of financial year                                       |       | 117,653,821   | 196,830,779   | 6,117,798    | 22,021,728   |
| Effect of changes in exchange rates  |       | (687,575)     | 764,850       | -            | -            |
| Cash and cash equivalents at end of financial year   |       | 114,534,053   | 117,653,821   | 936,022      | 6,117,798    |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024  
cont'd

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

|  | Group         |               | Company      |              |
|--|---------------|---------------|--------------|--------------|
|  | 2024          | 2023          | 2024         | 2023         |
|  | RM            | RM            | RM           | RM           |
| Cash and bank balances   | 68,344,036    | 57,670,451    | 236,022      | 117,798      |
| Deposits placed with licensed banks  | 190,218,178   | 195,000,022   | 25,407,786   | 27,501,986   |
|  | 258,562,214   | 252,670,473   | 25,643,808   | 27,619,784   |
| Less:  |               |               |              |              |
| Placement of deposits with licensed banks with original maturity of more than three (3) months | (144,028,161) | (135,016,652) | (24,707,786) | (21,501,986) |
|  | 114,534,053   | 117,653,821   | 936,022      | 6,117,798    |

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| Group  | Note | Leases<br>(Note 18)<br>RM | Borrowings<br>(Note 20)<br>RM |
|--|------|---------------------------|-------------------------------|
| <b>At 1 January 2023</b>                       |      | 842,939                   | 55,332,361                    |
| Cash flows                                     |      | (729,423)                 | (5,211,153)                   |
| Non-cash changes:                              |      |                           |                               |
| - Acquisition of property, plant and equipment |      | 982,866                   | -                             |
| - Termination                                  | 18   | (235,253)                 | -                             |
| - Translation adjustments                      |      | 5,993                     | 626,772                       |
| - Unwinding of interest                        |      | 41,157                    | -                             |
| <b>At 31 December 2023</b>                     |      | 908,279                   | 50,747,980                    |
| <b>At 1 January 2024</b>                       |      | 908,279                   | 50,747,980                    |
| Cash flows                                     |      | (518,404)                 | 29,512,969                    |
| Non-cash changes:                              |      |                           |                               |
| - Acquisition of a subsidiary                  | 9(e) | -                         | 1,975,685                     |
| - Acquisition of property, plant and equipment |      | 269,385                   | -                             |
| - Modification                                 | 18   | 54,688                    | -                             |
| - Translation adjustments                      |      | (23,040)                  | (267,497)                     |
| - Unwinding of interest                        |      | 39,467                    | -                             |
| <b>At 31 December 2024</b>                     |      | 730,375                   | 81,969,137                    |

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 1. CORPORATE INFORMATION

Luxchem Corporation Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Wisma Luxchem, Block N, Jaya One 72A, Jalan Prof Diraja Ungku Aziz, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The holding company of the Company is Chemplex Resources Sdn. Bhd., which is incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Directors on 28 March 2025.

## 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly manufacturing, importing, exporting and distribution of chemical and petrochemical products, trading of hardware and other materials required for interior decoration, construction and development. The principal activities and the details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 33(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 4. OPERATING SEGMENTS

### (a) Operating Segments

The Group has two reportable segments which comprised its major business segments. These business segments are involved in different activities and are managed by segment managers who report directly to the Group's Chief Executive Officer. The reportable segments are as follows:

- (i) **Trading** Import, export and distribution of petrochemical and other related products, trading of hardware and other materials required for interior decoration, construction and development
- (ii) **Manufacturing** Manufacturing and trading of unsaturated polyester resin, latex chemical dispersions, latex processing chemicals, former cleaning, powder free coagulant and related products.

No other operating segments have been aggregated to form the above reportable segments. Investment holding activities are not considered as a reportable segment and the related financial information has been included under "Other".

The Group's Chief Executive Officer monitors the performance of the business segments through regular discussions held with the segment managers and review of internal management reports. The performance of each business segment is evaluated based on the segment's profit or loss which is measured on a basis not significantly different from the profit or loss included in the consolidated financial statements.

Inter-segment transactions have been accounted for on a basis that is consistent with the Group's accounting policies.

|                                      | Trading<br>RM | Manufacturing<br>RM | Other<br>RM | Consolidated<br>RM |
|--------------------------------------|---------------|---------------------|-------------|--------------------|
| <b>2024</b>                          |               |                     |             |                    |
| <b>Revenue</b>                       |               |                     |             |                    |
| Total revenue                        | 527,929,061   | 459,123,031         | -           | 987,052,092        |
| Inter-segment revenue                | (33,498,348)  | (158,178,629)       | -           | (191,676,977)      |
| External sales                       | 494,430,713   | 300,944,402         | -           | 795,375,115        |
| <b>Results</b>                       |               |                     |             |                    |
| Segment results                      | 26,583,129    | 48,547,919          | (728,857)   | 74,402,191         |
| Dividend, interest and rental income | 3,298,785     | 3,880,717           | 884,325     | 8,063,827          |
| Operating profit                     | 29,881,914    | 52,428,636          | 155,468     | 82,466,018         |
| Finance costs                        | (1,985,138)   | (787,297)           | -           | (2,772,435)        |
| Profit before tax                    | 27,896,776    | 51,641,339          | 155,468     | 79,693,583         |
| Tax expense                          | (7,301,639)   | (13,170,577)        | (208,637)   | (20,680,853)       |
| Profit for the financial year        | 20,595,137    | 38,470,762          | (53,169)    | 59,012,730         |
| Segment assets                       | 337,964,286   | 457,930,904         | 25,646,408  | 821,541,598        |
| Segment liabilities                  | 83,091,685    | 87,603,689          | 704,498     | 171,399,872        |



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 4. OPERATING SEGMENTS *cont'd*

### (a) Operating Segments *cont'd*

|  | Trading<br>RM | Manufacturing<br>RM | Other<br>RM | Consolidated<br>RM |
|--|---------------|---------------------|-------------|--------------------|
| <b>2024</b>  |               |                     |             |                    |
| <b>Other segment information</b>                                   |               |                     |             |                    |
| Additions to non-current assets:                                   |               |                     |             |                    |
| - property, plant and equipment                                    | 2,022,145     | 13,305,705          | -           | 15,327,850         |
| - intangible assets  | 38,073        | 113,294             | -           | 151,367            |
| Depreciation and amortisation                                      | 2,730,703     | 10,842,382          | -           | 13,573,085         |
| <i>Non cash expenses other than depreciation and amortisation:</i> |               |                     |             |                    |
| - Bad debts written off  | 3,750         | -                   | -           | 3,750              |
| - Impairment losses on trade receivables, net of reversals         | (196,322)     | 150,542             | -           | (45,780)           |
| - Inventories written down   | 160,035       | 760,288             | -           | 920,323            |
| - Inventories written off  | 67,094        | 560,173             | -           | 627,267            |
| - Property, plant and equipment written off                        | 33,392        | 143,382             | -           | 176,774            |
| - Reversal of inventories written down                             | (81,836)      | (327,918)           | -           | (409,754)          |
| - Reversal of inventories written off                              | -             | (794,611)           | -           | (794,611)          |
| - Defined benefit obligations                                      | 129,594       | -                   | -           | 129,594            |
| - Net unrealised loss/(gain) on foreign exchange                   | 784,000       | (76,360)            | 143         | 707,783            |
| - Net gain on changes in fair value of forward exchange contracts  | (14,929)      | -                   | -           | (14,929)           |
| - Gain on disposal of property, plant and equipment                | (91,742)      | (49,477)            | -           | (141,219)          |
| <b>2023</b>  |               |                     |             |                    |
| <b>Revenue</b>   |               |                     |             |                    |
| Total revenue  | 441,269,523   | 358,462,883         | -           | 799,732,406        |
| Inter-segment revenue  | (15,695,533)  | (130,509,799)       | -           | (146,205,332)      |
| External sales   | 425,573,990   | 227,953,084         | -           | 653,527,074        |
| <b>Results</b>   |               |                     |             |                    |
| Segment results  | 21,701,884    | 34,314,983          | (639,046)   | 55,377,821         |
| Dividend, interest and rental income                               | 2,002,070     | 2,084,788           | 849,706     | 4,936,564          |
| Operating profit   | 23,703,954    | 36,399,771          | 210,660     | 60,314,385         |
| Finance costs  | (1,987,365)   | (600,078)           | -           | (2,587,443)        |
| Profit before tax  | 21,716,589    | 35,799,693          | 210,660     | 57,726,942         |
| Tax expense  | (5,833,528)   | (8,179,196)         | (200,612)   | (14,213,336)       |
| Profit for the financial year                                      | 15,883,061    | 27,620,497          | 10,048      | 43,513,606         |
| Segment assets   | 295,666,925   | 417,107,750         | 27,624,961  | 740,399,636        |
| Segment liabilities  | 59,643,066    | 67,096,534          | 312,700     | 127,052,300        |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 4. OPERATING SEGMENTS *cont'd*

### (a) Operating Segments *cont'd*

|  | Trading<br>RM | Manufacturing<br>RM | Other<br>RM | Consolidated<br>RM |
|--|---------------|---------------------|-------------|--------------------|
| <b>2023</b>  |               |                     |             |                    |
| <b>Other segment information</b>                                     |               |                     |             |                    |
| Additions to non-current assets:                                     |               |                     |             |                    |
| - property, plant and equipment                                      | 4,972,920     | 5,936,588           | -           | 10,909,508         |
| - intangible assets  | 1,346         | 42,332              | -           | 43,678             |
| Depreciation and amortisation  | 2,276,746     | 10,800,582          | -           | 13,077,328         |
| <i>Non cash expenses other than depreciation and amortisation:</i>   |               |                     |             |                    |
| - Bad debts written off  | 13,340        | -                   | -           | 13,340             |
| - Impairment losses on trade and other receivables, net of reversals | (141,298)     | -                   | -           | (141,298)          |
| - Inventories written down   | 406,922       | 326,454             | -           | 733,376            |
| - Inventories written off  | 29,418        | 3,719,218           | -           | 3,748,636          |
| - Property, plant and equipment written off                          | 680           | 107,573             | -           | 108,253            |
| - Reversal of inventories written down                               | (297,670)     | (169,658)           | -           | (467,328)          |
| - Defined benefit obligations  | 121,765       | -                   | -           | 121,765            |
| - Net unrealised loss/(gain) on foreign exchange                     | 273,496       | 188,268             | (160)       | 461,604            |
| - Net gain on changes in fair value of forward exchange contracts    | (12,495)      | -                   | -           | (12,495)           |
| - Gain on disposal of property, plant and equipment                  | (199,236)     | (187,861)           | -           | (387,097)          |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 4. OPERATING SEGMENTS *cont'd*

### (b) Geographical Segments

In determining geographical segments of the Group, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets. The non-current assets do not include other investments and deferred tax assets.

|                      | 2024        |                    | 2023        |                    |
|----------------------|-------------|--------------------|-------------|--------------------|
|                      | Revenue     | Non-current assets | Revenue     | Non-current assets |
|                      | RM          | RM                 | RM          | RM                 |
| Malaysia             | 469,306,174 | 304,245,157        | 405,930,864 | 301,930,915        |
| Vietnam              | 120,099,867 | -                  | 90,044,432  | -                  |
| Indonesia            | 74,596,674  | 717,800            | 60,048,389  | 736,321            |
| China                | 38,731,729  | -                  | 34,370,791  | -                  |
| Thailand             | 37,203,078  | -                  | 23,498,668  | -                  |
| Bangladesh           | 10,076,618  | -                  | 8,657,030   | -                  |
| Australia            | 7,869,859   | -                  | 7,684,734   | -                  |
| Sri Lanka            | 6,622,467   | -                  | 5,342,198   | -                  |
| United States        | 4,634,860   | -                  | 716,110     | -                  |
| Algeria              | 3,284,406   | -                  | 667,918     | -                  |
| Singapore            | 3,157,838   | -                  | 3,282,688   | 2,026              |
| New Zealand          | 2,864,441   | -                  | 3,521,001   | -                  |
| United Arab Emirates | 2,458,257   | -                  | 437,585     | -                  |
| South Africa         | 2,432,389   | -                  | 415,477     | -                  |
| Cambodia             | 2,396,646   | -                  | 2,279,155   | -                  |
| Philippines          | 2,247,538   | -                  | 2,243,134   | -                  |
| Japan                | 1,620,884   | -                  | 1,345,892   | -                  |
| France               | 1,355,551   | -                  | 490,698     | -                  |
| Egypt                | 1,185,295   | -                  | 166,050     | -                  |
| India                | 1,022,633   | -                  | 1,114,995   | -                  |
| Others               | 2,207,911   | -                  | 1,269,265   | -                  |
|                      | 795,375,115 | 304,962,957        | 653,527,074 | 302,669,262        |

### (c) Major Customers

There was no single customer which contributed more than 10% of the Group's total revenue for the current and previous financial year. As such, information for major customers is not presented.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT

| 2024<br>Group                     | Balance<br>as at<br>1.1.2024 |    | Acquisition<br>of a<br>subsidiary<br>(Note 9(e)) |    | Additions  |    | Disposals |    | Modifications |    | Written<br>off |    | Reclassification |    | Translation<br>adjustments |    | Depreciation<br>charge for<br>the year |    | Balance<br>as at<br>31.12.2024 |    |
|-----------------------------------|------------------------------|----|--|----|------------|----|-----------|----|---------------|----|----------------|----|------------------|----|----------------------------|----|--|----|--------------------------------|----|
|                                   | RM                           | RM | RM   | RM | RM         | RM | RM        | RM | RM            | RM | RM             | RM | RM               | RM | RM                         | RM | RM                                     | RM | RM                             | RM |
| <b>Carrying amount</b>            |                              |    |  |    |            |    |           |    |               |    |                |    |                  |    |                            |    |  |    |                                |    |
| Freehold land                     | 18,478,962                   |    | 437,717  |    | 9,668,354  |    | (437,717) |    | -             |    | -              |    | (2,411,942)      |    | -                          |    | -                                      |    | 25,735,374                     |    |
| Long term<br>leasehold land       |                              |    |  |    |            |    |           |    |               |    |                |    |                  |    |                            |    |  |    |                                |    |
| - Right-of-use<br>assets          | 18,981,046                   |    | -  |    | -          |    | -         |    | -             |    | -              |    | -                |    | -                          |    | (300,343)                              |    | 18,680,703                     |    |
| Buildings                         |                              |    |  |    |            |    |           |    |               |    |                |    |                  |    |                            |    |  |    |                                |    |
| - Owned                           | 61,222,998                   |    | 352,283  |    | -          |    | (346,729) |    | -             |    | -              |    | (1,341,299)      |    | -                          |    | (1,435,467)                            |    | 58,451,786                     |    |
| - Right-of-use<br>assets          | 251,722                      |    | -  |    | 168,956    |    | -         |    | 54,739        |    | -              |    | -                |    | (10,903)                   |    | (184,584)                              |    | 279,930                        |    |
| Renovation                        | 2,645,039                    |    | -  |    | 113,587    |    | -         |    | -             |    | -              |    | 3,523,859        |    | (642)                      |    | (1,001,313)                            |    | 5,280,530                      |    |
| Furniture and<br>fittings         | 753,455                      |    | 1  |    | 83,185     |    | (6)       |    | -             |    | (144)          |    | 472,256          |    | -                          |    | (180,608)                              |    | 1,128,139                      |    |
| Plant, machinery<br>and equipment | 10,942,315                   |    | 2,643  |    | 1,334,751  |    | (10,345)  |    | -             |    | (114,782)      |    | 713,634          |    | (2,434)                    |    | (2,482,065)                            |    | 10,383,717                     |    |
| Motor vehicles                    |                              |    |  |    |            |    |           |    |               |    |                |    |                  |    |                            |    |  |    |                                |    |
| - Owned                           | 3,094,300                    |    | -  |    | 174,000    |    | (45,149)  |    | -             |    | -              |    | 213,876          |    | (14,216)                   |    | (970,855)                              |    | 2,451,956                      |    |
| - Right-of-use<br>assets          | 715,023                      |    | -  |    | 221,142    |    | -         |    | -             |    | -              |    | (61,076)         |    | (22,484)                   |    | (180,740)                              |    | 671,865                        |    |
| Capital work-in-<br>progress      | 3,975,251                    |    | -  |    | 3,563,875  |    | -         |    | -             |    | (61,848)       |    | (5,383,708)      |    | (960)                      |    | -                                      |    | 2,092,610                      |    |
|                                   | 121,060,111                  |    | 792,644  |    | 15,327,850 |    | (839,946) |    | 54,739        |    | (176,774)      |    | (4,274,400)      |    | (51,639)                   |    | (6,735,975)                            |    | 125,156,610                    |    |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

| 2023<br>Group                     | Balance<br>as at<br>1.1.2023 | Additions  | Disposals | Termination | Written<br>off | Reclassification | Translation<br>adjustments | Depreciation<br>charge for<br>the year | Balance<br>as at<br>31.12.2023 |
|-----------------------------------|------------------------------|------------|-----------|-------------|----------------|------------------|----------------------------|--|--------------------------------|
|                                   | RM                           | RM         | RM        | RM          | RM             | RM               | RM                         | RM                                     | RM                             |
| <b>Carrying amount</b>            |                              |            |           |             |                |                  |                            |  |                                |
| Freehold land                     | 18,478,962                   | -          | -         | -           | -              | -                | -                          | -                                      | 18,478,962                     |
| Long term leasehold land          |                              |            |           |             |                |                  |                            |  |                                |
| - Right-of-use assets             | 19,333,441                   | -          | -         | -           | -              | -                | -                          | (352,395)                              | 18,981,046                     |
| Buildings                         |                              |            |           |             |                |                  |                            |  |                                |
| - Owned                           | 40,726,340                   | 141,599    | -         | -           | -              | 21,716,489       | -                          | (1,361,430)                            | 61,222,998                     |
| - Right-of-use assets             | 471,626                      | 294,685    | -         | (230,380)   | -              | -                | 3,424                      | (287,633)                              | 251,722                        |
| Renovation                        | 3,267,254                    | 109,636    | -         | -           | -              | -                | 974                        | (732,825)                              | 2,645,039                      |
| Furniture and fittings            | 796,673                      | 8,627      | -         | -           | -              | 86,676           | -                          | (138,521)                              | 753,455                        |
| Plant, machinery and<br>equipment | 9,298,194                    | 2,759,836  | (1,016)   | -           | (82,203)       | 1,329,700        | 2,680                      | (2,364,876)                            | 10,942,315                     |
| Motor vehicles                    |                              |            |           |             |                |                  |                            |  |                                |
| - Owned                           | 2,493,315                    | 1,576,862  | (181,507) | -           | -              | 264,733          | 6,264                      | (1,065,367)                            | 3,094,300                      |
| - Right-of-use assets             | 199,510                      | 747,229    | -         | -           | -              | (66,733)         | 3,399                      | (168,382)                              | 715,023                        |
| Capital work-in- progress         | 22,851,910                   | 5,271,034  | -         | -           | (26,050)       | (24,121,643)     | -                          | -                                      | 3,975,251                      |
|                                   | 117,917,225                  | 10,909,508 | (182,523) | (230,380)   | (108,253)      | (790,778)        | 16,741                     | (6,471,429)                            | 121,060,111                    |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

|                                | ← As at 31 December 2024 → |                          |                 |
|--------------------------------|----------------------------|--------------------------|-----------------|
|                                | Cost                       | Accumulated depreciation | Carrying amount |
|                                | RM                         | RM                       | RM              |
| Freehold land                  | 25,735,374                 | -                        | 25,735,374      |
| Long term leasehold land       |                            |                          |                 |
| - Right-of-use assets          | 21,705,660                 | (3,024,957)              | 18,680,703      |
| Buildings                      |                            |                          |                 |
| - Owned                        | 66,178,416                 | (7,726,630)              | 58,451,786      |
| - Right-of-use assets          | 558,706                    | (278,776)                | 279,930         |
| Renovation                     | 8,839,803                  | (3,559,273)              | 5,280,530       |
| Furniture and fittings         | 2,383,259                  | (1,255,120)              | 1,128,139       |
| Plant, machinery and equipment | 34,619,876                 | (24,236,159)             | 10,383,717      |
| Motor vehicles                 |                            |                          |                 |
| - Owned                        | 8,443,300                  | (5,991,344)              | 2,451,956       |
| - Right-of-use assets          | 945,659                    | (273,794)                | 671,865         |
| Capital work-in-progress       | 2,092,610                  | -                        | 2,092,610       |
|                                | 171,502,663                | (46,346,053)             | 125,156,610     |

|                                | ← As at 31 December 2023 → |                          |                 |
|--------------------------------|----------------------------|--------------------------|-----------------|
|                                | Cost                       | Accumulated depreciation | Carrying amount |
|                                | RM                         | RM                       | RM              |
| Freehold land                  | 18,478,962                 | -                        | 18,478,962      |
| Long term leasehold land       |                            |                          |                 |
| - Right-of-use assets          | 22,210,451                 | (3,229,405)              | 18,981,046      |
| Buildings                      |                            |                          |                 |
| - Owned                        | 69,096,049                 | (7,873,051)              | 61,222,998      |
| - Right-of-use assets          | 385,006                    | (133,284)                | 251,722         |
| Renovation                     | 5,218,309                  | (2,573,270)              | 2,645,039       |
| Furniture and fittings         | 1,981,302                  | (1,227,847)              | 753,455         |
| Plant, machinery and equipment | 33,147,381                 | (22,205,066)             | 10,942,315      |
| Motor vehicles                 |                            |                          |                 |
| - Owned                        | 8,830,413                  | (5,736,113)              | 3,094,300       |
| - Right-of-use assets          | 835,577                    | (120,554)                | 715,023         |
| Capital work-in-progress       | 3,975,251                  | -                        | 3,975,251       |
|                                | 164,158,701                | (43,098,590)             | 121,060,111     |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

- (a) All items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. After initial recognition, property, plant and equipment except for freehold land and right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal depreciation periods used are as follows:

|                                |               |
|--------------------------------|---------------|
| Buildings                      | 50 years      |
| Renovation                     | 5 to 50 years |
| Furniture and fittings         | 5 to 10 years |
| Plant, machinery and equipment | 2 to 25 years |
| Motor vehicles                 | 5 years       |

Freehold land has unlimited useful life and is not depreciated.

Capital work-in-progress representing machinery under installation, construction and renovation-in-progress are stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

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

Subsequent to initial recognition, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the right-of-use assets. The principal depreciation periods used are as follows:

|                          |                |
|--------------------------|----------------|
| Long term leasehold land | 6 to 904 years |
| Buildings                | 2 to 2.5 years |
| Motor vehicles           | 5 years        |

- (d) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

|  | Group      |            |
|--|------------|------------|
|  | 2024       | 2023       |
|  | RM         | RM         |
| Purchase of property, plant and equipment                  | 15,327,850 | 10,909,508 |
| Financed by lease liabilities                              | (269,385)  | (982,866)  |
| Cash payments on purchase of property, plant and equipment | 15,058,465 | 9,926,642  |

- (e) As at the end of the reporting period, freehold land and building of the Group with the total carrying amounts of RM6,328,760 and RM5,553,397 respectively have been charged to bank for credit facilities granted to the Group as disclosed in Note 20 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 6. INVESTMENT PROPERTIES

| Group                 | Balance<br>as at<br>1.1.2024 | Reclassification | Depreciation<br>charge for<br>the year | Balance<br>as at<br>31.12.2024 |
|-----------------------|------------------------------|------------------|--|--------------------------------|
| Carrying amount       | RM                           | RM               | RM                                     | RM                             |
| Investment properties | 2,658,479                    | 3,753,241        | (34,265)                               | 6,377,455                      |

|                       | At 31.12.2024 |                             |                    |
|-----------------------|---------------|-----------------------------|--------------------|
|                       | Cost          | Accumulated<br>depreciation | Carrying<br>amount |
|                       | RM            | RM                          | RM                 |
| Investment properties | 8,129,575     | (1,752,120)                 | 6,377,455          |

| Group               | Balance<br>as at<br>1.1.2023 | Depreciation<br>charge for<br>the year | Balance<br>as at<br>31.12.2023 |
|---------------------|------------------------------|--|--------------------------------|
| Carrying amount     | RM                           | RM                                     | RM                             |
| Investment property | 2,686,783                    | (28,304)                               | 2,658,479                      |

|                     | At 31.12.2023 |                             |                    |
|---------------------|---------------|-----------------------------|--------------------|
|                     | Cost          | Accumulated<br>depreciation | Carrying<br>amount |
|                     | RM            | RM                          | RM                 |
| Investment property | 2,800,000     | (141,521)                   | 2,658,479          |

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write down the cost of the investment properties to its residual value on a straight-line basis over its estimated useful lives. The estimated useful lives represent common life expectancy applied in the industry within which the Group operates. The principal depreciation periods for the investment properties are 50 and 99 years.
- (c) The Level 3 fair value of investment properties is RM39,600,000 (2023: RM3,600,000). The fair value is recommended by the Directors based on market values for similar properties in the same vicinity on a price per square foot basis. There is no transfer between levels in the hierarchy during the financial year.
- (d) At the end of reporting period, rental income of the Group derived from the investment properties amounted to RM241,900 (2023: RM78,520).
- (e) Investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment property reflects the highest and best use of the said property should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remain for rental purposes.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 6. INVESTMENT PROPERTIES *cont'd*

- (f) The amounts of operating expenses recognised in profit or loss during the financial year are as follows:

|                           | Group  |        |
|---------------------------|--------|--------|
|                           | 2024   | 2023   |
|                           | RM     | RM     |
| Direct operating expenses | 28,783 | 14,507 |

## 7. GOODWILL

|   | Group      |            |
|---|------------|------------|
|   | 2024       | 2023       |
|   | RM         | RM         |
| As at 1 January                         | 64,706,662 | 64,706,662 |
| Acquisition of a subsidiary (Note 9(e)) | 608,541    | -          |
|   | 65,315,203 | 64,706,662 |

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
- (b) Impairment assessment on goodwill

For the purpose of impairment assessment, goodwill has been allocated to the Group's cash-generating units ("CGUs") which are the subsidiaries themselves, namely Transform Master Sdn. Bhd. ("TMSB"), Lexis Chemical Sdn. Bhd. ("LCSB"), Lexis Specialties Sdn. Bhd. ("LSSB") and Hurco Marketing Sdn. Bhd. ("HMSB"). For segment reporting purposes, the operations of TMSB and LCSB have been allocated into manufacturing segment whereas the operations of HMSB and LSSB have been allocated into trading segment.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

|      | Group      |            |
|------|------------|------------|
|      | 2024       | 2023       |
|      | RM         | RM         |
| TMSB | 35,802,888 | 35,802,888 |
| LCSB | 25,897,266 | 25,897,266 |
| LSSB | 3,006,508  | 3,006,508  |
| HMSB | 608,541    | -          |
|      | 65,315,203 | 64,706,662 |

For annual impairment assessment purposes, the recoverable amount of the CGUs is based on value-in-use calculation. This calculation is based on a discounted future cash flow model using the cash flow forecast and projections covering a five years period with a terminal value thereafter for TMSB, LSSB, HMSB and seventeen years period for LCSB as approved by management. The key assumptions for the computation of value-in-use are further described in Note 7(c) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 7. GOODWILL *cont'd*

### (c) Key assumptions used for value-in-use calculation

The following table sets out the key assumptions for the computation of value-in-use:

| Key Assumptions              | TMSB  | HMSB  | LCSB  | LSSB  |
|------------------------------|-------|-------|-------|-------|
| Revenue growth rates (%)     | 3.98  | 14.81 | 3.45  | 3.05  |
| Operating profit margins (%) | 5.61  | 11.89 | 26.70 | 43.13 |
| Pre-tax discount rate (%)    | 14.41 | 16.61 | 22.49 | 15.98 |

The management has determined the values assigned to each of the above key assumptions as follows:

| Assumptions             | Approach used in determining values   |
|-------------------------|---|
| Revenue growth rate     | Compound annual growth rate over the five-year forecast period with no terminal growth rate thereafter based on financial plans approved by senior management team of TMSB, LSSB, HMSB and remaining 17 years (2023: 18 years) forecast period for LCSB as they reflect management's expectation of achievable growth based on past performance and market development. |
| Operating profit margin | Based on past performance and management's expectations for the future.   |
| Pre-tax discount rate   | Reflects specific risks relating to the CGUs and the country in which the CGUs operate.   |

Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### (d) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to materially exceed their recoverable amount.

## 8. INTANGIBLE ASSETS

| Group                  | Balance<br>as at<br>1.1.2024<br>RM | Addition<br>RM | Reclassification<br>RM | Written<br>off | Amortisation<br>charge for<br>the year<br>RM | Balance<br>as at<br>31.12.2024<br>RM |
|------------------------|------------------------------------|----------------|------------------------|----------------|--|--------------------------------------|
| <b>Carrying amount</b> |                                    |                |                        |                |  |                                      |
| Computer software      | 1,722,343                          | 151,367        | 521,159                | (2)            | (660,109)                                    | 1,734,758                            |
| Brand equity           | 4,000,000                          | -              | -                      | -              | -  | 4,000,000                            |
| Trade formulas         | 108,521,667                        | -              | -                      | -              | (6,142,736)                                  | 102,378,931                          |
|                        | 114,244,010                        | 151,367        | 521,159                | (2)            | (6,802,845)                                  | 108,113,689                          |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 8. INTANGIBLE ASSETS *cont'd*

| Group             | At 31.12.2024 |                          |                 |
|-------------------|---------------|--------------------------|-----------------|
|                   | Cost          | Accumulated amortisation | Carrying amount |
|                   | RM            | RM                       | RM              |
| Computer software | 4,436,166     | (2,701,408)              | 1,734,758       |
| Brand equity      | 4,000,000     | -                        | 4,000,000       |
| Trade formulas    | 122,854,718   | (20,475,787)             | 102,378,931     |
|                   | 131,290,884   | (23,177,195)             | 108,113,689     |

| Group                  | Balance as at 1.1.2023 | Addition | Reclassification | Amortisation charge for the year | Balance as at 31.12.2023 |
|------------------------|------------------------|----------|------------------|----------------------------------|--------------------------|
|                        | RM                     | RM       | RM               | RM                               | RM                       |
| <b>Carrying amount</b> |                        |          |                  |                                  |                          |
| Computer software      | 1,322,746              | 43,678   | 790,778          | (434,859)                        | 1,722,343                |
| Brand equity           | 4,000,000              | -        | -                | -                                | 4,000,000                |
| Trade formulas         | 114,664,403            | -        | -                | (6,142,736)                      | 108,521,667              |
|                        | 119,987,149            | 43,678   | 790,778          | (6,577,595)                      | 114,244,010              |

| Group             | At 31.12.2023 |                          |                 |
|-------------------|---------------|--------------------------|-----------------|
|                   | Cost          | Accumulated amortisation | Carrying amount |
|                   | RM            | RM                       | RM              |
| Computer software | 3,791,062     | (2,068,718)              | 1,722,344       |
| Brand equity      | 4,000,000     | -                        | 4,000,000       |
| Trade formulas    | 122,854,717   | (14,333,051)             | 108,521,666     |
|                   | 130,645,779   | (16,401,769)             | 114,244,010     |

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding brand equity, are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) The costs of computer software acquired, including all directly attributable costs of preparing the assets for their intended use, are amortised on the straight-line basis to administrative expenses over the estimated useful life of 5 years (2023: 5 years).

Brand equity represents industrial property rights acquired by Luxchem Polymer Industries Sdn. Bhd. ("LPISB"). The brand equity is measured at cost less any accumulated impairment losses. It is assessed to have indefinite useful life as management believes that there is no foreseeable limit to the period over which the brand equity is expected to generate net cash flows to the Group.

Trade formula represents products formulation for specialty chemicals acquired in a business combination is measured at fair value as at the date of acquisition. The trade formula is amortised on a straight-line basis to other operating expenses over the estimated useful life of 20 years (2023: 20 years).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 8. INTANGIBLE ASSETS *cont'd*

### (c) Impairment assessment on brand equity

For the purpose of annual impairment assessment, the recoverable amount is determined based on its value-in-use. The value-in-use is determined based on a discounted future cash flow model using the cash flow forecast and projections covering a five years period and approved by management. The key assumptions for the computation of value-in-use are further described in Note 8(d) to the financial statements.

### (d) Key assumptions used for value-in-use calculation

The following table sets out the key assumptions for the computation of value-in-use:

|                         | Group |        |
|-------------------------|-------|--------|
|                         | 2024  | 2023   |
| Revenue growth rate     | 0.00% | 0.00%  |
| Operating profit margin | 7.30% | 10.00% |
| Pre-tax discount rate   | 9.96% | 10.28% |

The management has determined the values assigned to each of the above key assumptions as follows:

| Assumptions             | Approach used in determining values  |
|-------------------------|--|
| Revenue growth rate     | Compound annual growth rate over the five-year forecast period with no terminal growth rate thereafter based on financial plans approved by senior management team of LPISB and they reflect management's expectation of achievable growth based on past performance and market development. |
| Operating profit margin | Based on past performance and management's expectations for the future.  |
| Pre-tax discount rate   | Reflects specific risks relating to the brand equity and trade formulas and the country in which the entity operates.  |

Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the intangible assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### (e) Impact of possible changes in key assumptions

Management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of the brand equity to materially exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 9. INVESTMENTS IN SUBSIDIARIES

|  | Company     |             |
|--|-------------|-------------|
|  | 2024        | 2023        |
|  | RM          | RM          |
| Unquoted equity shares, at cost  | 238,643,733 | 237,127,148 |
| Less: Impairment losses  | (5,652,943) | (3,660,807) |
|  | 232,990,790 | 233,466,341 |
| Equity loans to subsidiaries   | 33,704,973  | 33,704,973  |
| Equity contributions in subsidiaries in respect of employee share option scheme ("ESOS") | 10,571,908  | 10,571,908  |
|  | 277,267,671 | 277,743,222 |

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Equity loans to subsidiaries, which are unsecured, interest-free and the subsidiaries have the unconditional right to avoid settlement of the loan in cash, and are considered to be part of the investment of the Company in providing the subsidiaries with a long term source of additional capital.

- (b) The Company has assessed whether there were any indicators of impairment during the financial year. The Company determines whether an impairment loss is required by evaluating the extent to which the recoverable amount is less than its carrying amount. The recoverable amount is determined by reference to their fair value less cost to sell of the underlying assets or the value-in-use of each subsidiaries. Value-in-use is the net present value of the projected future cash flows, which involve judgements in estimating the key assumptions, including different growth rates, operating profit margin as well as determining an appropriate pre-tax discount rate used for each subsidiaries. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

Impairment for equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 13(h) to the financial statements.

No expected credit loss is recognised arising from equity loans to subsidiaries of the Company as it is negligible.

- (c) During the financial year, the Company had made additional impairment of RM1,992,136 in a subsidiary due to continuous losses incurred by the subsidiary. The recoverable amount of cost of investment in the subsidiary is based on fair value less cost to sell ("FVLCTS") of the underlying assets. The net assets of the subsidiary are used as proxy for its recoverable amount based on FVLCTS method and are within Level 3 of the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 9. INVESTMENTS IN SUBSIDIARIES *cont'd*

(d) The reconciliation of movement in impairment losses for investments in subsidiaries is as follows:

|                              | 2024<br>RM | 2023<br>RM |
|------------------------------|------------|------------|
| At the beginning of the year | 3,660,807  | 3,660,807  |
| Impairment losses            | 1,992,136  | -          |
| At the end of the year       | 5,652,943  | 3,660,807  |

(e) Acquisition of a subsidiary

On 17 April 2024, the Company had completed the acquisition of 450,000 ordinary shares in Hurco Marketing Sdn. Bhd. ("HMSB"), representing a 100% equity interest for a purchase consideration which was satisfied via a cash consideration of RM1,516,585. Accordingly, HMSB is now a subsidiary of the Company.

HMSB is principally involved in the trading of hardware, chemical products, sanitary wares and all other materials required for interior decoration, construction and development.

Fair value of the identifiable assets and liabilities were as follows:

|                                      | Note | Hurco<br>Marketing<br>Sdn. Bhd.<br>RM | Fair value<br>adjustments<br>RM | Recognised<br>value on<br>acquisition<br>RM |
|--------------------------------------|------|---------------------------------------|---------------------------------|---|
| Property, plant and equipment        | 5    | 592,956                               | 199,688                         | 792,644                                     |
| Inventories                          |      | 967,934                               | -                               | 967,934                                     |
| Trade and other receivables          |      | 860,682                               | -                               | 860,682                                     |
| Cash and cash equivalents            |      | 609,202                               | -                               | 609,202                                     |
| Trade and other payables             |      | (315,152)                             | -                               | (315,152)                                   |
| Borrowings                           |      | (1,975,685)                           | -                               | (1,975,685)                                 |
| Current tax liabilities              |      | (31,581)                              | -                               | (31,581)                                    |
|                                      |      | 708,356                               | 199,688                         | 908,044                                     |
| Cash consideration                   |      |                                       |                                 | 1,516,585                                   |
| Fair value of identifiable net asset |      |                                       |                                 | (908,044)                                   |
| Goodwill on consolidation            | 7    |                                       |                                 | 608,541                                     |

The effect of the acquisition of HMSB on the cash flow was as follows:

|  | RM        |
|--|-----------|
| Consideration for equity interest acquired                 | 1,516,585 |
| Less: Cash and cash equivalents of the subsidiary acquired | (609,202) |
| Less: Deferred consideration                               | (300,000) |
| Net cash outflow arising from acquisition of subsidiary    | 607,383   |

If the acquisition had occurred on 1 January 2024, HMSB contribution to the Group's revenue and profit after tax would have been RM5,364,017 and RM473,461 respectively.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 9. INVESTMENTS IN SUBSIDIARIES *cont'd*

(f) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

|  | Lexis<br>Chemical<br>Sdn. Bhd.<br>RM | Other<br>individual<br>immaterial<br>subsidiaries<br>RM | Total<br>RM |
|--|--------------------------------------|---|-------------|
| <b>2024</b>  |                                      |   |             |
| NCI percentage of ownership interest and voting interest (%) | 45%                                  |   |             |
| Carrying amount of NCI                                       | 81,994,046                           | 4,165,191   | 86,159,237  |
| Profit allocated to NCI                                      | 10,463,187                           | 549,158   | 11,012,345  |
| Other comprehensive loss allocated to NCI                    | -                                    | (43,507)  | (43,507)    |
| Total comprehensive income allocated to NCI                  | 10,463,187                           | 505,651   | 10,968,838  |
|  |                                      |   |             |
|  | Lexis<br>Chemical<br>Sdn. Bhd.<br>RM | Other<br>individual<br>immaterial<br>subsidiaries<br>RM | Total<br>RM |
| <b>2023</b>  |                                      |   |             |
| NCI percentage of ownership interest and voting interest (%) | 45%                                  |   |             |
| Carrying amount of NCI                                       | 75,832,859                           | 3,965,540   | 79,798,399  |
| Profit allocated to NCI                                      | 5,773,951                            | 678,323   | 6,452,274   |
| Other comprehensive income allocated to NCI                  | -                                    | 44,918  | 44,918      |
| Total comprehensive income allocated to NCI                  | 5,773,951                            | 723,241   | 6,497,192   |

(g) The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows:

|                                 | 2024<br>RM   | 2023<br>RM   |
|---------------------------------|--------------|--------------|
| <b>Lexis Chemical Sdn. Bhd.</b> |              |              |
| <b>Assets and liabilities</b>   |              |              |
| Non-current assets              | 42,206,808   | 33,906,110   |
| Current assets                  | 100,669,956  | 70,415,574   |
| Non-current liabilities         | (6,500,144)  | (7,495,710)  |
| Current liabilities             | (32,854,000) | (11,627,058) |
| Net assets                      | 103,522,620  | 85,198,916   |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 9. INVESTMENTS IN SUBSIDIARIES *cont'd*

- (h) The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows: *cont'd*

|  | 2024<br>RM  | 2023<br>RM   |
|--|-------------|--------------|
| <b>Lexis Chemical Sdn. Bhd.</b>                      |             |              |
| <b>Results</b>                                       |             |              |
| Revenue  | 135,436,953 | 91,944,887   |
| Profit for the financial year                        | 27,920,005  | 17,499,478   |
| Total comprehensive income                           | 27,883,699  | 17,499,478   |
| Cash flows from operating activities                 | 19,178,620  | 22,219,963   |
| Cash flows used in investing activities              | (9,723,507) | (24,185,131) |
| Cash flows used in financing activities              | (5,666,295) | (10,288,544) |
| Net increase/(decrease) in cash and cash equivalents | 3,788,818   | (12,253,712) |

- (i) Details of the subsidiaries are as follows:

| Name of company                             | Country of incorporation/<br>Principal place of business | Effective interest in equity |        | Principal activities  |
|---|--|------------------------------|--------|---|
|   |  | 2024                         | 2023   |   |
| Luxchem Trading Sdn. Bhd.                   | Malaysia   | 100%                         | 100%   | Importers, exporters and distributors of chemical, industrial and other preparations. |
| Luxchem Polymer Industries Sdn. Bhd.        | Malaysia   | 100%                         | 100%   | Manufacturing and trading of unsaturated polyester resin and related products.        |
| Luxchem Trading (S) Pte. Ltd.*              | Republic of Singapore                                    | 100%                         | 100%   | Importers, exporters and distributors of chemical, industrial and other preparations. |
| Chemplex Composite Industries (M) Sdn. Bhd. | Malaysia   | 100%                         | 100%   | Importers, exporters and distributors of chemical, industrial and other preparations. |
| PT Luxchem Indonesia <sup>#</sup>           | Indonesia  | 92.62%                       | 92.62% | Distributor of chemicals and petrochemical products.                                  |
| Luxchem Vietnam Company Limited*            | Vietnam  | 100%                         | 100%   | Distributor of chemicals and petrochemical products.                                  |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 9. INVESTMENTS IN SUBSIDIARIES *cont'd*

(i) Details of the subsidiaries are as follows: *cont'd*

| Name of company                                   | Country of incorporation/<br>Principal place of business | Effective interest in equity |      | Principal activities   |
|---|--|------------------------------|------|--|
|   |  | 2024                         | 2023 |  |
| Transform Master Sdn. Bhd.                        | Malaysia   | 100%                         | 100% | Manufacturer of chemical products and transport agent.   |
| Hurco Marketing Sdn. Bhd.                         | Malaysia   | 100%                         | -    | Trading of hardware, chemical products, sanitary wares and all other materials required for interior decoration, construction and development. |
| Lexis Chemical Sdn. Bhd.                          | Malaysia   | 55%                          | 55%  | Manufacturing of industrial chemical products.   |
| Lexis Specialties Sdn. Bhd.                       | Malaysia   | 55%                          | 55%  | Engaged in supplying of industrial chemical products and related services  |
| Lexis Corporation Sdn. Bhd.                       | Malaysia   | 55%                          | 55%  | Dormant  |
| <b>Subsidiary of Lexis Chemical Sdn. Bhd.</b>     |  |                              |      |  |
| Lexis Corporation (Guangzhou) Co Ltd <sup>^</sup> | China  | 55%                          | -    | Importers, exporters and distributors of chemical, industrial and other preparations.  |

\* Not audited by BDO PLT or BDO Member Firm

# Audited by BDO Member Firm

<sup>^</sup> Subsidiary newly incorporated during the year. The incorporation did not have any material impact to the Group.

## 10. OTHER INVESTMENTS

|                               | Group            |                  |
|-------------------------------|------------------|------------------|
|                               | 2024<br>RM       | 2023<br>RM       |
| <b>Equity securities:</b>     |                  |                  |
| - Quoted shares in Malaysia   | 1,230,004        | 952,491          |
| - Unquoted shares in Malaysia | 110,001          | 110,001          |
|                               | <b>1,340,005</b> | <b>1,062,492</b> |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 10. OTHER INVESTMENTS *cont'd*

- (a) Equity securities which are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.
- (b) Quoted shares of the Group are categorised as Level 1 in the fair value hierarchy. Fair value of quoted ordinary shares of the Group are determined by reference to exchange quoted market prices. The sensitivity analysis for the investments in quoted shares is not material to the Group.
- (c) Unquoted shares of the Group are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted ordinary shares of the Group are estimated based on price to earnings valuation method. The sensitivity analysis for the investments in unquoted shares is not material to the Group.
- (d) There is no transfer between levels in the hierarchy during the financial year.
- (e) As the Group does not have the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

## 11. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the followings:

|  | Note | Group             |                   |
|--|------|-------------------|-------------------|
|  |      | 2024<br>RM        | 2023<br>RM        |
| <b>Balance as at 1 January</b>           |      | 28,124,883        | 29,276,108        |
| Recognised in profit or loss             | 24   | (1,004,244)       | (1,144,615)       |
| Recognised in other comprehensive income |      | 9,109             | 10,059            |
| Translation adjustments                  |      | 21,258            | (16,669)          |
| <b>Balance as at 31 December</b>         |      | <b>27,151,006</b> | <b>28,124,883</b> |

Presented after appropriate offsetting:

|                          | Group             |                   |
|--------------------------|-------------------|-------------------|
|                          | 2024<br>RM        | 2023<br>RM        |
| Deferred tax assets      | (319,201)         | (314,273)         |
| Deferred tax liabilities | 27,470,207        | 28,439,156        |
|                          | <b>27,151,006</b> | <b>28,124,883</b> |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 11. DEFERRED TAX *cont'd*

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

### *Deferred tax assets of the Group*

|  | Other deductible temporary differences<br>RM | Total<br>RM |
|--|--|-------------|
| <b>Balance as at 1 January 2024</b>      | (314,273)                                    | (314,273)   |
| Recognised in profit or loss             | (35,295)                                     | (35,295)    |
| Recognised in other comprehensive income | 9,109  | 9,109       |
| Translation adjustments                  | 21,258                                       | 21,258      |
| <b>Balance as at 31 December 2024</b>    | (319,201)                                    | (319,201)   |
| <b>Balance as at 1 January 2023</b>      | (870,755)                                    | (870,755)   |
| Recognised in profit or loss             | 563,092                                      | 563,092     |
| Recognised in other comprehensive income | 10,059                                       | 10,059      |
| Translation adjustments                  | (16,669)                                     | (16,669)    |
| <b>Balance as at 31 December 2023</b>    | (314,273)                                    | (314,273)   |

### *Deferred tax liabilities of the Group*

|                                       | Property, plant and equipment<br>RM | Other temporary differences<br>RM | Total<br>RM |
|---------------------------------------|-------------------------------------|-----------------------------------|-------------|
| <b>Balance as at 1 January 2024</b>   | (1,458,141)                         | 29,897,297                        | 28,439,156  |
| Recognised in profit or loss          | (1,238,957)                         | 270,008                           | (968,949)   |
| <b>Balance as at 31 December 2024</b> | (2,697,098)                         | 30,167,305                        | 27,470,207  |
| <b>Balance as at 1 January 2023</b>   | 252,749                             | 29,894,114                        | 30,146,863  |
| Recognised in profit or loss          | (1,710,890)                         | 3,183                             | (1,707,707) |
| <b>Balance as at 31 December 2023</b> | (1,458,141)                         | 29,897,297                        | 28,439,156  |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 12. INVENTORIES

|                                | Group       |            |
|--------------------------------|-------------|------------|
|                                | 2024        | 2023       |
|                                | RM          | RM         |
| <b>At cost</b>                 |             |            |
| Raw materials                  | 26,279,892  | 19,627,015 |
| Consumables                    | 869,021     | 840,329    |
| Finished goods                 | 16,125,021  | 12,082,770 |
| Trading goods                  | 57,580,083  | 32,068,428 |
|                                | 100,854,017 | 64,618,542 |
| <b>At net realisable value</b> |             |            |
| Raw materials                  | 68          | 120,615    |
| Finished goods                 | 241,092     | 288,031    |
| Trading goods                  | 143,237     | 1,495,936  |
|                                | 384,397     | 1,904,582  |
|                                | 101,238,414 | 66,523,124 |

- (a) Inventories are stated at the lower of cost or net realisable value.
- (b) Cost of raw materials, consumables and finished goods is determined on first-in, first-out basis while cost of trading goods is determined using the weighted average method.
- Cost of raw materials and cost of consumables comprise all costs of purchase, plus the cost of bringing the inventories to their present location and condition. Cost of finished goods and cost of trading goods include the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.
- (c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM650,609,747 (2023: RM513,293,634).
- (d) During the financial year, the amounts of inventories written down of the Group recognised as expenses amounted to RM920,323 (2023: RM733,376).
- (e) During the financial year, the Group had recognised a reversal of RM409,754 (2023: RM467,328), being part of inventories written down in previous financial years, as the inventories were sold above the carrying amounts.
- (f) During the financial year, the amounts of inventories written off of the Group recognised as expenses amounted to RM627,267 (2023: RM3,748,636).
- (g) During the financial year, the Group had recognised a reversal of RM794,611 (2023: RM Nil), being part of inventories written off in previous financial years, as the inventories were recovered.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 13. TRADE AND OTHER RECEIVABLES

|                               | Group       |             | Company   |       |
|-------------------------------|-------------|-------------|-----------|-------|
|                               | 2024        | 2023        | 2024      | 2023  |
|                               | RM          | RM          | RM        | RM    |
| <b>Trade receivables</b>      |             |             |           |       |
| Third parties                 | 142,096,752 | 104,530,564 | -         | -     |
| Less: Impairment losses       | (2,302,637) | (2,374,141) | -         | -     |
| Total trade receivables       | 139,794,115 | 102,156,423 | -         | -     |
| <b>Other receivables</b>      |             |             |           |       |
| Amounts owing by subsidiaries | -           | -           | 1,532,477 | 5,751 |
| Third parties                 | 9,802,680   | 7,745,980   | 2,000     | 2,195 |
| Less: Impairment losses       | (64,547)    | (64,547)    | -         | -     |
| Total other receivables       | 9,738,133   | 7,681,433   | 1,534,477 | 7,946 |
| <b>Total receivables</b>      | 149,532,248 | 109,837,856 | 1,534,477 | 7,946 |
| <b>Prepayments</b>            | 210,863     | 561,959     | -         | -     |
|                               | 149,743,111 | 110,399,815 | 1,534,477 | 7,946 |

- (a) Total receivables are classified as financial assets measured at amortised costs.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 0 to 120 days (2023: 0 to 120 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Non-trade amounts owing by subsidiaries are unsecured, interest free and repayable within next twelve (12) months in cash and cash equivalents.
- (d) The currency exposure profile of trade and other receivables (excluding prepayments) are as follows:

|                       | Group       |             | Company   |       |
|-----------------------|-------------|-------------|-----------|-------|
|                       | 2024        | 2023        | 2024      | 2023  |
|                       | RM          | RM          | RM        | RM    |
| Ringgit Malaysia      | 99,989,818  | 79,626,010  | 1,528,869 | 2,195 |
| United States Dollar  | 37,792,317  | 23,122,407  | -         | -     |
| Indonesian Rupiah     | 10,106,439  | 4,667,480   | -         | -     |
| Chinese Yuan Renminbi | 1,342,089   | 1,146,173   | -         | -     |
| Thailand Baht         | 279,978     | 1,233,029   | -         | -     |
| Singapore Dollar      | 20,478      | 41,527      | -         | -     |
| Euro                  | 1,129       | 1,230       | -         | -     |
| Vietnamese Dong       | -           | -           | 5,608     | 5,751 |
|                       | 149,532,248 | 109,837,856 | 1,534,477 | 7,946 |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 13. TRADE AND OTHER RECEIVABLES *cont'd*

- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

|  | Group     |           | Company |      |
|--|-----------|-----------|---------|------|
|  | 2024      | 2023      | 2024    | 2023 |
|  | RM        | RM        | RM      | RM   |
| <b>Effects of 10% changes to RM against foreign currencies</b> |           |           |         |      |
| Profit after tax   |           |           |         |      |
| - United States Dollar   | 2,872,216 | 1,757,303 | -       | -    |
| - Indonesian Rupiah  | 768,089   | 354,728   | -       | -    |
| - Chinese Yuan Renminbi  | 101,999   | 87,109    | -       | -    |
| - Thailand Baht  | 21,278    | 93,710    | -       | -    |
| - Singapore Dollar   | 1,556     | 3,156     | -       | -    |
| - Euro   | 86        | 93        | -       | -    |
| - Vietnamese Dong  | -         | -         | 426     | 588  |

There is no impact to the equity as a result of changes of foreign exchange rates as at the end of the reporting period.

- (f) The ageing analysis of trade receivables of the Group is as follows:

| Group              | Gross<br>RM | Impaired<br>RM | Total<br>RM |
|--------------------|-------------|----------------|-------------|
| <b>2024</b>        |             |                |             |
| Current            | 83,051,336  | (61,762)       | 82,989,574  |
| Past due           |             |                |             |
| 1 to 30 days       | 36,300,521  | (73,607)       | 36,226,914  |
| 31 to 60 days      | 14,876,769  | (66,001)       | 14,810,768  |
| 61 to 90 days      | 3,570,179   | (40,345)       | 3,529,834   |
| 91 to 120 days     | 1,885,253   | (151,598)      | 1,733,655   |
| More than 120 days | 2,412,694   | (1,909,324)    | 503,370     |
|                    | 59,045,416  | (2,240,875)    | 56,804,541  |
|                    | 142,096,752 | (2,302,637)    | 139,794,115 |



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 13. TRADE AND OTHER RECEIVABLES *cont'd*

- (f) The ageing analysis of trade receivables of the Group is as follows: *cont'd*

| Group              | Gross<br>RM | Impaired<br>RM | Total<br>RM |
|--------------------|-------------|----------------|-------------|
| <b>2023</b>        |             |                |             |
| Current            | 66,578,149  | (24,763)       | 66,553,386  |
| Past due           |             |                |             |
| 1 to 30 days       | 27,353,729  | (28,617)       | 27,325,112  |
| 31 to 60 days      | 4,245,274   | (9,405)        | 4,235,869   |
| 61 to 90 days      | 1,479,570   | (5,172)        | 1,474,398   |
| 91 to 120 days     | 1,356,908   | (90,802)       | 1,266,106   |
| More than 120 days | 3,516,934   | (2,215,382)    | 1,301,552   |
|                    | 37,952,415  | (2,349,378)    | 35,603,037  |
|                    | 104,530,564 | (2,374,141)    | 102,156,423 |

- (g) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses ("ECL").

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

During this process, the probability of non-payment by the trade receivables is determined using historical data and forward-looking information in estimating future cash flows and the lifetime expected credit loss for the trade receivables is assessed individually. Lifetime expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows for the Group expect to receive over the lifetime of financial instrument. The Group also uses roll rate method to measure the expected credit loss of trade receivables. The collective assessment of impairment of trade receivables shares similar credit risk characteristics, industries and geographical location. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate and consumer price index as the key macroeconomic factors of the forward-looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 13. TRADE AND OTHER RECEIVABLES *cont'd*

(g) *cont'd*

The reconciliation of movements in impairment losses of the Group is as follows:

|                                | ECL - not<br>credit<br>impaired<br>RM | ECL - credit<br>impaired<br>RM | Total     |
|--------------------------------|---------------------------------------|--------------------------------|-----------|
| <b>Trade receivables</b>       |                                       |                                |           |
| Balance as at 1 January 2024   | 168,600                               | 2,205,541                      | 2,374,141 |
| Charge for the year            | 389,488                               | 373,137                        | 762,625   |
| Reversal during the year       | -                                     | (808,405)                      | (808,405) |
| Translation adjustment         | -                                     | (25,724)                       | (25,724)  |
| Balance as at 31 December 2024 | 558,088                               | 1,744,549                      | 2,302,637 |
| Balance as at 1 January 2023   | 158,759                               | 2,655,693                      | 2,814,452 |
| Charge for the year            | 9,841                                 | 755,300                        | 765,141   |
| Reversal during the year       | -                                     | (688,390)                      | (688,390) |
| Written off during the year    | -                                     | (540,294)                      | (540,294) |
| Translation adjustment         | -                                     | 23,232                         | 23,232    |
| Balance as at 31 December 2023 | 168,600                               | 2,205,541                      | 2,374,141 |

Credit impaired allowance refer to individually determined debtors who are in significant financial difficulties to be impaired as at the end of the reporting period.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (h) Impairment for other receivables and equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on the operating performance of the receivables, changes in contractual terms, payment trends and past due information. A significant increase in credit risk is presumed if contractual payments are more than 180 days.

Credit impaired allowance refer to individually determined receivables who are in significant financial difficulties to be impaired as at the end of the reporting period.

The probabilities of non-payment by other receivables and equity loans to subsidiaries are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for other receivables and equity loans to subsidiaries. The Group has identified the Gross Domestic Product, unemployment rate and consumer price index as the key macroeconomic factors of the forward-looking information.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward-looking information and significant increase in credit risk.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 13. TRADE AND OTHER RECEIVABLES *cont'd*

(h) *cont'd*

The reconciliation of movements in impairment losses of the Group's other receivables is as follows:

|                               | 2024<br>RM | 2023<br>RM |
|-------------------------------|------------|------------|
| <b>ECL - credit impaired</b>  |            |            |
| Balance as at 1 January       | 64,547     | -          |
| Charge for the financial year | -          | 64,547     |
| Balance as at 31 December     | 64,547     | 64,547     |

(i) The credit risk concentration profile of the trade receivables at the end of the reporting period are as follows:

|                   | Group      |            |            |            |
|-------------------|------------|------------|------------|------------|
|                   | 2024       |            | 2023       |            |
|                   | RM         | % of total | RM         | % of total |
| <b>By country</b> |            |            |            |            |
| Malaysia          | 31,708,367 | 23         | 11,871,404 | 11         |
| Indonesia         | 11,943,372 | 9          | -          | -          |
| Vietnam           | 3,483,393  | 2          | -          | -          |
| Australia         | 2,029,153  | 1          | 3,051,196  | 3          |
| Thailand          | -          | -          | 2,722,090  | 3          |
|                   | 49,164,285 | 35         | 17,644,690 | 17         |

As at the end of the reporting period, the Group has significant concentration of credit risk arising from the exposure to the amounts due by eleven (11) major customers representing approximately 35% (2023: five (5) major customers representing approximately 17%) of the total trade receivables. The amounts due and repayments from these customers are closely monitored by the management to ensure that the credit limits and terms agreed with the customers are complied with.

### **Credit risk arising from trade receivables**

As at the end of each reporting period, the credit risk exposures and collaterals relating to trade receivables of the Group are summarised in the table below:

|                     | 2024<br>RM   | 2023<br>RM   |
|---------------------|--------------|--------------|
| Maximum exposure    | 142,096,752  | 104,530,564  |
| Collateral obtained | (35,902,984) | (47,526,964) |
| Net exposure        | 106,193,768  | 57,003,600   |

The above collateral represent coverage by trade credit insurance and corporate guarantee given by customers.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 13. TRADE AND OTHER RECEIVABLES *cont'd*

(i) *cont'd*

### ***Credit risk arising from other receivables***

Credit risk arising from other receivables is limited due to the large number of receivables. The other receivables are closely monitored by the Group and the Company and the management is of the view that the carrying amount is fully recoverable.

## 14. CASH AND BANK BALANCES

|                              | Group       |             | Company    |            |
|------------------------------|-------------|-------------|------------|------------|
|                              | 2024        | 2023        | 2024       | 2023       |
|                              | RM          | RM          | RM         | RM         |
| Cash and bank balances       | 68,344,036  | 57,670,451  | 236,022    | 117,798    |
| Deposits with licensed banks | 190,218,178 | 195,000,022 | 25,407,786 | 27,501,986 |
|                              | 258,562,214 | 252,670,473 | 25,643,808 | 27,619,784 |

(a) Deposits with licensed banks of the Group and of the Company have an average maturity period of 93 days and 153 days respectively (2023: 121 and 152 days).

(b) The currency exposure profile of cash and bank balances are as follows:

|                      | Group       |             | Company    |            |
|----------------------|-------------|-------------|------------|------------|
|                      | 2024        | 2023        | 2024       | 2023       |
|                      | RM          | RM          | RM         | RM         |
| Ringgit Malaysia     | 218,125,850 | 214,954,170 | 25,643,808 | 27,619,784 |
| United States Dollar | 25,110,657  | 24,928,825  | -          | -          |
| Chinese Yuan Renmibi | 11,058,863  | 3,150,638   | -          | -          |
| Singapore Dollar     | 2,710,094   | 2,052,237   | -          | -          |
| Indonesian Rupiah    | 1,382,316   | 3,360,146   | -          | -          |
| Thailand Baht        | 77,425      | 4,108,717   | -          | -          |
| Australian Dollar    | 56,834      | 63,973      | -          | -          |
| Vietnamese Dong      | 40,175      | 51,767      | -          | -          |
|                      | 258,562,214 | 252,670,473 | 25,643,808 | 27,619,784 |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 14. CASH AND BANK BALANCES *cont'd*

- (c) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

|  | Group     |           |
|--|-----------|-----------|
|  | 2024      | 2023      |
|  | RM        | RM        |
| <b>Effects of 10% changes to RM against foreign currencies</b> |           |           |
| Profit after tax   |           |           |
| - United States Dollar   | 1,908,410 | 1,894,591 |
| - Chinese Yuan Renminbi  | 840,474   | 239,448   |
| - Singapore Dollar   | 205,967   | 155,970   |
| - Indonesian Rupiah  | 105,056   | 255,371   |
| - Thailand Baht  | 5,884     | 312,262   |
| - Australian Dollar  | 4,319     | 4,862     |
| - Vietnamese Dong  | 3,053     | 3,934     |

There is no impact to the equity as a result of changes of foreign exchange rates as at the end of the reporting period.

- (d) Weighted average effective interest rates of the Group's and the Company's deposits with licensed banks as at the end of the reporting period are as follows:

|             | Group |       | Company |       |
|-------------|-------|-------|---------|-------|
|             | 2024  | 2023  | 2024    | 2023  |
| Fixed rates | 3.48% | 3.51% | 3.47%   | 3.47% |

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.

- (e) No expected credit loss were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

## 15. SHARE CAPITAL

|   | Group and Company |             |                  |             |
|---|-------------------|-------------|------------------|-------------|
|   | 2024              |             | 2023             |             |
|   | Number of shares  | RM          | Number of shares | RM          |
| <b>Issued and fully paid up ordinary shares with no par value</b> |                   |             |                  |             |
| Balance as at 1 January/31 December                               | 1,069,866,119     | 298,077,797 | 1,069,866,119    | 298,077,797 |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 15. SHARE CAPITAL *cont'd*

- (a) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

- (b) Treasury shares

As at 31 December 2024, a total of 100,000 (2023: 100,000) treasury shares at a total cost of RM70,536 (2023: RM70,536) are held by the Company. Shares repurchased are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and listing requirements and applicable guideline of Bursa Malaysia Securities.

The number of ordinary shares as at 31 December 2024 net of treasury shares is 1,069,766,119 (2023: 1,069,766,119).

## 16. RESERVES

|                              | Group       |             | Company   |           |
|------------------------------|-------------|-------------|-----------|-----------|
|                              | 2024        | 2023        | 2024      | 2023      |
|                              | RM          | RM          | RM        | RM        |
| <b>Non-distributable:</b>    |             |             |           |           |
| Exchange translation reserve | (210,292)   | 547,705     | -         | -         |
| Fair value reserve           | 1,044,664   | 767,151     | -         | -         |
|                              | 834,372     | 1,314,856   | -         | -         |
| <b>Distributable:</b>        |             |             |           |           |
| Retained earnings            | 265,140,856 | 234,226,820 | 5,738,195 | 7,057,373 |
|                              | 265,975,228 | 235,541,676 | 5,738,195 | 7,057,373 |

### (a) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

### (b) Fair value reserve

Fair value reserve comprises net changes in fair value of financial assets at fair value through other comprehensive income.

## 17. RETIREMENT BENEFITS

|   | Group   |         |
|---|---------|---------|
|   | 2024    | 2023    |
|   | RM      | RM      |
| Present value of unfunded defined benefit obligations | 732,533 | 759,346 |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 17. RETIREMENT BENEFITS *cont'd*

- (a) The Group recognises liabilities for employee benefits in respect of its subsidiary in Indonesia, PT Luxchem Indonesia in accordance with the Indonesian Labour Law No. 13 Year 2003 dated 25 March 2003 ("Labour Law"). Under this Labour Law, the employee benefits are payable upon attaining normal retirement age of 55 years old, death, total and permanent disability or resignation.
- (b) The movements during the financial year in the amount recognised in the statements of financial position in respect of the retirement benefit obligation are as follows:

|  | Note | Group      |            |
|--|------|------------|------------|
|  |      | 2024<br>RM | 2023<br>RM |
| <b>Balance as at 1 January</b>                               |      | 759,346    | 679,721    |
| <b>Recognised in profit or loss</b>                          |      |            |            |
| Actuarial loss of curtailment and settlement                 |      | 7,938      | -          |
| Current service costs  |      | 72,845     | 82,335     |
| Interest on obligation                                       |      | 48,811     | 47,614     |
| Past service costs   |      | -          | (8,184)    |
|  | 27   | 129,594    | 121,765    |
| Benefit paid   |      | (63,088)   | (34,708)   |
|  |      | 66,506     | 87,057     |
| <b>Recognised in other comprehensive income</b>              |      |            |            |
| Actuarial loss arising from changes in financial assumptions |      | (41,401)   | (45,723)   |
| <b>Translation adjustments</b>                               |      | (51,918)   | 38,291     |
| <b>Balances as at 31 December</b>                            |      | 732,533    | 759,346    |

The amount recognised to the profit or loss has been included in administrative expenses.

- (c) The significant actuarial assumptions used to determine the present value of the defined benefit obligations are as follows:

|   | Group     |           |
|---|-----------|-----------|
|   | 2024<br>% | 2023<br>% |
| Discount rate                             | 7.08      | 6.71      |
| Expected rate of average salary increases | 9.00      | 9.00      |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 17. RETIREMENT BENEFITS *cont'd*

- (d) Sensitivity analysis of the defined benefit obligations to changes in the significant actuarial assumptions, with all other assumptions held constant, is shown below:

|  | Group<br>(Decrease)/Increase in<br>defined benefit<br>obligations |            |
|--|---|------------|
|  | 2024<br>RM  | 2023<br>RM |
| Discount rate increases by 1%                | (34,269)  | (41,260)   |
| Discount rate decreases by 1%                | 37,726  | 45,489     |
| Future average salary growth increases by 1% | 33,122  | 40,513     |
| Future average salary growth decreases by 1% | (30,769)  | (37,612)   |

## 18. LEASES

### The Group as lessee

#### Right-of-use assets

Right-of-use assets related to leasehold land, buildings and motor vehicles that do not meet the definition of investment property are presented as property plant and equipment as disclosed in Note 5 to the financial statements.

|                | Balance<br>as at<br>1.1.2024 | Additions | Depreciation<br>charge for<br>the year | Reclassification | Modification | Translation<br>adjustments | Balance<br>as at<br>31.12.2024 |
|----------------|------------------------------|-----------|--|------------------|--------------|----------------------------|--------------------------------|
| 2024           | RM                           | RM        | RM                                     | RM               | RM           | RM                         | RM                             |
| Leasehold land | 18,981,046                   | -         | (300,343)                              | -                | -            | -                          | 18,680,703                     |
| Buildings      | 251,722                      | 168,956   | (184,584)                              | -                | 54,739       | (10,903)                   | 279,930                        |
| Motor vehicles | 715,023                      | 221,142   | (180,740)                              | (61,076)         | -            | (22,484)                   | 671,865                        |
|                | 19,947,791                   | 390,098   | (665,667)                              | (61,076)         | 54,739       | (33,387)                   | 19,632,498                     |

|                | Balance<br>as at<br>1.1.2023 | Additions | Depreciation<br>charge for<br>the year | Reclassification | Termination | Translation<br>adjustments | Balance<br>as at<br>31.12.2023 |
|----------------|------------------------------|-----------|--|------------------|-------------|----------------------------|--------------------------------|
| 2023           | RM                           | RM        | RM                                     | RM               | RM          | RM                         | RM                             |
| Leasehold land | 19,333,441                   | -         | (352,395)                              | -                | -           | -                          | 18,981,046                     |
| Buildings      | 471,626                      | 294,685   | (287,633)                              | -                | (230,380)   | 3,424                      | 251,722                        |
| Motor vehicles | 199,510                      | 747,229   | (168,382)                              | (66,733)         | -           | 3,399                      | 715,023                        |
|                | 20,004,577                   | 1,041,914 | (808,410)                              | (66,733)         | (230,380)   | 6,823                      | 19,947,791                     |



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 18. LEASES *cont'd*

### The Group as lessee *cont'd*

#### Lease liabilities

|                                    | Group          |                |
|------------------------------------|----------------|----------------|
|                                    | 2024           | 2023           |
|                                    | RM             | RM             |
| <b>Lease liabilities</b>           |                |                |
| Non-current liabilities            | 354,955        | 508,852        |
| Current liabilities                | 375,420        | 399,427        |
| <b>Total lease liabilities</b>     | <b>730,375</b> | <b>908,279</b> |
| <b>Lease liabilities owing to:</b> |                |                |
| - financial institutions           | 216,821        | 198,869        |
| - non-financial institutions       | 513,554        | 709,410        |
|                                    | <b>730,375</b> | <b>908,279</b> |

- (a) The Group leases a number of lands and buildings in the location which it operates. The lands and buildings leases the periodic rent is fixed over the lease term.
- (b) The lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 18. LEASES cont'd

### The Group as lessee cont'd

(c) The movement of lease liabilities during the financial year is as follows:

| 2024           | Balance as at 1.1.2024 | Additions | Lease payments |          | Interest expenses | Modification | Translation adjustments | Balance as at 31.12.2024 |
|----------------|------------------------|-----------|----------------|----------|-------------------|--------------|-------------------------|--------------------------|
|                | RM                     | RM        | Principal      | Interest | RM                | RM           | RM                      | RM                       |
| Leasehold land | 41,967                 | -         | (41,967)       | (536)    | 536               | -            | -                       | -                        |
| Buildings      | 253,139                | 96,705    | (176,788)      | (8,398)  | 8,398             | 54,688       | (8,452)                 | 219,292                  |
| Motor vehicles | 613,173                | 172,680   | (260,182)      | (30,533) | 30,533            | -            | (14,588)                | 511,083                  |
|                | 908,279                | 269,385   | (478,937)      | (39,467) | 39,467            | 54,688       | (23,040)                | 730,375                  |

| 2023           | Balance as at 1.1.2023 | Additions | Lease payments |          | Interest expenses | Termination | Translation adjustments | Balance as at 31.12.2023 |
|----------------|------------------------|-----------|----------------|----------|-------------------|-------------|-------------------------|--------------------------|
|                | RM                     | RM        | Principal      | Interest | RM                | RM          | RM                      | RM                       |
| Leasehold land | 139,123                | -         | (97,156)       | (4,844)  | 4,844             | -           | -                       | 41,967                   |
| Buildings      | 478,985                | 294,685   | (288,802)      | (9,078)  | 9,078             | (235,253)   | 3,524                   | 253,139                  |
| Motor vehicles | 224,831                | 688,181   | (302,308)      | (27,235) | 27,235            | -           | 2,469                   | 613,173                  |
|                | 842,939                | 982,866   | (688,266)      | (41,157) | 41,157            | (235,253)   | 5,993                   | 908,279                  |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 18. LEASES *cont'd*

### The Group as lessee *cont'd*

- (d) The Group has certain leases of machineries and equipment with lease term of twelve (12) months or less, and low value leases of equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (e) The following are the amounts recognised in profit or loss:

|   | Group   |           |
|---|---------|-----------|
|   | 2024    | 2023      |
|   | RM      | RM        |
| Depreciation charge of right-of-use assets      | 665,667 | 808,410   |
| Interest expense on lease liabilities           | 39,467  | 41,157    |
| Expenses relating to short-term leases          | 216,729 | 480,570   |
| Expenses relating to leases of low value assets | 54,851  | 60,853    |
| Gain on termination of lease                    | -       | (4,873)   |
| Gain on modification of lease                   | (51)    | -         |
|   | 976,663 | 1,386,117 |

- (f) The weighted average incremental borrowing rate applied to the lease liabilities is 4.60% (2023: 3.94%).
- (g) The following table sets out the carrying amounts and the remaining maturities of the lease liabilities of the Group:

| Group                   | Within one (1) year<br>RM | One (1) to five (5) years<br>RM | Total<br>RM |
|-------------------------|---------------------------|---------------------------------|-------------|
| <b>31 December 2024</b> |                           |                                 |             |
| Lease liabilities       | 375,420                   | 354,955                         | 730,375     |
| <b>31 December 2023</b> |                           |                                 |             |
| Lease liabilities       | 399,427                   | 508,852                         | 908,279     |

- (h) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

| Group                   | Within one (1) year<br>RM | One (1) to five (5) years<br>RM | Total<br>RM |
|-------------------------|---------------------------|---------------------------------|-------------|
| <b>31 December 2024</b> |                           |                                 |             |
| Lease liabilities       | 392,314                   | 363,610                         | 755,924     |
| <b>31 December 2023</b> |                           |                                 |             |
| Lease liabilities       | 435,767                   | 533,879                         | 969,646     |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 18. LEASES *cont'd*

### The Group as lessor

The Group has entered into non-cancellable lease agreement on investment properties for term of three (3) years and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

|                            | Group     |         |
|----------------------------|-----------|---------|
|                            | 2024      | 2023    |
|                            | RM        | RM      |
| Less than one (1) year     | 999,300   | 81,900  |
| One (1) to three (3) years | 1,250,213 | 70,980  |
|                            | 2,249,513 | 152,880 |

## 19. TRADE AND OTHER PAYABLES

|                               | Group      |            | Company |         |
|-------------------------------|------------|------------|---------|---------|
|                               | 2024       | 2023       | 2024    | 2023    |
|                               | RM         | RM         | RM      | RM      |
| <b>Trade payables</b>         |            |            |         |         |
| Third parties                 | 44,583,607 | 36,538,859 | -       | -       |
| <b>Other payables</b>         |            |            |         |         |
| Other payables                | 4,992,437  | 3,614,758  | 689     | 47,700  |
| Accruals                      | 8,474,686  | 5,131,156  | 647,000 | 261,000 |
| Total other payables          | 13,467,123 | 8,745,914  | 647,689 | 308,700 |
| <b>Total payables</b>         | 58,050,730 | 45,284,773 | 647,689 | 308,700 |
| <b>Derivative liabilities</b> | 42,195     | 57,124     | -       | -       |
|                               | 58,092,925 | 45,341,897 | 647,689 | 308,700 |

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost. Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 0 to 90 days (2023: 0 to 90 days) from date of invoice.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 19. TRADE AND OTHER PAYABLES *cont'd*

- (c) The currency exposure profile of total payables are as follows:

|                       | Group      |            | Company |         |
|-----------------------|------------|------------|---------|---------|
|                       | 2024       | 2023       | 2024    | 2023    |
|                       | RM         | RM         | RM      | RM      |
| Ringgit Malaysia      | 40,160,781 | 27,156,591 | 647,689 | 308,700 |
| United States Dollar  | 17,049,471 | 17,686,461 | -       | -       |
| Indonesian Rupiah     | 445,046    | 186,682    | -       | -       |
| Chinese Yuan Renminbi | 301,418    | 152,409    | -       | -       |
| Vietnam Dong          | 51,795     | 62,145     | -       | -       |
| Singapore Dollar      | 27,946     | 36,022     | -       | -       |
| Thailand Baht         | 14,273     | 4,463      | -       | -       |
|                       | 58,050,730 | 45,284,773 | 647,689 | 308,700 |

- (d) The maturity profile of the trade and other payables of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.
- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

|  | Group     |           |
|--|-----------|-----------|
|  | 2024      | 2023      |
|  | RM        | RM        |
| <b>Effects of 10% changes to RM against foreign currencies</b> |           |           |
| Profit after tax   |           |           |
| - United States Dollar   | 1,295,760 | 1,344,171 |
| - Indonesian Rupiah  | 33,823    | 14,188    |
| - Chinese Yuan Renminbi  | 22,908    | 11,583    |
| - Vietnam Dong   | 3,936     | 4,723     |
| - Singapore Dollar   | 2,124     | 2,738     |
| - Thailand Baht  | 1,085     | 339       |

There is no impact to the equity as a result of changes of foreign exchange rates as at the end of the reporting period.

- (f) Fair value of derivative liabilities of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 19. TRADE AND OTHER PAYABLES *cont'd*

- (g) The unexpired foreign currency forward contracts, which have been entered into by the Group for its trade and other payables as at end of each reporting period are as follows:

| Group                   | Contractual<br>amount in<br>foreign<br>currency<br>(FC) | Equivalent<br>amount in<br>Ringgit<br>Malaysia<br>(RM) | Average<br>contract<br>rate<br>FC/RM | Expiry date             |
|-------------------------|---|--|--------------------------------------|-------------------------|
| <b>31 December 2024</b> |   |  |                                      |                         |
| United States Dollar    | 150,000   | 628,926  | 4.19                                 | 15.01.2025              |
| <b>31 December 2023</b> |   |  |                                      |                         |
| United States Dollar    | 1,010,513   | 4,689,456  | 4.64                                 | 10.01.2024 - 31.01.2024 |

## 20. BORROWINGS

|                                | Group      |            |
|--------------------------------|------------|------------|
|                                | 2024       | 2023       |
|                                | RM         | RM         |
| <b>Non-current liabilities</b> |            |            |
| Term loans                     | 9,233,222  | 12,016,542 |
| <b>Current liabilities</b>     |            |            |
| Trade finance                  | 69,958,373 | 35,736,543 |
| Term loans                     | 2,777,542  | 2,994,895  |
|                                | 72,735,915 | 38,731,438 |
| <b>Total borrowings</b>        |            |            |
| Trade finance                  | 69,958,373 | 35,736,543 |
| Term loans                     | 12,010,764 | 15,011,437 |
|                                | 81,969,137 | 50,747,980 |

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The secured borrowings of the Group are secured by the following:
- a corporate guarantee given by the Company to bankers for credit facilities granted to certain subsidiaries as disclosed in Note 30 to the financial statements.
  - a fixed charge over certain land and building of the Group as disclosed in Note 5 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 20. BORROWINGS *cont'd*

- (c) The currency exposure profile of borrowings is as follows:

|                      | Group      |            |
|----------------------|------------|------------|
|                      | 2024       | 2023       |
|                      | RM         | RM         |
| Ringgit Malaysia     | 57,452,146 | 46,762,254 |
| United States Dollar | 20,674,956 | -          |
| Indonesia Rupiah     | 3,842,035  | 3,985,726  |
|                      | 81,969,137 | 50,747,980 |

- (d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

|  | Group     |         |
|--|-----------|---------|
|  | 2024      | 2023    |
|  | RM        | RM      |
| <b>Effects of 10% changes to RM against foreign currencies</b> |           |         |
| Profit after tax   |           |         |
| - United States Dollar   | 1,571,297 | -       |
| - Indonesia Rupiah   | 291,995   | 302,915 |

There is no impact to the equity as a result of changes of foreign exchange rates as at the end of the reporting period.

- (e) The weighted average effective interest rates of trade finance and term loan of the Group is 4.03% and 4.56% (2023: 4.70% and 4.11%) respectively per annum.
- (f) The interest rate profile of the borrowings as at the end of each reporting period is as follows:

|               | Group      |            |
|---------------|------------|------------|
|               | 2024       | 2023       |
|               | RM         | RM         |
| Floating rate | 81,969,137 | 50,747,980 |

Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period is not significant, hence the effect of the changes in the interest rates is not presented.

- (g) The carrying amounts of the borrowings are reasonable approximation of fair values due to that they are floating rate instruments that are re-priced to market interest rate on or near to the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 20. BORROWINGS *cont'd*

- (h) The following table sets out the carrying amounts and the remaining maturities of the borrowings of the Group:

| Group<br>Financial liabilities | Within<br>one (1)<br>year<br>RM | One (1) to<br>five (5)<br>years<br>RM | Over five<br>(5)<br>years<br>RM | Total<br>RM |
|--------------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------|
| <b>Borrowings</b>              |                                 |                                       |                                 |             |
| 31 December 2024               | 72,735,915                      | 6,354,687                             | 2,878,535                       | 81,969,137  |
| 31 December 2023               | 38,731,438                      | 8,266,700                             | 3,749,842                       | 50,747,980  |

- (i) The table below summarises the maturity profile of the borrowings at the end of each reporting period based on contractual undiscounted repayment obligations:

| Group<br>Financial liabilities | On demand<br>or within<br>one (1)<br>year<br>RM | One (1) to<br>five (5)<br>years<br>RM | Over five<br>(5)<br>years<br>RM | Total<br>RM |
|--------------------------------|---|---------------------------------------|---------------------------------|-------------|
| <b>Borrowings</b>              |   |                                       |                                 |             |
| 31 December 2024               | 73,943,014                                      | 7,227,809                             | 3,059,177                       | 84,230,000  |
| 31 December 2023               | 39,668,643                                      | 9,409,532                             | 4,056,987                       | 53,135,162  |

## 21. REVENUE

|  | Group       |             | Company    |            |
|--|-------------|-------------|------------|------------|
|  | 2024<br>RM  | 2023<br>RM  | 2024<br>RM | 2023<br>RM |
| <b>Revenue from contracts with customers</b>                           | 795,375,115 | 653,527,074 | -          | -          |
| <b>Other revenue:</b>  |             |             |            |            |
| - Dividend income  | -           | -           | 17,832,000 | 17,480,000 |
|  | 795,375,115 | 653,527,074 | 17,832,000 | 17,480,000 |
| <b>Revenue from contracts with customers is recognised as follows:</b> |             |             |            |            |
| At point in time   | 795,375,115 | 653,527,074 | -          | -          |



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 21. REVENUE *cont'd*

*Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on geographical location from which the sales transactions originated.*

### (a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the products have been transferred to the customer and coincides with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

### (b) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

## 22. FINANCE COSTS

|                        |       | Group            |                  |
|------------------------|-------|------------------|------------------|
|                        | Note  | 2024<br>RM       | 2023<br>RM       |
| Lease liabilities      | 18(c) | 39,467           | 41,157           |
| Trade finance interest |       | 2,171,690        | 1,929,748        |
| Term loan interest     |       | 561,278          | 616,538          |
|                        |       | <u>2,772,435</u> | <u>2,587,443</u> |

## 23. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

|                                      | Group      |            | Company    |            |
|--------------------------------------|------------|------------|------------|------------|
|                                      | 2024<br>RM | 2023<br>RM | 2024<br>RM | 2023<br>RM |
| After charging:                      |            |            |            |            |
| Auditors' remuneration:              |            |            |            |            |
| - Statutory audit:                   |            |            |            |            |
| - current year                       | 449,204    | 428,054    | 97,000     | 89,000     |
| - over provision in prior year       | -          | 6,000      | -          | -          |
| - Non statutory audit:               |            |            |            |            |
| - current year                       | 5,000      | 9,000      | 5,000      | 5,000      |
| Bad debts written off                | 3,750      | 13,340     | -          | -          |
| Directors' remuneration:             |            |            |            |            |
| - Executive Directors of the Company |            |            |            |            |
| - fees                               | 40,000     | 40,000     | -          | -          |
| - salaries and other remuneration    | 2,655,216  | 2,420,349  | -          | -          |
| - benefits-in-kind                   | 25,400     | 25,400     | -          | -          |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 23. PROFIT BEFORE TAX *cont'd*

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at: *cont'd*

|   | Group     |           | Company    |            |
|---|-----------|-----------|------------|------------|
|   | 2024      | 2023      | 2024       | 2023       |
|   | RM        | RM        | RM         | RM         |
| After charging: <i>cont'd</i>                                   |           |           |            |            |
| Directors' remuneration: <i>cont'd</i>                          |           |           |            |            |
| - Non-executive Directors of the Company                        |           |           |            |            |
| - fees  | 165,000   | 150,000   | 165,000    | 150,000    |
| - other remuneration  | 15,000    | 15,000    | 15,000     | 15,000     |
| - Executive Directors of subsidiaries                           |           |           |            |            |
| - fees  | 81,039    | 70,000    | -          | -          |
| - salaries and other remuneration                               | 5,747,847 | 4,923,703 | -          | -          |
| - benefits-in-kind  | 41,950    | 25,471    | -          | -          |
| - Non-executive Director of a subsidiary                        |           |           |            |            |
| - fees  | 10,262    | 10,195    | -          | -          |
| - Key Management Personnel of subsidiaries                      |           |           |            |            |
| - salaries and other remuneration                               | 846,866   | 1,372,438 | -          | -          |
| - benefits-in-kind  | 11,475    | 28,500    | -          | -          |
| Loss on foreign exchange:                                       |           |           |            |            |
| - realised  | 1,982,725 | 155,380   | -          | -          |
| - unrealised  | 830,188   | 466,697   | 143        | -          |
| And crediting:  |           |           |            |            |
| Dividend income:  |           |           |            |            |
| - quoted investment   | 6,960     | 6,635     | -          | -          |
| - unquoted investment   | -         | 176,000   | -          | -          |
| - subsidiaries  | -         | -         | 17,832,000 | 17,480,000 |
| Net gain on changes in fair value of forward exchange contracts | 14,929    | 12,495    | -          | -          |
| Gain on disposal of property, plant and equipment               | 141,219   | 387,097   | -          | -          |
| Gain on foreign exchange:                                       |           |           |            |            |
| - realised  | 131,887   | 1,925,184 | -          | 91         |
| - unrealised  | 122,405   | 5,093     | -          | 160        |
| Gain on termination of lease                                    | 51        | 4,873     | -          | -          |
| Interest income from deposits with financial institutions       | 7,778,967 | 4,639,410 | 884,325    | 849,706    |
| Rental income   | 277,900   | 114,520   | -          | -          |
| Bad debt recovered  | -         | 51,086    | -          | -          |

(a) Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 24. TAX EXPENSE

| Note   | Group       |             | Company    |            |
|--|-------------|-------------|------------|------------|
|  | 2024<br>RM  | 2023<br>RM  | 2024<br>RM | 2023<br>RM |
| <b>Current tax expense based on profit for the financial year:</b> |             |             |            |            |
| Malaysian income tax   | 21,547,023  | 15,349,046  | 208,637    | 200,612    |
| Under provision in prior years                                     | 138,074     | 8,905       | -          | -          |
|  | 21,685,097  | 15,357,951  | 208,637    | 200,612    |
| <b>Deferred tax</b>  |             |             |            |            |
| Relating to origination and reversal of temporary differences      | (1,054,888) | (1,350,826) | -          | -          |
| Under provision in prior years                                     | 50,644      | 206,211     | -          | -          |
| 11   | (1,004,244) | (1,144,615) | -          | -          |
|  | 20,680,853  | 14,213,336  | 208,637    | 200,612    |

- (a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2023: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in these respective jurisdiction.
- (c) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

|   | Group      |            | Company     |             |
|---|------------|------------|-------------|-------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM  | 2023<br>RM  |
| Profit before tax                                 | 79,693,583 | 57,726,942 | 16,005,717  | 17,697,546  |
| Tax expense at the rate of 24% (2023: 24%)        | 19,126,460 | 13,854,466 | 3,841,372   | 4,247,411   |
| Tax effects in respect of:                        |            |            |             |             |
| Differences in tax rates of foreign jurisdictions | 43,292     | 4,501      | -           | -           |
| Deferred tax asset not recognised                 | 13,922     | 17,127     | -           | -           |
| Non-allowable expenses                            | 2,018,496  | 643,332    | 646,945     | 151,769     |
| Tax exempt income                                 | (710,035)  | (521,206)  | (4,279,680) | (4,198,568) |
|   | 20,492,135 | 13,998,220 | 208,637     | 200,612     |
| Under provision in prior years:                   |            |            |             |             |
| - current tax                                     | 138,074    | 8,905      | -           | -           |
| - deferred tax                                    | 50,644     | 206,211    | -           | -           |
|   | 20,680,853 | 14,213,336 | 208,637     | 200,612     |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 24. TAX EXPENSE *cont'd*

### (d) Unrecognised deferred tax asset

The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

|                               | Group          |                |
|-------------------------------|----------------|----------------|
|                               | 2024           | 2023           |
|                               | RM             | RM             |
| <b>Unused tax losses</b>      |                |                |
| - No expiry                   | 126,228        | 76,678         |
| - Expires by 31 December 2024 | 9,160          | 9,160          |
| - Expires by 31 December 2025 | 9,071          | 9,071          |
| - Expires by 31 December 2026 | 4,341          | 4,341          |
| - Expires by 31 December 2029 | 10,458         | -              |
|                               | <b>159,258</b> | <b>101,251</b> |

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of respective local tax authorities.

### (e) Tax on each component of other comprehensive income is as follows:

| 2024   | Group          |                |                |
|--|----------------|----------------|----------------|
|  | Before tax     | Tax effect     | After tax      |
|  | RM             | RM             | RM             |
| <b>Items that may be reclassified subsequently to profit or loss</b>                   |                |                |                |
| Foreign currency translations  | (803,887)      | -              | (803,887)      |
| <b>Items that will not be reclassified subsequently to profit or loss</b>              |                |                |                |
| Remeasurement of defined benefit obligations   | 41,401         | (9,109)        | 32,292         |
| Fair value gain on equity investments at fair value through other comprehensive income | 277,513        | -              | 277,513        |
|  | <b>318,914</b> | <b>(9,109)</b> | <b>309,805</b> |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 24. TAX EXPENSE *cont'd*

(e) Tax on each component of other comprehensive income is as follows:

| 2023   | Before tax<br>RM | Group<br>Tax effect<br>RM | After tax<br>RM |
|--|------------------|---------------------------|-----------------|
| <b>Items that may be reclassified subsequently to profit or loss</b>                   |                  |                           |                 |
| Foreign currency translations  | 644,035          | -                         | 644,035         |
| <b>Items that will not be reclassified subsequently to profit or loss</b>              |                  |                           |                 |
| Remeasurement of defined benefit obligations   | 45,723           | (10,059)                  | 35,664          |
| Fair value gain on equity investments at fair value through other comprehensive income | 251,636          | -                         | 251,636         |
|  | 297,359          | (10,059)                  | 287,300         |

## 25. EARNINGS PER SHARE

|  | Group         |               |
|--|---------------|---------------|
|  | 2024          | 2023          |
| Profit for the financial year attributable to ordinary equity holders of the parent (RM) | 48,000,385    | 37,061,332    |
| Weighted average number of ordinary shares in issue                                      | 1,069,766,119 | 1,069,766,119 |
| Earnings per ordinary share (sen)  |               |               |
| - Basic  | 4.49          | 3.46          |
| - Diluted  | 4.49          | 3.46          |

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The Group has not issued any dilutive potential shares and hence, the diluted earnings per shares equal to the basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 26. DIVIDENDS

|  | Group and Company |            |
|--|-------------------|------------|
|  | 2024              | 2023       |
|  | RM                | RM         |
| Second single-tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2023 | 8,558,129         | -          |
| First single-tier interim dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2024  | 8,558,129         | -          |
| Second single-tier interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2022 | -                 | 10,697,661 |
| First single-tier interim dividend of 0.60 sen per ordinary share in respect of the financial year ended 31 December 2023  | -                 | 6,418,597  |
|  | 17,116,258        | 17,116,258 |

Subsequent to the financial year, the Board of Directors of the Company had on 13 February 2025 declared a second single-tier interim dividend of 1.00 sen per ordinary share amounting to RM10,697,661 for the financial year ended 31 December 2024. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

## 27. EMPLOYEE BENEFITS

|                             | Note | Group      |            |
|-----------------------------|------|------------|------------|
|                             |      | 2024       | 2023       |
|                             |      | RM         | RM         |
| Salaries, wages and bonuses |      | 29,249,358 | 26,020,187 |
| Defined contribution plan   |      | 3,219,355  | 2,861,012  |
| Defined benefit obligations | 17   | 129,594    | 121,765    |
| Others employee benefits    |      | 1,700,078  | 1,489,360  |
|                             |      | 34,298,385 | 30,492,324 |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 28. RELATED PARTY DISCLOSURES

### (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationship with its direct subsidiaries.

### (b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transaction with related parties during the financial year:

|   | Company    |            |
|---|------------|------------|
|   | 2024       | 2023       |
|   | RM         | RM         |
| Dividend income received/receivable from subsidiaries | 17,832,000 | 17,480,000 |

The related party transaction described above was carried out based on negotiated terms and conditions and are mutually agreed with respective party.

### (c) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Directors of the Group and of the Company, whether executive or otherwise, and their remuneration for the financial year were as follows:

|                              | Group     |           |
|------------------------------|-----------|-----------|
|                              | 2024      | 2023      |
|                              | RM        | RM        |
| Fees                         | 296,301   | 270,195   |
| Short-term employee benefits | 8,127,189 | 7,597,742 |
| Defined contribution plan    | 938,588   | 861,393   |
| Defined benefit obligations  | 78,630    | 77,350    |
| Others                       | 120,522   | 195,005   |
|                              | 9,561,230 | 9,001,685 |
| Benefits-in-kind             | 78,825    | 79,371    |
|                              | 9,640,055 | 9,081,056 |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 29. CAPITAL COMMITMENTS

|   | Group      |           |
|---|------------|-----------|
|   | 2024       | 2023      |
|   | RM         | RM        |
| <b>Approved and contracted for</b>        |            |           |
| Purchase of:                              |            |           |
| - property, plant and equipment           | 14,995,917 | 2,258,359 |
| - intangible assets                       | 127,861    | 138,629   |
| <b>Approved but not contracted for</b>    |            |           |
| Purchase of property, plant and equipment | 8,636,115  | 2,967,734 |
| Purchase of intangible assets             | 527,949    | 532,132   |

## 30. FINANCIAL GUARANTEE CONTRACTS

|   | Company     |             |
|---|-------------|-------------|
|   | 2024        | 2023        |
|   | RM          | RM          |
| <b>Unsecured</b>  |             |             |
| Financial guarantees given to financial institutions for credit facilities granted to subsidiaries: |             |             |
| - Limit of guarantee  | 372,163,712 | 374,819,337 |
| - Amount utilised   | 81,969,137  | 50,747,980  |

- (a) The Company provides financial guarantees to banks for credit facilities granted to certain subsidiaries. The fair value of such guarantees is negligible as the probability of the subsidiaries defaulting on the credit lines is remote.
- (b) The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries amounts to RM81,969,137 representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.
- (c) The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:
- (i) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
  - (ii) the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

The subsidiaries defaulting on the credit lines is remote. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 30. FINANCIAL GUARANTEE CONTRACTS *cont'd*

- (d) The table below summarises the maturity profile of the financial guarantee contracts of the Company at the end of the reporting period based on contractual undiscounted repayment obligations:

|                                      | Company                                |            |
|--------------------------------------|--|------------|
|                                      | On demand<br>or within<br>one (1) year | Total      |
|                                      | RM                                     | RM         |
| <b>Financial liabilities</b>         |  |            |
| <b>Financial Guarantee Contracts</b> |  |            |
| 31 December 2024                     | 81,969,137                             | 81,969,137 |
| 31 December 2023                     | 50,747,980                             | 50,747,980 |

## 31. CAPITAL AND FINANCIAL RISK MANAGEMENT

### (a) Capital management

The Group's objectives when managing capital are to maintain a strong capital base and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, trade and other payables, less cash and bank balances. Borrowings comprise of trade finance and term loans. Total capital represents equity attributable to the owners of the parent.

|                              | Group         |               | Company      |              |
|------------------------------|---------------|---------------|--------------|--------------|
|                              | 2024          | 2023          | 2024         | 2023         |
|                              | RM            | RM            | RM           | RM           |
| Borrowings                   | 81,969,137    | 50,747,980    | -            | -            |
| Trade and other payables     | 58,050,730    | 45,284,773    | 647,689      | 308,700      |
| Total liabilities            | 140,019,867   | 96,032,753    | 647,689      | 308,700      |
| Less: Cash and bank balances | (258,562,214) | (252,670,473) | (25,643,808) | (27,619,784) |
| Net surplus                  | (118,542,347) | (156,637,720) | (24,996,119) | (27,311,084) |
| Total capital                | 563,982,489   | 533,548,937   | 303,745,456  | 305,064,634  |
| Net surplus                  | (118,542,347) | (156,637,720) | (24,996,119) | (27,311,084) |
|                              | 445,440,142   | 376,911,217   | 278,749,337  | 277,753,550  |
| Gearing ratio                | N/A           | N/A           | N/A          | N/A          |

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 31. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

### (a) Capital management *cont'd*

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2024.

The Group is not subject to any other externally imposed capital requirements.

### (b) Financial risk management

The overall financial risk management objective of the Group is to optimise its shareholders' value and not to engage in speculative transactions.

The Group is exposed mainly to foreign currency risk, interest rate risk, credit risk, liquidity and cash flow risk and market risk. Information on the management of the related exposures is detailed below:

#### (i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("USD") and Indonesian Rupiah ("IDR"). Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

The policy of the Group is to minimise the exposure in foreign currency risk by matching foreign currency income against foreign currency cost. The Group also attempts to limit its exposure for all committed transactions by entering into foreign currency forward contracts. As such, the fluctuations in foreign currencies are not expected to have a significant financial impact to the Group.

Subsidiaries operating in overseas have assets and liabilities together with expected cash flows from anticipated transactions denominated in those foreign currencies.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The foreign currency exposure profile and sensitivity analysis of foreign currency risk have been disclosed in Notes 13, 14, 19 and 20 to the financial statements.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company will fluctuate because of changes in market interest rates. The exposure to market risk of the Group for changes in interest rates relates primarily to the bank borrowings and deposits placed with licensed banks of the Group.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 14(d) and 20(f) to the financial statements.

#### (iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

cont'd

## 31. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

### (b) Financial risk management *cont'd*

#### (iii) Credit risk *cont'd*

##### **Exposure to credit risk**

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit risk concentration for trade and other receivables and financial guarantee contracts are disclosed in Notes 13 and 30 to the financial statements.

#### (iv) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Notes 18, 19, 20 and 30 to the financial statements.

#### (v) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from investments held by the Group. They are held for strategic rather than trading purposes. The Group does not actively trade these investments. These instruments are classified as financial assets designated at fair value through other comprehensive income.

## 32. MATERIAL LITIGATION

A subsidiary of the Company, Luxchem Trading Sdn. Bhd. ("LTSB") filed a claim against Central Spectrum (M) Sdn. Bhd. ("Spectrum") for breach of the Sale and Purchase Agreement ("SPA") dated 29 January 2014 entered between LTSB and Spectrum and sought for, amongst others, a declaration that the purported delivery of vacant possession by Spectrum on 10 September 2017 is null, void and no effect, a declaration that Spectrum has not delivered vacant possession of the land to LTSB in full compliance with the SPA and LTSB is entitled to claim for liquidated ascertained damages ("LAD") of RM4.9 million calculated as at 31 January 2021 and further LAD at the rate of 10% per annum calculated on the purchase price of RM14.6 million until the date of delivery of actual vacant possession. In the alternative, LTSB claimed for special damages in the sum of RM1.1 million calculated at 31 July 2021, general damages and further special damages and general damages for breach of the SPA to be assessed and determined by the Court after the trial, interest and costs.

On 3 December 2024, the Plaintiff and the Defendant had entered into a Settlement Agreement ("Settlement Agreement") to settle the claim to the Plaintiff, in accordance with the terms of Settlement Agreement. A Notice of Discontinuance has been filed with the Shah Alam High Court on 16 December 2024. Consequently, the litigation case is now closed.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024  
cont'd

## 33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

### (a) New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments to the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

| Title   | Effective Date |
|---|----------------|
| Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>                  | 1 January 2024 |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>                  | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>                | 1 January 2024 |

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

### (b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments to the MFRS Framework that have been issued by MASB but have not been early adopted by the Group and the Company:

| Title   | Effective Date |
|---|----------------|
| Amendments to MFRS 121 <i>Lack of Exchangeability</i>   | 1 January 2025 |
| Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>                | 1 January 2026 |
| <i>Annual Improvements to MFRS Accounting Standards-Volume 11</i>   | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>                                       | 1 January 2026 |
| MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>  | 1 January 2027 |
| MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>  | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred       |

The Group and the Company are in the process of assessing the impact of implementing these Standard and Amendments, since the effects would only be observable for future financial years.

# LIST OF PROPERTIES

As at 31 December 2024

| No.                                 | Postal Address/<br>title identification  | Approximate<br>age of<br>building/<br>tenure/date of<br>expiry of lease | Years<br>lease<br>remaining | Description<br>and existing<br>use                       | Land area/<br>build up<br>area/(sq ft) | Date of<br>acquisition | Net Book<br>Value as at<br>31 December<br>2024<br>RM |
|-------------------------------------|--|---|-----------------------------|--|--|------------------------|--|
| <b>A) LUXCHEM TRADING SDN. BHD.</b> |  |   |                             |  |  |                        |  |
| 1.                                  | No. 6 Jalan SS21/58,<br>Damansara Utama,<br>47400 Petaling Jaya,<br>Selangor Darul Ehsan/<br>H.S (D) 170789,<br>No. P.T. 6012,<br>Bandar Petaling Jaya,<br>Petaling Jaya, Selangor | 47 years/<br>freehold   | -                           | Shoplot<br>(4 storey mid<br>terraced<br>shop-<br>office) | 1,650/<br>5,446                        | April 08,<br>1991      | 388,409  |
| 2.                                  | No. 4 Jalan SS21/58,<br>Damansara Utama,<br>47400 Petaling Jaya<br>Selangor Darul Ehsan/<br>H.S. (D) 170791,<br>P.T. 6013,<br>Bandar Petaling Jaya,<br>Petaling Jaya, Selangor     | 47 years/<br>freehold   | -                           | Shoplot<br>(4 storey mid<br>terraced<br>shop-<br>office) | 1,650/<br>5,446                        | June 22,<br>2005       | 1,645,999  |
| 3.                                  | Lot 3385, Jalan Banting<br>Pandamaran,<br>42000 Port Klang,<br>Selangor Darul Ehsan/<br>No. G.M 1708,<br>Lot 3385, Mukim Klang,<br>Klang, Selangor                                 | 29 years/<br>freehold   | -                           | Warehouse  | 80,150/<br>32,400                      | August 30,<br>1991     | 1,751,689  |
| 4.                                  | No. 54, Persiaran Rishah 9,<br>Kawasan Perindustrian<br>Miel Silibin,<br>30100 Ipoh,<br>Perak Darul Ridzuan/<br>PN 37744<br>Lot 128185 Mukim of<br>Hulu Kinta, Kinta, Perak        | 39 years/<br>leasehold/<br>March 22,<br>2045                            | 21                          | Office / Store   | 10,000/<br>6,500                       | February<br>06, 1992   | 208,272  |
| 5.                                  | Plot 129a, Bukit Minyak<br>Industrial Park,<br>14100 Seberang Perai,<br>Pulau Pinang/<br>H.S. (D) 42609, P.T. 317,<br>Mukim 13,<br>Seberang Perai Tengah,<br>Pulau Pinang          | 14 years/<br>leasehold/<br>November 03,<br>2058                         | 34                          | Industrial<br>land/<br>factory<br>warehouse              | 87,120/<br>49,776                      | March 28,<br>1997      | 4,710,361  |
| 6.                                  | No. 4, Jalan Bistari 4,<br>Taman Industri Jaya,<br>81300 Skudai,<br>Johor Darul Takzim/<br>PN 13419, Lot 56749,<br>Mukim of Pulau,<br>Johor Bahru, Johor                           | 26 years/<br>leasehold/<br>September 03,<br>2911                        | 887                         | 1 1/2 storey<br>semi-<br>detached<br>factory             | 21,780/<br>17,403                      | March 28,<br>2005      | 1,194,015  |

# LIST OF PROPERTIES

As at 31 December 2024  
cont'd

| No.  | Postal Address/<br>title identification  | Approximate<br>age of<br>building/<br>tenure/date of<br>expiry of lease | Years<br>lease<br>remaining | Description<br>and existing<br>use   | Land area/<br>build up<br>area/(sq ft) | Date of<br>acquisition                        | Net Book<br>Value as at<br>31 December<br>2024<br>RM |
|--|--|---|-----------------------------|--|--|---|--|
| 7.   | No. Lot 23, Fasa 3A, 26/KS11,<br>Lebuh Sungai Chandong,<br>Taman Perindustrian<br>42920 Pulau Indah, Selangor/<br>P.N 7935, Lot No. 74078,<br>District and Mukim of<br>Klang, Selangor | 7 years/<br>leasehold/<br>February 24,<br>2097                          | 73                          | Industrial land<br><br>Warehouse   | 366,775<br><br>140,672                 | September<br>14, 2017<br><br>July 01,<br>2023 | 13,727,965<br><br>14,230,262                         |
| 8.   | Lot 23a (DBKK No. 6)<br>Bigwheel Industrial Park<br>Mile 7 1/2, Menggatal<br>Jalan Tuaran<br>88450 Kota Kinabalu, Sabah  | 5 years/<br>leasehold/<br>*December 3,<br>2117                          | 93                          | Semi-<br>detached<br>3-storey<br>4-in-1<br>corporate<br>office,<br>showroom,<br>factory &<br>warehouse | 8,581/<br>5,766                        | December<br>21, 2018                          | 2,630,174  |
| 9.   | Block N, Jaya One,<br>72A, Jalan Prof Diraja Ungku Aziz,<br>46200 Petaling Jaya, Selangor/<br>PN 96662, Lot No. 82 Seksyen 13<br>Bandar Petaling Jaya,<br>Petaling Jaya, Selangor      | 11 years/<br>Leasehold/<br>May 28,<br>2105                              | 81                          | Office<br>Building   | 28,578                                 | October 15,<br>2022                           | 19,762,018   |
| <b>B) LUXCHEM POLYMER INDUSTRIES SDN. BHD.</b> |  |   |                             |  |  |   |  |
| 1.   | No. 3, Jalan TTC 30,<br>Taman Teknologi Cheng,<br>75250 Fasa 4A, Melaka<br>PN 20123,<br>Lot 4819 Mukim Cheng,<br>District of Melaka Tengah, Melaka                                     | 26 years/<br>leasehold<br>August 14,<br>2096                            | 72                          | Industrial<br>land/<br>factory<br>warehouse  | 190,112/<br>85,741                     | February<br>04, 1997                          | 8,206,551  |
| <b>C) TRANSFORM MASTER SDN. BHD.</b>           |  |   |                             |  |  |   |  |
| 1.   | Lot P2, Lumut Port Industrial Park,<br>32000 Sitiawan,<br>Perak Darul Ridzuan/<br>PN 296183, Lot 15592,<br>Mukim of Lumut,<br>District of Manjung, Perak                               | 18 years/<br>leasehold/<br>July 09, 2105                                | 81                          | Industrial<br>land/<br>factory<br>warehouse<br>office building   | 67,608/<br>45,302                      | July 15,<br>2011                              | 3,390,255  |

\* Subject to change after issuance of strata title

## LIST OF PROPERTIES

As at 31 December 2024  
cont'd

| No.                                | Postal Address/<br>title identification  | Approximate<br>age of<br>building/<br>tenure/date of<br>expiry of lease | Years<br>lease<br>remaining | Description<br>and existing<br>use                     | Land area/<br>build up<br>area/(sq ft) | Date of<br>acquisition | Net Book<br>Value as at<br>31 December<br>2024<br>RM |
|------------------------------------|--|---|-----------------------------|--|--|------------------------|--|
| <b>D) LEXIS CHEMICAL SDN. BHD.</b> |  |   |                             |  |  |                        |  |
| 1.                                 | No.26, Jalan Bestari 2/KU7,<br>Sg. Kapar Indah,<br>42200 Klang, Selangor/<br>No HSD 153790,<br>PT No 73984,<br>Mukim Kapar, District of<br>Klang, Selangor | 4 years/<br>Freehold  | -                           | Industrial land  | 72,549                                 | August 30,<br>2018     | 8,000,000  |
|                                    |  |   |                             | 1 storey<br>factory<br>3 storeys<br>annexe<br>building | 45,720                                 | December<br>31, 2020   | 4,990,156  |
| 2.                                 | No.25, Jalan Bestari 2A/KU7,<br>Sg. Kapar Indah,<br>42200 Klang, Selangor/<br>No HSD 153816,<br>PT No 74010<br>Mukim Kapar, District of<br>Klang, Selangor | 2 year/<br>Freehold   | -                           | Industrial land  | 70,148                                 | June 30,<br>2022       | 8,067,020  |
|                                    |  |   |                             | 1 storey<br>factory/<br>warehouse/<br>office annex     | 37,626                                 | June 01,<br>2023       | 6,938,434  |
| 3.                                 | No.24, Jalan Bestari 2A/KU7,<br>Sg. Kapar Indah,<br>42200 Klang, Selangor/<br>No HSD 153791,<br>PT No 74010<br>Mukim Kapar, District of<br>Klang, Selangor | 0 year/<br>Freehold   | -                           | Industrial land  | 65,326                                 | December<br>19, 2024   | 9,668,354  |

# ANALYSIS OF SHAREHOLDINGS

As at 26 March 2025

|                                       |   |                             |
|---------------------------------------|---|-----------------------------|
| Class of Shares                       | : | Ordinary Shares             |
| Total number of Issued Shares         | : | 1,069,866,119               |
| No. of Treasury Shares held           | : | 500,000                     |
| Amount of Shares issued as fully paid | : | RM310,152,162.39            |
| Voting Rights                         | : | One vote per Ordinary Share |

## ANALYSIS BY SIZE OF SHAREHOLDINGS

| Size of Holdings          | No. of Holders      |               | No. of Shares        |               |
|---------------------------|---------------------|---------------|----------------------|---------------|
|                           | Malaysian & Foreign | %             | Malaysian & Foreign  | %             |
| 1 - 99                    | 15                  | 0.180         | 264                  | 0.000         |
| 100 - 1,000               | 1,004               | 12.049        | 645,292              | 0.060         |
| 1,001 - 10,000            | 4,035               | 48.427        | 23,005,400           | 2.151         |
| 10,001 - 100,000          | 2,740               | 32.885        | 93,048,300           | 8.701         |
| 100,001 - 53,468,304 (*)  | 536                 | 6.433         | 478,659,463          | 44.761        |
| 53,468,305 AND ABOVE (**) | 2                   | 0.024         | 474,007,400          | 44.326        |
| <b>Grand Total</b>        | <b>8,332</b>        | <b>100.00</b> | <b>1,069,366,119</b> | <b>100.00</b> |

Remarks : \* - Less than 5% of Issued Shares

\*\* - 5% and above of Issued Shares

## LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 26 MARCH 2025)

| Names                         | Direct Holdings |                | Indirect Holdings<br>(excluding bare trustees) |                |
|-------------------------------|-----------------|----------------|--|----------------|
|                               | No.             | % <sup>^</sup> | No.  | % <sup>^</sup> |
| Chemplex Resources Sdn. Bhd.  | 416,320,000     | 38.931         | 0.000  | 0.000          |
| Tang Ying See                 | 19,096,400      | 1.785          | 448,312,800 <sup>(a)</sup>                     | 41.922         |
| Chin Song Mooi                | 10,278,000      | 0.961          | 457,131,200 <sup>(b)</sup>                     | 42.746         |
| Tan Sri Dato' Lim Kuang Sia   | 10,600,000      | 0.991          | 77,419,600 <sup>(c)</sup>                      | 7.239          |
| Lim Woi Kok                   | 400,000         | 0.037          | 57,687,400 <sup>(d)</sup>                      | 5.394          |
| Lim Seow Kiang                | 500,000         | 0.046          | 57,687,400 <sup>(d)</sup>                      | 5.394          |
| Lim Siew Bing                 | 300,000         | 0.028          | 57,687,400 <sup>(d)</sup>                      | 5.394          |
| Lim Leng Bung (L) Foundation  | 0               | 0.000          | 57,687,400 <sup>(e)</sup>                      | 5.394          |
| Lim Kuang Yong (L) Foundation | 0               | 0.000          | 57,687,400 <sup>(e)</sup>                      | 5.394          |
| Lim Kuang Sia (L) Foundation  | 0               | 0.000          | 57,687,400 <sup>(e)</sup>                      | 5.394          |
| Lim Kwan Hwa (L) Foundation   | 0               | 0.000          | 57,687,400 <sup>(e)</sup>                      | 5.394          |
| Lim Kuang Wang (L) Foundation | 0               | 0.000          | 57,687,400 <sup>(e)</sup>                      | 5.394          |
| Lim Kuang Yong                | 0               | 0.000          | 57,687,400 <sup>(f)</sup>                      | 5.394          |
| Lim Leng Bung                 | 0               | 0.000          | 57,687,400 <sup>(g)</sup>                      | 5.394          |
| Lim Kuang Wang                | 0               | 0.000          | 57,687,400 <sup>(h)</sup>                      | 5.394          |
| Kossan Holdings (M) Sdn. Bhd. | 57,687,400      | 5.394          | 0  | 0.000          |



# ANALYSIS OF SHAREHOLDINGS

As at 26 March 2025

cont'd

## LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS *cont'd*

(AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 26 MARCH 2025) *cont'd*

Note:

- (a) *Deemed interested by virtue of the shareholdings held by his spouse, Chin Song Mooi, his daughter-in-law, Ervinna Teo and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his son, Tang Chii Shyan pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.*
- (b) *Deemed interested by virtue of the shareholdings held by her spouse, Tang Ying See, her daughter-in-law, Ervinna Teo and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and her son, Tang Chii Shyan pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.*
- (c) *Deemed interested by virtue of the shareholdings held by his spouse, Puan Sri Datin Chow Cheng Moey and substantial shareholdings in Kossan Holdings (M) Sdn. Bhd. via Lim Kuang Sia (L) Foundation pursuant to Section 8 of the Companies Act 2016.*
- (d) *Deemed interest in Kossan Holdings (M) Sdn. Bhd. via Lim Kwan Hwa (L) Foundation pursuant to Section 8 of the Companies Act 2016.*
- (e) *Deemed interest in Kossan Holdings (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*
- (f) *Deemed interested by virtue of the shareholdings in Kossan Holdings (M) Sdn. Bhd. via Lim Kuang Yong (L) Foundation pursuant to Section 8 of the Companies Act 2016.*
- (g) *Deemed interested by virtue of the shareholdings in Kossan Holdings (M) Sdn. Bhd. via Lim Leng Bung (L) Foundation pursuant to Section 8 of the Companies Act 2016.*
- (h) *Deemed interested by virtue of the shareholdings in Kossan Holdings (M) Sdn. Bhd. via Lim Kuang Wang (L) Foundation pursuant to Section 8 of the Companies Act 2016.*
- ^ *Excluding 500,000 treasury shares*

# ANALYSIS OF SHAREHOLDINGS

As at 26 March 2025  
cont'd

## LIST OF DIRECTORS' SHAREHOLDINGS

(AS PER THE REGISTER OF DIRECTOR'S SHAREHOLDINGS AS AT 26 MARCH 2025)

| Directors                                    | Shareholdings |                |                            |                |
|--|---------------|----------------|----------------------------|----------------|
|  | Direct        | % <sup>^</sup> | Indirect                   | % <sup>^</sup> |
| TANG YING SEE                                | 19,096,400    | 1.785          | 448,312,800 <sup>(a)</sup> | 41.922         |
| CHIN SONG MOOI                               | 10,278,000    | 0.961          | 457,131,200 <sup>(b)</sup> | 42.746         |
| CHEN MOI KEW                                 | 4,590,000     | 0.429          | 0                          | 0.000          |
| DATUK KWAN FOH KWAI                          | 2,388,800     | 0.223          | 2,200,000 <sup>(c)</sup>   | 0.205          |
| TAUFIQ AHMAD @ AHMAD MUSTAPHA<br>BIN GHAZALI | 0             | 0              | 0                          | 0.000          |
| TAN TECK KIONG                               | 0             | 0              | 0                          | 0.000          |

Notes:

- (a) Deemed interested by virtue of the shareholdings held by his spouse, Chin Song Mooi, his daughter-in-law, Ervinna Teo and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his son, Tang Chii Shyan pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.
- (b) Deemed interested by virtue of the shareholdings held by her spouse, Tang Ying See, her daughter-in-law, Ervinna Teo and substantial shareholdings in Chemplex Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and her son, Tang Chii Shyan pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.
- (c) Deemed interested by virtue of the shareholdings held by his spouse, Datin Lee Hung Kuen pursuant to Section 8 and Section 59 (11)(c) of the Companies Act 2016.

<sup>^</sup> Excluding 500,000 treasury shares

## LIST OF TOP 30 HOLDERS AS AT 26 MARCH 2025

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

(AS PER THE RECORD OF DEPOSITORS AS AT 26 MARCH 2025)

| No | Holder Name                  | Shares Held | %      |
|----|------------------------------|-------------|--------|
| 1  | CHEMPLEX RESOURCES SDN. BHD. | 416,320,000 | 38.931 |
| 2  | KOSSAN HOLDINGS (M) SDN BHD  | 57,687,400  | 5.394  |
| 3  | CHUAH KIM PIEW               | 41,927,711  | 3.920  |
| 4  | LEE JUINN YONG               | 30,963,855  | 2.895  |
| 5  | OH WEI WAH                   | 28,000,000  | 2.618  |
| 6  | CHOW CHENG MOEY              | 19,732,200  | 1.845  |
| 7  | TANG YING SEE                | 19,096,400  | 1.785  |
| 8  | FONG AH CHAI                 | 18,000,000  | 1.683  |
| 9  | TANG CHII SHYAN              | 16,714,800  | 1.563  |

## ANALYSIS OF SHAREHOLDINGS

As at 26 March 2025

cont'd

### LIST OF TOP 30 HOLDERS AS AT 26 MARCH 2025 *cont'd*

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

(AS PER THE RECORD OF DEPOSITORS AS AT 26 MARCH 2025) *cont'd*

| No | Holder Name   | Shares Held | Percentage |
|----|---|-------------|------------|
| 10 | NG KIT HENG   | 15,139,700  | 1.415      |
| 11 | TAN SRI DATO' LIM KUANG SIA   | 10,600,000  | 0.991      |
| 12 | CHIN SONG MOOI  | 10,278,000  | 0.961      |
| 13 | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD           | 7,752,553   | 0.724      |
| 14 | LIM JEE SOON  | 5,856,300   | 0.547      |
| 15 | CARTABAN NOMINEES (TEMPATAN) SDN BHD<br>ICAPITAL.BIZ BERHAD                       | 5,006,800   | 0.468      |
| 16 | CHIA KEE FOO  | 5,000,000   | 0.467      |
| 17 | CHIA KEE KWEI   | 5,000,000   | 0.467      |
| 18 | ERVINNA TEO   | 5,000,000   | 0.467      |
| 19 | HLB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AU CHUN CHOONG  | 4,772,600   | 0.446      |
| 20 | CHEN MOI KEW  | 4,590,000   | 0.429      |
| 21 | CHIA CHEA EIM   | 4,305,000   | 0.402      |
| 22 | HLIB NOMINEES (TEMPATAN) SDN BHD<br>HONG LEONG BANK BHD FOR MOH UNG NANG          | 3,948,100   | 0.369      |
| 23 | CH'NG CHAN SENG   | 3,704,100   | 0.346      |
| 24 | MISA SDN BHD  | 3,674,400   | 0.343      |
| 25 | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC) | 3,474,803   | 0.324      |
| 26 | CHIA SEONG POW  | 3,100,000   | 0.289      |
| 27 | CHIA PING CHI   | 3,000,000   | 0.280      |
| 28 | FOO KHON PU   | 3,000,000   | 0.280      |
| 29 | LEE CHOONG ONN  | 3,000,000   | 0.280      |
| 30 | FAN KOCK KEONG  | 2,946,800   | 0.275      |

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting (“33<sup>rd</sup> AGM”) of the Company will be held at Banyan, Casuarina, Dillenia & Eugenia Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Malaysia, on **Thursday, 22 May 2025**, at **10.00 a.m.**, to transact the following businesses:

## A G E N D A

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of respective Directors’ fees for the financial year ending 31 December 2025:
  - (a) RM65,000.00 for Datuk Kwan Foh Kwai **Ordinary Resolution 1**  
(Please refer to Explanatory Note 2)
  - (b) RM65,000.00 for Mr Tan Teck Kiong **Ordinary Resolution 2**  
(Please refer to Explanatory Note 2)
  - (c) RM65,000.00 for Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali **Ordinary Resolution 3**  
(Please refer to Explanatory Note 2)
  - (d) RM40,000.00 for Madam Chen Moi Kew **Ordinary Resolution 4**  
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors’ Benefits up to an amount of RM36,000.00 for the financial year ending 31 December 2025. **Ordinary Resolution 5**  
(Please refer to Explanatory Note 3)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 76(3) of the Constitution of the Company and, who being eligible, offer themselves for re-election:
  - (a) Datuk Kwan Foh Kwai **Ordinary Resolution 6**
  - (b) Mr Tang Ying See **Ordinary Resolution 7**  
(Please refer to Explanatory Note 4)
5. To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**  
(Please refer to Explanatory Note 5)

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## As Special Business

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

6. **ORDINARY RESOLUTION**  
**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76**  
**OF THE COMPANIES ACT 2016**

**Ordinary Resolution 9**  
(Please refer to  
Explanatory Note 6)

"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

7. **ORDINARY RESOLUTION**  
**PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**

**Ordinary Resolution 10**  
(Please refer to  
Explanatory Note 7)

"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- i. the aggregate number of issued shares in the Company ("**Shares**") purchased ("**Purchased Shares**") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

**TAN BEE HWEE (SSM PC NO. 202008001497) (MAICSA 7021024)**  
**CHEN MOI KEW (SSM PC NO. 202008001043) (MIA 6359)**  
**LIM YOU JING (SSM PC NO. 202108000369) (MAICSA 7075638)**  
 Company Secretaries

Petaling Jaya  
 18 April 2025

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## NOTES:

### (i) Notes on the Appointment of Proxy

1. Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form is available at the corporate website of Luxchem Corporation Berhad at <http://www.luxchem.com.my/luxchem-33-agm.html>
2. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 14 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
3. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:

#### (i) In hard copy form

In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, the proxy form can be deposited in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

#### (ii) Online

In the case of an appointment made via online lodgement facility, please login to the link website at <https://tiih.online> and select "e-Services" to login. Please refer to the Administrative Guide on how to register to TIH Online and submit your Proxy Form electronically.



# NOTICE OF ANNUAL GENERAL MEETING

cont'd

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging this proxy form is **Tuesday, 20 May 2025 at 10.00 a.m.**
13. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - a. Identity card (NRIC) (Malaysian), or
  - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - c. Passport (Foreigner).
14. A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

## (ii) Explanatory Notes

### Ordinary Business

#### 1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2024

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

#### 2. Ordinary Resolutions 1, 2, 3 and 4 – Payment of Directors' Fees

On 6 March 2025, the Remuneration Committee had reviewed the Directors' fees for the financial year ending 31 December 2025, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors. Based on this assessment, the Board proposes to recommend the Directors' fees to the shareholders for approval.

The payment of Directors' fees for the financial year ending 31 December 2025 amounting to a total of RM235,000.00 will be paid by the Company to the respective Directors if the proposed Ordinary Resolutions 1, 2, 3, and 4 are passed by the shareholders at the 33<sup>rd</sup> AGM of the Company.



# NOTICE OF ANNUAL GENERAL MEETING

cont'd

The details of the Directors' fees are set out in the Company's Corporate Governance Report, which is available on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my).

### 3. **Ordinary Resolution 5 – Payment of Directors' Benefits**

Directors' benefits consist of meeting allowance payable to Independent Non-Executive Directors and in determining the estimated amount, the Board of Directors ("Board") has considered various factors including the current board size and number of scheduled meetings for the Board and Board Committees for the financial year ending 31 December 2025, as well as the number of Independent Non-Executive Directors involved in the meeting.

The proposed structure of the Directors' benefits for the financial year ending 31 December 2025 is as follows:

| Type of Benefits                              | Amount             |
|---|--------------------|
| <b>Meeting Attendance Allowance</b>           |                    |
| Board Committees and Board Meeting Allowances | RM1,000.00 per day |
| <b>Insurance Premium</b>                      |                    |
| Directors' & Officers' Liability Insurance    | RM11,750.00        |

Payment of the Directors' benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolution 5 is passed by the shareholders at the 33<sup>rd</sup> AGM of the Company.

The details of the Directors' benefits are set out in the Company's Corporate Governance Report, which is available on the Company's website at [www.luxchem.com.my](http://www.luxchem.com.my).

In the event the proposed amount is insufficient (due to more meetings or enlarged board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

### 4. **Ordinary Resolutions 6 and 7 – Re-election of Directors who retire in accordance with Clause 76(3) of the Constitution of the Company**

Datuk Kwan Foh Kwai and Mr Tang Ying See are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 33<sup>rd</sup> AGM of the Company.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance ("MCCG"), the profiles of both Directors are set out on pages 7 and 8 of the Annual Report 2024 of the Company. For the purpose of determining the eligibility of both Directors to stand for re-election at the 33<sup>rd</sup> AGM of the Company, the Board had through its Nominating Committee ("NC"), considered, assessed and deliberated on the suitability and fit and properness of the retiring Directors.

Based on the recommendation of the NC, the Board is supportive of their re-election with the following justifications:-

#### **Ordinary Resolution 6: Re-election of Datuk Kwan Foh Kwai as Independent Non-Executive Chairman**

Datuk Kwan Foh Kwai fulfils the requirements of independence set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has remained objective and independent in expressing his view and participating in Board deliberations and decision making.

With his extensive experience in the construction industry across both the public and private sectors, as well as strategy consulting, he brings valuable expertise to the Company. His diverse perspectives and insights greatly enrich the Board's deliberation. He consistently exercises due diligence during his tenure as Independent Non-Executive Director of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

*The Board is satisfied with his performance and contribution, as he has carried out his duties diligently and effectively, demonstrating his commitment to his roles.*

## **Ordinary Resolution 7: Re-election of Mr Tang Ying See as Managing Director/Chief Executive Officer**

*Mr Tang Ying See has vast experience in operational matters of the Group. He is primarily responsible for managing the day-to-day business operations, which include driving profitability, managing company organisational structure, strategy and communicating with the Board. He is familiar with the Group's business operation and can provide valuable input to boost the Group's performance.*

*The Board is satisfied with his performance and contribution, as he has carried out his duties diligently and effectively and demonstrated his commitment to his roles.*

## **5. Ordinary Resolution 8 – Re-appointment of Auditors**

*The Audit and Risk Management Committee (“ARMC”) had at its meeting held on 13 February 2025 assessed the suitability and independence of the External Auditors and recommended the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 31 December 2025.*

*The Board has reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the 33<sup>rd</sup> AGM of the Company.*

## **Special Business**

## **6. Ordinary Resolution 9 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act**

*The proposed Ordinary Resolution 9 is a renewal of the previous year's general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The proposed Ordinary Resolution 9, if passed, would renew the mandate granted to the Directors at the 32<sup>nd</sup> AGM held on 23 May 2024 (“32<sup>nd</sup> AGM”) and provide flexibility to the Directors to undertake fundraising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.*

*As at the date of this Notice, the Company did not issue and allot any shares pursuant to the mandate granted to the Directors at the 32<sup>nd</sup> AGM as there was no requirement for such fundraising activities.*

## **7. Ordinary Resolution 10 – Proposed Renewal of Share Buy-Back Mandate**

*The proposed Ordinary Resolution 10, if passed will empower the Company to renew its existing authorisation to purchase its own ordinary shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares. Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Mandate dated 18 April 2025 for further information.*

## **Statement Accompanying Notice of 33<sup>rd</sup> Annual General Meeting (Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)**

There are no individuals who are standing for election as director (excluding directors standing for re-election) as per Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



# LUXCHEM

LUXCHEM CORPORATION BERHAD  
Registration No. 199101014102 (224414-D)  
(Incorporated in Malaysia)

## PROXY FORM

\*I/We \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_ Tel/Hp No. \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being member(s) of Luxchem Corporation Berhad, hereby appoint:

| Full Name (in Block and as per NRIC/Passport) | NRIC/Passport No. | Proportion of Shareholdings |   |
|---|-------------------|-----------------------------|---|
|   |                   | No. of Shares               | % |
| Address                                       |                   |                             |   |

\*and / or (\*strikethrough if inapplicable)

| Full Name (in Block and as per NRIC/Passport) | NRIC/Passport No. | Proportion of Shareholdings |   |
|---|-------------------|-----------------------------|---|
|   |                   | No. of Shares               | % |
| Address                                       |                   |                             |   |

or failing him/her, the Chairman of the Meeting as \*my/our proxy/proxies to attend and vote for \*me/us and on \*my/our behalf at the Thirty-Third Annual General Meeting ("33<sup>rd</sup> AGM") of the Company to be held at Banyan, Casuarina, Dillenia & Eugenia Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Malaysia, on **Thursday, 22 May 2025, at 10.00 a.m.**, and to vote as indicated below:

| Item                    | Agenda   |                            |     |         |
|-------------------------|--|----------------------------|-----|---------|
| 1.                      | To receive the Audited Financial Statements for the financial year ended 31 December 2024                                |                            |     |         |
|                         |  | Ordinary Resolution ("OR") | For | Against |
| 2.                      | Approval of the following Directors' Fees for the financial year ending 31 December 2025:                                |                            |     |         |
|                         | (a) RM65,000.00 for Datuk Kwan Foh Kwai  | OR 1                       |     |         |
|                         | (b) RM65,000.00 for Mr Tan Teck Kiong  | OR 2                       |     |         |
|                         | (c) RM65,000.00 for Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali  | OR 3                       |     |         |
|                         | (d) RM40,000.00 for Madam Chen Moi Kew   | OR 4                       |     |         |
| 3.                      | Approval of payment of Directors' Benefits up to an amount of RM36,000.00 for the financial year ending 31 December 2025 | OR 5                       |     |         |
| 4.                      | Re-election of Datuk Kwan Foh Kwai as Director   | OR 6                       |     |         |
| 5.                      | Re-election of Mr Tang Ying See as Director  | OR 7                       |     |         |
| 6.                      | Re-appointment of Messrs BDO PLT as Auditors of the Company and authorising the Directors to fix their remuneration      | OR 8                       |     |         |
| <b>Special Business</b> |  |                            |     |         |
| 7.                      | Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act  | OR 9                       |     |         |
| 8.                      | Proposed Renewal of Share Buy-Back Mandate   | OR 10                      |     |         |

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.]

Dated this day \_\_\_\_\_ of \_\_\_\_\_ 2025

\_\_\_\_\_  
\*Signature/Common Seal of Shareholder

\* Delete if not applicable

|                                |  |
|--------------------------------|--|
| Number of ordinary shares held |  |
| CDS account no.                |  |

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**NOTES:**

**(i) Notes on the Appointment of Proxy**

1. Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form is available at the corporate website of Luxchem Corporation Berhad at <http://www.luxchem.com.my/luxchem-33-agm.html>
2. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 14 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
3. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:

**(i) In hard copy form**

In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, the proxy form can be deposited in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

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AFFIX  
STAMP

**The Share Registrar  
LUXCHEM CORPORATION BERHAD  
Registration No. 199101014102 (224414-D)**

c/o Tricor Investor & Issuing House Services Sdn. Bhd.  
Registration No. 197101000970 (11324-H)  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

1<sup>st</sup> Fold Here

**(ii) Online**

In the case of an appointment made via online lodgement facility, please login to the link website at <https://tjih.online> and select "e-Services" to login. Please refer to the Administrative Guide on how to register to TIH Online and submit your Proxy Form electronically.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging this proxy form is **Tuesday, 20 May 2025 at 10.00 a.m.**
13. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - a. Identity card (NRIC) (Malaysian), or
  - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - c. Passport (Foreigner).
14. A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.