

LUXCHEM

LUXCHEM CORPORATION BERHAD

Registration No. 199101014102 (224414-D)



ANNUAL REPORT **2025**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK KWAN FOH KWAI

Independent Non-Executive Chairman

**TAUFIQ AHMAD @
AHMAD MUSTAPHA BIN GHAZALI**

Independent Non-Executive Director

TAN TECK KIONG

Independent Non-Executive Director

TANG YING SEE

Managing Director / Chief Executive Officer

CHIN SONG MOOI

Executive Director

CHEN MOI KEW

Executive Director/Chief Financial Officer

CORPORATE INFORMATION

cont'd

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)

AUDIT AND RISK MANAGEMENT COMMITTEE

TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI
Chairman
DATUK KWAN FOH KWAI
Member
TAN TECK KIONG
Member

NOMINATING COMMITTEE

TAN TECK KIONG
Chairman
TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI
Member
DATUK KWAN FOH KWAI
Member

REMUNERATION COMMITTEE

DATUK KWAN FOH KWAI
Chairman
TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI
Member
TAN TECK KIONG
Member

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 : 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
Email : luxchem@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 : 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
Email : contactus@bdo.my

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

55%
Lexis
Specialties
Sdn. Bhd.

92.62%
PT. Luxchem
Indonesia

100%
Luxchem Trading
(S) Pte. Ltd.

100%
Luxchem Polymer
Industries
Sdn. Bhd.

100%
Chemplex
Composite
Industries (M)
Sdn. Bhd.

LUXCHEM

LUXCHEM CORPORATION BERHAD

55%
Lexis Chemical
Sdn. Bhd.

100%
Luxchem Trading
Sdn. Bhd.

55%
Lexis Corporation
Sdn. Bhd.

100%
Transform Master
Sdn. Bhd.

100%
Lexis Corporation
(Guangzhou)
Co. Ltd.

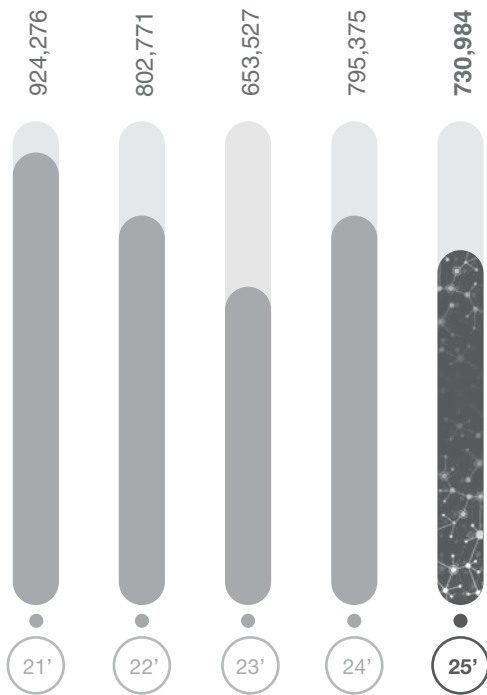
100%
Luxchem Vietnam
Company Limited

100%
Hurco Marketing
Sdn. Bhd.

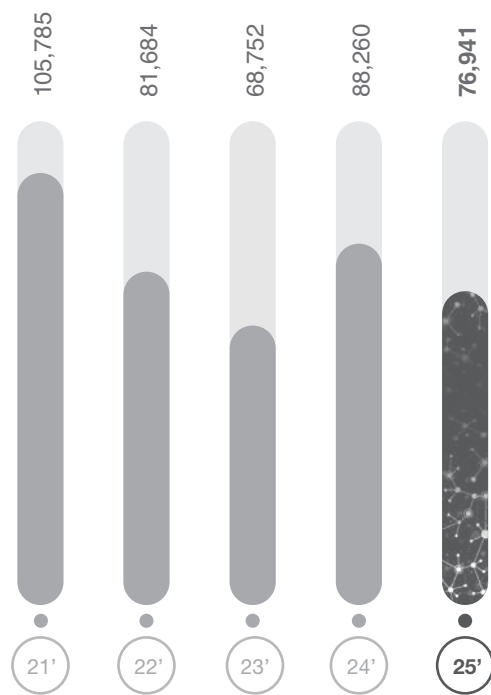
100%
Kazox Materials
Sdn. Bhd.

FINANCIAL HIGHLIGHTS

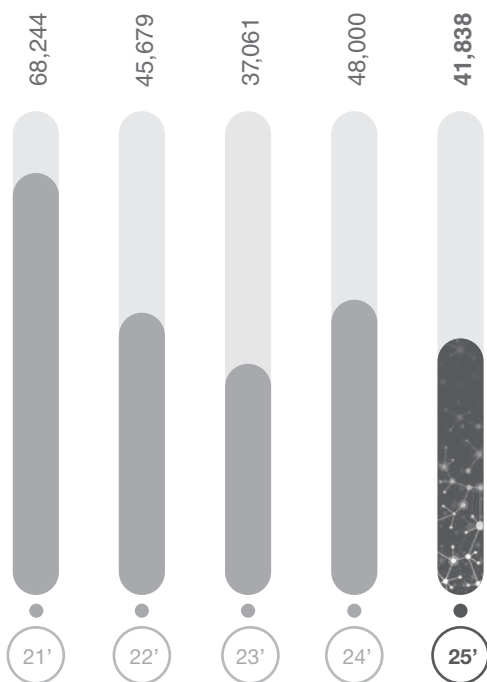
REVENUE (RM'000)



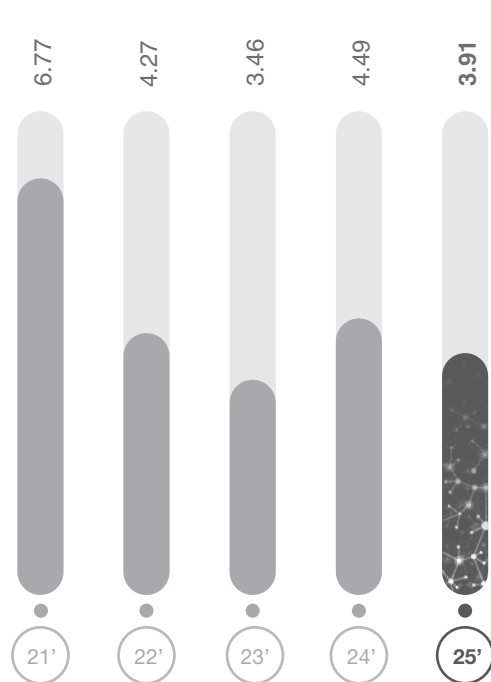
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (RM'000)



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



EARNINGS PER SHARE (SEN)



FINANCIAL HIGHLIGHTS

cont'd

	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	924,276	802,771	653,527	795,375	730,984
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	105,785	81,684	68,752	88,260	76,941
Profit Before Taxation ("PBT")	98,391	68,616	57,727	79,694	68,151
Profit Attributable to Owners of the Company	68,244	45,679	37,061	48,000	41,838
Earnings Per Share - Basic (sen) *	6.77	4.27	3.46	4.49	3.91
Earnings Per Share - Diluted (sen) *	-	-	-	-	-

* **FYE 2025**
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 2025 of 1,068,966,119.

Earning Per Share - Diluted
 Fully diluted earnings per share were not computed as at 31 December 2025 as there were no outstanding potential ordinary shares to be issued.

* **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.

DIRECTORS' PROFILE

DATUK KWAN FOH KWAI

*Independent
Non-Executive Chairman*

Age :
74 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 currently serves as the Chairman of the Remuneration Committee, and is also 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 and 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 the Department of Public Works, Malaysia. In 1980, he joined Promet Construction Sdn. Bhd. as Site Manager, and in 1984, he became General Manager of Alam Baru Sdn. Bhd. From 1986 to 1996, he served as General Manager of Taisei (Malaysia) Sdn. Bhd..

In 1996, Datuk Kwan joined Sungei Way Construction Berhad 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 continued to contribute to Sunway Construction Group Berhad as a Non-Independent Non-Executive Director until 31 December 2017 and subsequently as Advisor until March 2020.

On 10 October 2024, Datuk Kwan was appointed as an Independent Non-Executive Director of Sunway Construction Group Berhad. On 7 November 2025, he was appointed as a Director of KLCC Development Sdn Bhd, a wholly-owned subsidiary of KLCC (Holdings) Sdn Bhd..

Datuk Kwan 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 currently holds the following positions:

- Member, Institution of Engineers, Malaysia (IEM)
- President, Perak Chinese Assembly Hall
- Board Chairman of SMJK Yuk Choy, Ipoh, Perak
- Vice-President, 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 Muhibbuddin Tuanku AlHaj Abdul Halim Mu'adzam Shah ibni Almarhum Sultan Badhishah.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE

cont'd

ENCIK TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI

*Independent
Non-Executive Director*

Age :
78 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 and a member of both the Remuneration Committee and the Nominating Committee of Luxchem Corporation Berhad.

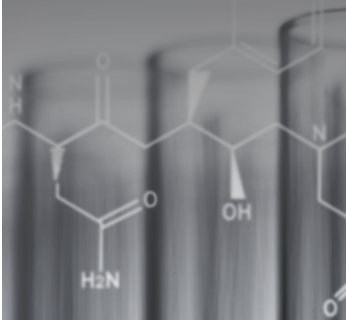
He is a member of the Malaysian Institute of Accountants (MIA), a Fellow of the Chartered Association of Certified Accountants (UK), a Fellow of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Certified Public Accountants (MICPA). He holds a Master's 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 in a Big Four accounting firm. His areas of specialisation include audit and financial advisory services and he is currently a partner in an accounting practice.

Other than Luxchem Corporation Berhad, he is not a director of any other public companies and listed issuers in Malaysia.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE

cont'd

MR TAN TECK KIONG

*Independent
Non-Executive Director*

Age :
68 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 and a member of both the Audit and Risk Management Committee and the Remuneration Committee of Luxchem Corporation Berhad.

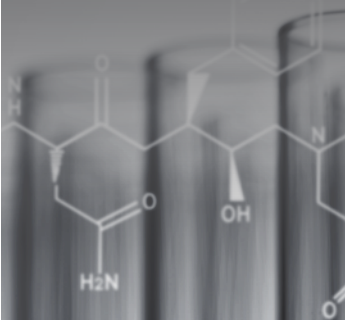
He holds a B.A. Accounting Degree from the University of Kent, Canterbury, United Kingdom and a Degree in Law from the Polytechnic of Central London. He is a Barrister-at-law (Lincoln's Inn) and was called to the Malaysian Bar on 29 October 1983.

With over 30 years of working experience in legal practice, Mr Tan specialises in Corporate Banking, Commercial Litigation and Divorce matters. He began his career in 1983 as legal assistant with Messrs Abdul Aziz, Ong & Co. In 1985, he joined Messrs Kadir, Tan & Ramli as a Senior Litigation Lawyer. He then became the Litigation Partner of Messrs Tunku Mukhrizah & Partners in 1991. He is currently the Litigation Partner of Messrs Heiley Hassan, Tan & Partners since 1999.

Other than Luxchem Corporation Berhad, he is not a director of any other public companies and listed issuers in Malaysia.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE

cont'd

MR TANG YING SEE

*Managing Director/
Chief Executive Officer*

Age :

74 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.

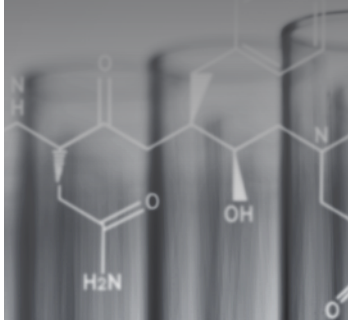
As the founder of the Company, he has been instrumental in its development, growth and continued success. He brings with him approximately 45 years of experience in the industrial chemicals industry and he is mainly responsible for the overall strategic business direction of the Group.

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 subsequently promoted to Senior Manager in 1983.

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

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 has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

He attended all five Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE

cont'd

MADAM CHIN SONG MOOI

Executive Director

Age :

74 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.

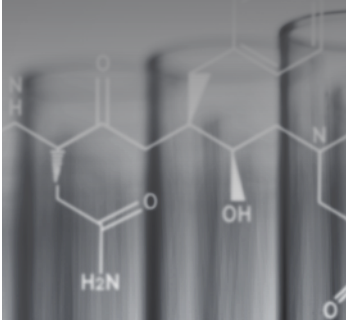
She graduated in 1976 with a Bachelor of Commerce Degree in Accountancy from Nanyang University, Singapore. Her career began upon her graduation in 1976 when she joined Khoo, Junus & Co., an accounting firm located in Kuala Lumpur as an Auditor. In 1978, she left and joined Universal Cable (M) Bhd as 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 the finance and administration functions of the Group.

She currently holds directorships in several private limited companies, but does not hold any directorships in other listed entities in Malaysia.

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 has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

She attended all five Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE

cont'd

MADAM CHEN MOI KEW

*Executive Director/
Chief Financial Officer*

Age :

63 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 (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA) since 1990, and a Member of the Financial Planning Association of Malaysia (FPAM) since 2003.

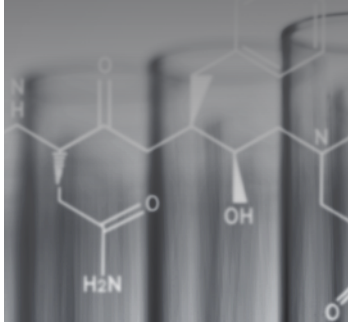
Madam Chen began her career in 1987 when she joined Arthur Andersen & Co. as an Audit Staff Assistant. In 1991, she left and joined United Malayan Banking Corporation Berhad as an Assistant Manager, before moving to Southern Bank Berhad in 1993 as Deputy Manager. In 1996, she left and was appointed as a Financial Controller of Weld Centre (M) Sdn. Bhd..

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

Other than Luxchem Corporation Berhad, she is not a director of any other public companies and listed issuers in Malaysia.

She has no family relationship with any Directors and/or substantial shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. She has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

She attended all five Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.



KEY SENIOR MANAGEMENT'S PROFILE

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")*

54 year-old | Malaysian | Male

Mr Chuah Kim Piew is the co-founder and Director of Lexis Chemical, Lexis Specialties and Lexis Corporation, 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 paint manufacturing company.

In 2002, he joined a multinational specialty chemical company as a Regional Technical Service Manager and in 2008, he was promoted to Technical Service Director of Asia, based in Shanghai, China. After 10 years with the multinational company, he returned to Malaysia and joined another 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 leaders for the rubber gloves industry in less than five years, together with another co-founder, Mr Lee Juinn Yong.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He does not hold any directorships in public companies or listed entities in Malaysia.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

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")*

48 year-old | Malaysian | Male

Mr Lee Juinn Yong is the co-founder and Director of Lexis Chemical, Lexis Specialties and Lexis Corporation, 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 a Sales Engineer with 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 a Country Manager, specializing in the sales of chemicals for coating business. In 2009, he joined another company as Business Development Manager with focus in the sales of specialty chemicals for the rubber glove industry. During this period, he accelerated his expertise in sales management, operations and business development while gaining invaluable knowledge of the rubber glove market, and build his reputation and network in the industry.

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

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

He has no family relationship with any Directors and/or substantial shareholders of the Company. He does not hold any directorships in public companies or listed entities in Malaysia.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT'S PROFILE

cont'd

MR JOSEPH TJENDRA

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

52 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 the same year with Mitsui & Co., Ltd. as a Sales Executive in the First Plastic Division.

In year 2003, he joined PT. Ustrada Sakti Supplies as a Sales Manager of the PVC Division. Within the same group of companies, he was later assigned to PT. Indo Lysaght as a Sales Manager, a role he held until the end of 2011. In 2012, he decided to join PTLI as a Marketing Director. On 1 August 2017, he was appointed as a President Director of PTLI.

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

He is the spouse of Ms Trisia Claudia. He does not hold any directorships in public companies and listed entities in Malaysia. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

MR LEE SHIN HWAI

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

45 year-old | Malaysian | Male

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

After graduation, he began his career with Top Glove from 2005 to 2022, his only employer for 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 as General Manager of the Ipoh Factories.

He is well experienced in production, operations & project management within the glove and chemical manufacturing sectors. He is also passionate in continuous improvement projects and he is a certified Lean Six Sigma Black Belt.

Upon joining TMSB, he is tasked with the responsibility of leading, managing and improving all aspects of TMSB's operations.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He does not hold any directorships in public companies or listed entities in Malaysia.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT'S PROFILE

cont'd

MR NG CHAI TEIK

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

53 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 a Master of Business Administration (MBA) from University Utara Malaysia (UUM).

He began his career in 1997 with Asia Pacific Latex Sdn. Bhd. as a 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 has no family relationship with any Directors and/or substantial shareholders of the Company. He does not hold any directorships in public companies or listed entities in Malaysia.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

MR PANG TEE KING

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

60 year-old | Malaysian | Male

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

He began his career in 1992 with Southern Products Marketing Sdn. Bhd. as a 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. Subsequently, he joined Luxchem Trading Sdn. Bhd. in 2001 as a Business Development Manager. He is currently responsible for overseeing and managing the sales performance and operations of the FRP and Coating Division.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He does not hold any directorships in public companies or listed entities in Malaysia.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT'S PROFILE

cont'd

MR WONG KEE ANN

*Commercial Director,
Johor Bahru Branch and Business Development of Luxchem Trading Sdn. Bhd. ("LTSB")*

46 year-old | Malaysian | Male

Mr Wong Kee Ann graduated with First-Class Honours Degree's in Industrial Chemistry from Universiti Putra Malaysia in 2003. He 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 into a chemical sales with LTSB in 2004. Starting as a Sales Executive, he steadily deepened his knowledge in industrial chemical trading, strengthened his managerial and leadership roles over the years within LTSB. Over the years, his consistent performance and contributions led to his career to Commercial Director, Johor Bahru Branch and Business Development on 1 September 2025.

In his current role, he is entrusted with several key responsibilities in LTSB. He manages the sales and operations of the Johor Bahru Branch, performs statutory duties as a Company Director of LTSB, expands and develops Singapore and Southern Market. In addition, he is also responsible for products sourcing and oversees the Rubber Division.

He has no family relationship with any Directors and/or substantial shareholders of the Company. He does not hold any directorships in public companies or listed entities in Malaysia.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

MS LAU SOK CHING

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

58 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 the same year with Cosmo Polyurethane (M) Sdn. Bhd. as a Quality Control / Research & Development Executive. In 1997, she joined Central Cables Berhad as a Production Planner cum ISO Coordinator.

In 2000, she was recruited by LPI as a Technical Manager. Over the past 25 years, she has progressed steadily in LPI and plays critical roles in the field of technical support, quality assurance and quality control, research & development as well as operational compliance.

She was promoted to Director, Plant of LPI on 1 July 2024 and since then has been entrusted with the leadership role in leading and managing the plant's overall operations.

She has no family relationship with any Directors and/or substantial shareholders of the Company. She does not hold any directorships in public companies or listed entities in Malaysia.

She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. She has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT'S PROFILE

cont'd

MS TRISIA CLAUDIA

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

53 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 actively involved as a Student Senate member until she graduated.

She began her career in 1995 with 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 its company's status from a Representative Office to a Foreign Investment Company called PT. Mitsui Indonesia in year 2000. In 2007, she left the organisation 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 formed a joint venture, establishing PTLI, where she continues to serve as a Finance Director in the company. She is currently responsible for leading, directing, overseeing and managing the finance and administrative matters of PTLI.

She is the spouse of Mr Joseph Tjendra. She does not hold any directorships in public companies and listed entities in Malaysia. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. She has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

MR TANG CHII SHYAN

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

45 year-old | Malaysian | Male

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

He joined LTSB in 2006 as a Marketing Executive. Over the years, he has progressed steadily within the Company, taking up various roles in sales & marketing, as well as assuming the roles of Business Development Manager & Assistant to the Managing Director, Senior Manager (MD's Office), and eventually, Commercial Director. He has in-depth sales & marketing experience in the latex and rubber industries and 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. On 23 January 2026, he was appointed as a Director of Kazox Materials Sdn. Bhd., a wholly-owned subsidiary of Transform Master Sdn. Bhd. to undertake statutory responsibilities.

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 in Malaysia. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries. He has no conviction for any offences within the past five years (other than traffic offences, if any), nor has had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS



We, the Board of Directors of Luxchem Corporation Berhad are pleased to present the Management Discussion and Analysis (“MDA”) for the financial year ended 31 December 2025. This report aims to provide the shareholders with an overview of the Group’s business, operations, financial performance in FY2025, and outlook for FY2026.

A. GROUP STRUCTURE

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

Name of Company	Country of Incorporation/ 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%
Subsidiary of Lexis Chemical Sdn. Bhd.		
Lexis Corporation (Guangzhou) Co. Ltd. (“LCG”)	China	55%
Subsidiary of Transform Master Sdn. Bhd.		
Kazox Materials Sdn. Bhd. (“KMSB”)	Malaysia	100%

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

B. OVERVIEW OF LCB BUSINESS ACTIVITIES

The Group operates through two reportable business segments:

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.
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, Indonesia, Thailand, China, 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 experienced a moderation in financial performance for FY2025 amid a challenging macroeconomic environment. While the Group's revenue and profit after tax saw a reduction, our sales volumes remained consistent with FY2024 levels, indicating stable market share and demand.

Financial performance of the Group

	2025 RM	2024 RM	CHANGES RM	%
Revenue	730,983,693	795,375,115	(64,391,422)	-8.1%
Cost of sales	(612,809,773)	(668,750,077)	55,940,304	-8.4%
Gross profit	118,173,920	126,625,038	(8,451,118)	-6.7%
Other operating income	9,640,485	11,440,149	(1,799,664)	-15.7%
Selling and distribution costs	(9,510,401)	(9,933,341)	422,940	-4.3%
Administrative expenses	(41,108,320)	(39,289,086)	(1,819,234)	4.6%
Other operating expenses	(6,564,790)	(6,422,522)	(142,268)	2.2%
Net reversal of impairment loss on financial assets	299,727	45,780	253,947	554.7%
Operating profit	70,930,621	82,466,018	(11,535,397)	-14.0%
Finance costs	(2,779,962)	(2,772,435)	(7,527)	0.3%
Profit before tax	68,150,659	79,693,583	(11,542,924)	-14.5%
Taxation	(18,514,115)	(20,680,853)	2,166,738	-10.5%
Profit after tax	49,636,544	59,012,730	(9,376,186)	-15.9%

Revenue

The Group's revenue for FY2025 amounted to RM730.98 million, representing a decrease of RM64.39 million (8.1%), despite sales quantities were maintained year-on-year. The decrease was not due to lower demand, but a result of lower average selling prices and the strengthening of Ringgit against the USD, which reduced the translated value of export sales.

Gross Profit (GP)

GP for FY2025 decreased by RM8.45 million (6.7%) to RM118.17 million. Despite the lower revenue, the Group GP margins improved slightly. This was achieved through lower raw material import costs (aided by the stronger Ringgit) and our focus on operational efficiencies.

Profit After Tax (PAT)

The Group achieved a PAT of RM49.64 million in FY2025, a decrease of RM9.38 million compared to FY2024. PAT was impacted by lower revenue and higher foreign exchange losses from the Ringgit's rapid appreciation affecting USD-denominated assets.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

D. OPERATIONS & FINANCIAL PERFORMANCE BY BUSINESS SEGMENTS

SEGMENT : MANUFACTURING

Overview - Manufacturing

The performance of the Manufacturing segment in FY2025 as compared to FY2024 is summarised below:

	MANUFACTURING SEGMENT			
	2025	2024	CHANGES	
	RM	RM	RM	%
Total revenue	419,344,806	459,123,031	(39,778,225)	-8.7%
Inter-segment revenue	(132,442,807)	(158,178,629)	25,735,822	-16.3%
External sales	286,901,999	300,944,402	(14,042,403)	-4.7%
Results				
Segment results	45,915,416	48,547,919	(2,632,503)	-5.4%
Dividend, interest and rental income	3,919,001	3,880,717	38,284	1.0%
Operating profit	49,834,417	52,428,636	(2,594,219)	-4.9%
Finance costs	(661,319)	(787,297)	125,978	-16.0%
Profit before tax	49,173,098	51,641,339	(2,468,241)	-4.8%
Taxation	(12,218,845)	(13,170,577)	951,732	-7.2%
Profit after tax	36,954,253	38,470,762	(1,516,509)	-3.9%

Manufacturing revenue, net of inter-company transactions, decreased to RM286.90 million in FY2025, a decrease of RM14.04 million (4.7%) compared to FY2024. The decline was largely attributable to lower revenue across most subsidiaries within the segment. However, LPI recorded growth during the year.

PAT for the manufacturing segment was RM36.95 million. There is a decrease of RM1.52 million (3.9%) compared to the previous year. The decrease is due to lower revenue across majority of the subsidiaries within the segment.

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. All other international exports are managed directly by LPI.

The Company's production capacity maintains at 40,000MT per annum. In FY2025, LPI achieved a utilisation rate of approximately 85%, an improvement from 79% in FY2024. This increase reflects stronger demand for our UPR products despite broader market challenges.

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:

- Continuous product development to enhance value proposition.
- Strategic expansion into new and existing overseas markets.
- Active monitoring of the USD/RM exchange rate to manage currency exposure.
- Prompt collection of export proceeds to maintain a healthy 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)

For FY2025, TMSB maintained a production capacity of 18,000 MT, achieving a utilisation rate of 85%. Despite the decrease from 93% in FY2024, the utilisation level remains robust and reflects steady demand from the latex industry.

Moving forward, TMSB will continue to focus on improving operational efficiencies and further optimising its utilisation rates.

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

In FY2025, LCSB's production capacity maintains at 46,800 MT, achieving a utilisation rate of 62%, an improvement from 58% in FY2024.

To drive business growth, LCSB's continues to focus on:

- Product development.
- Strategic 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 FY2025 as compared to FY 2024 is summarised below:

	TRADING SEGMENT			
	2025	2024	CHANGES	
	RM	RM	RM	%
Total revenue	478,842,277	527,929,061	(49,086,784)	-9.3%
Inter-segment revenue	(34,760,583)	(33,498,348)	(1,262,235)	3.8%
External sales	444,081,694	494,430,713	(50,349,019)	-10.2%
Results				
Segment results	17,183,959	26,583,129	(9,399,170)	-35.4%
Dividend, interest and rental income	4,180,377	3,298,785	881,592	26.7%
Operating profit	21,364,336	29,881,914	(8,517,578)	-28.5%
Finance costs	(2,118,643)	(1,985,138)	(133,505)	6.7%
Profit before tax	19,245,693	27,896,776	(8,651,083)	-31.0%
Taxation	(6,115,090)	(7,301,639)	1,186,549	-16.3%
Profit after tax	13,130,603	20,595,137	(7,464,534)	-36.2%

Revenue from Trading segment decreased by RM50.35 million (10.2%) compared to FY2024. The decrease was due to lower revenue contribution from all subsidiaries within the segment.

PAT decreased by RM7.46 million. The decrease was due to lower revenue and higher foreign exchange loss recorded during the financial year.

Strategies to Sustain Competitiveness:

To maintain its market position and navigate external challenges, the Trading segment continues to focus on the following strategies:

- Maintaining inventory 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 manage volatility.
- Expanding the product range to capture new market opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

E. REVENUE BY GEOGRAPHICAL SEGMENTS

Countries	2025	2024	Changes	
	Revenue RM	Revenue RM	RM	%
Malaysia	437,292,094	469,306,174	(32,014,080)	-6.8%
Vietnam	110,145,589	120,099,867	(9,954,278)	-8.3%
Indonesia	72,047,309	74,596,674	(2,549,365)	-3.4%
Thailand	40,213,722	37,203,078	3,010,644	8.1%
China	29,922,095	38,731,729	(8,809,634)	-22.7%
Bangladesh	8,990,169	10,076,618	(1,086,449)	-10.8%
Australia	6,046,604	7,869,859	(1,823,255)	-23.2%
Sri Lanka	5,779,172	6,622,467	(843,295)	-12.7%
United States of America	3,367,599	4,634,860	(1,267,261)	-27.3%
India	3,101,122	1,022,633	2,078,489	>100%
Singapore	2,002,816	3,157,838	(1,155,022)	-36.6%
Cambodia	1,864,238	2,396,646	(532,408)	-22.2%
United Arab Emirates	1,390,810	2,458,257	(1,067,447)	-43.4%
Japan	1,295,737	1,620,884	(325,147)	-20.1%
Philippines	1,288,859	2,247,538	(958,679)	-42.7%
Algeria	1,207,088	3,284,406	(2,077,319)	-63.2%
Egypt	1,020,520	1,185,295	(164,775)	-13.9%
Others	4,008,150	8,860,292	(4,852,142)	-54.8%
Total exports	293,691,599	326,068,941	(32,377,342)	-9.9%
Total	730,983,693	795,375,115	(64,391,422)	-8.1%

The Group recorded a total revenue of RM730.98 million for FY2025. This represents a decrease of RM64.39 million (8.1%) compared to FY2024. The performance across different geographical regions reflects the challenging global trade environment, offset by strategic gains in emerging markets.

Domestic Market (Malaysia)

Revenue from Malaysia decreased by RM32.01 million (6.8%) to RM437.29 million. Despite this reduction, Malaysia remains our largest revenue contributor, accounting for approximately 60% of total Group revenue.

Export Markets

Export revenue decreased by RM32.38 million (9.9%) to RM293.69 million. While several major markets experienced contractions due to fluctuating global demand and currency movements, two countries showed resilience.

- **India:** Recorded the most significant growth, with revenue surging over 100% from RM1.02 million to RM3.10 million.
- **Thailand:** Continues to grow with an 8.1% increase in revenue, reaching RM40.21 million.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

F. OUTLOOK FOR 2026

The Group anticipates that the operating environment in FY2026 will remain dynamic. Malaysia's economy is projected to grow between 4.0% to 5.0% in FY2026 (RAM Ratings), underpinned by infrastructure spending under the 13th Malaysia Plan, continued foreign direct investment inflows, and resilient domestic consumption. Globally, however, trade conditions remain complex as the impact of US tariff policies continues to reshape global supply chains. The Group remains focused on disciplined execution and delivering sustainable performance across all business segments.

Key Challenges & Market Dynamics:

- **Currency dynamics:** The Ringgit's sustained appreciation, strengthening approximately 9% against the US Dollar during FY2025 continues to reduce our USD-denominated raw material costs, providing a buffer to manufacturing margins. The Group is balancing this input cost advantage against export pricing strategy in international markets to remain competitive.
- **Competitive landscape and sourcing dynamics:** The persistent excess capacity among regional chemical producers has made competitively priced chemical inputs more accessible, which the Group's trading segment has leveraged to enhance its procurement cost competitiveness. At the same time, the Group continues to differentiate its service offering through technical expertise and product reliability to sustain value to customers beyond price alone.
- **Geopolitical developments:** The escalation of geopolitical conflicts in early 2026 has introduced additional uncertainty into global oil and petrochemical markets. Should the situation persist or intensify, the Group may face upward pressure on raw material and freight costs. The Group is monitoring developments closely and will take the necessary steps to manage supply chain continuity and cost exposure as the situation evolves.

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

Trading Segment:

- Providing enhanced technical support to differentiate our service offering from lower-cost imported alternatives and to build long-term customer loyalty through expertise-driven engagement.
- Maintaining optimal inventory levels to navigate potential port-side congestion and ensure a steady supply to our key industrial clients.

Manufacturing Segment:

- Focusing on production efficiency and cost-optimisation across our manufacturing facilities, recognising that in a competitive pricing environment, margin improvement is best achieved through disciplined cost management, yield improvement, and energy efficiency rather than reliance on selling price recovery alone.
- Continuing our momentum in high-growth export markets, building on our established customer relationships to further diversify and strengthen our revenue base.

The Group remains cautiously optimistic as Malaysia's sound economic fundamentals present growth opportunities for the Group in FY2026. Balanced against the ongoing challenges, the Group's strategy of competing on technical expertise, supply reliability, and operational discipline positions it well to navigate the evolving landscape and deliver sustainable performance in FY2026.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Luxchem Corporation Berhad (“Luxchem” or the “Group”) is honoured to present our Annual Sustainability Statement (the Statement) for 2025. This Statement provides an overview of the Group’s sustainability performance during the period of 1 January 2025 to 31 December 2025 (FY2025), and is intended to be read jointly with Luxchem’s Annual Report 2025 together with the policy made available on www.luxchem.com.my.

SCOPE AND BOUNDARY

This Statement covers the sustainability performance of our Trading and Manufacturing business segments from 1 January 2025 to 31 December 2025.

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 93% of the Group’s revenue in FY2025.

We excluded the following from our reporting scope:

- Non-operational or dormant companies, or those functioning solely as sales offices; and
- Newly acquired or incorporated subsidiaries negligible sustainability impact.

Moving forward, Luxchem will progressively expand its reporting boundary to include all operations and geographical locations.

REPORTING FRAMEWORK

This Statement has been prepared in accordance with Bursa Malaysia’s Listing Requirements and with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative (GRI) Standards.

STATEMENT OF ASSURANCE

The Sustainability Statement has been reviewed and approved by the Management Sustainability Committee (MSC) and the Board of Directors of Luxchem.

While independent assurance is not mandatory, Luxchem recognises its role in enhancing data integrity. In alignment with the National Sustainability Reporting Framework (NSRF) for Group 2 issuers, we are strengthening our internal processes with the goal of obtaining external assurances for Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions by FY2028.

PERFORMANCE DATA

Where available, three-year comparative data (FY2023 to FY2025) are provided to offer stakeholders clear visibility into our sustainability trends. The Group strives for balanced disclosure, highlighting both achievements and areas requiring further improvement.

Restatements were made for FY2023 and FY2024 Scope 3 GHG emissions (Employee Commuting). These adjustments reflect improved data collection methodologies and refined assumptions to ensure higher accuracy.

FEEDBACK

Luxchem remains committed to continuous improvement in its sustainability performance, governance, and transparency.

Stakeholders are encouraged to share feedback or suggestions via email at sustainability@luxchem.com.my

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY GOVERNANCE STRUCTURE AND RESPONSIBILITIES

Luxchem strives to embed sustainability at the core of our business by integrating Environmental, Social and Governance (ESG) considerations into corporate decision-making and operational processes. The Group's governance framework ensures that sustainability is championed from the Board level down to operational execution.

GOVERNANCE FRAMEWORK

Luxchem's sustainability governance framework comprises four interconnected tiers, ensuring effective oversight, accountability, and implementation across the Group.

BOARD OF DIRECTORS (STRATEGIC OVERSIGHT)

The Board of Directors holds ultimate responsibility for the Group's sustainability direction. It defines strategic priorities, approves related policies and targets, and ensures ESG integration into long-term business strategy and risk management.

Key Responsibilities:

- **Strategy & Policy:** Approve sustainability strategies and review progress through periodic updates.
- **Risk Oversight:** Oversee material sustainability risks, including climate-related physical and transition risks.
- **Alignment:** Ensure sustainability goals remain aligned with the Group's broader business objectives.
- **Disclosure:** Review and approve the annual Sustainability Statement prior to publication.

The roles of the Chair and Chief Executive Officer are distinct, as outlined in the Board Charter.

The Board's overall sustainability oversight and related governance practices are detailed in the Corporate Governance Report (Practices 1.3 and 4.1 - 4.3).

BOARD COMMITTEES (SPECIALISED OVERSIGHT)

Specific sustainability responsibilities are delegated to key Board Committees to ensure focused and effective oversight.

Committee	Sustainability Responsibilities
Audit and Risk Management Committee (ARMC)	Monitor material sustainability risks and ensure their integration into the Enterprise Risk Management (ERM) framework. Review critical sustainability concerns escalated by management.
Remuneration Committee (RC)	Recommend sustainability-linked Key Performance Indicators (KPIs) for Executive Directors and Senior Management. Ensure performance evaluations incorporate ESG targets.
Nominating Committee (NC)	Assess Board competencies regarding sustainability and recommend capacity-building programmes. Promote diversity in Board composition, including gender representation and sustainability expertise.

These Committee responsibilities complement those disclosed in the Corporate Governance Report (Practices 4.1 - 4.4 and 5.5 - 5.10).

SUSTAINABILITY STATEMENT

cont'd

MANAGEMENT SUSTAINABILITY COMMITTEE (MSC) (OPERATIONAL OVERSIGHT)

Chaired by the Managing Director/Chief Executive Officer, comprising Executive Directors and key management, the MSC translates the Board's strategic directives into actionable plans.

Key Responsibilities:

- **Stakeholder Engagement:** Monitor engagement outcomes to ensure alignment with material sustainability matters.
- **Implementation:** Oversee the execution of sustainability initiatives across all subsidiaries.
- **Performance Tracking:** Evaluate performance against targets and report progress to the Board.
- **Escalation:** Raise critical sustainability concerns to the ARMC or Board for review.

SUSTAINABILITY WORKING GROUP (SWG) (IMPLEMENTATION)

The SWG consists of middle management and subsidiary representatives who drive day-to-day execution of the Group's sustainability goals.

Key Responsibilities:

- **Operations:** Implement and monitor day-to-day sustainability initiatives at the ground level.
- **Data Management:** Track and report performance data (GHG emissions, energy, water, waste, and diversity metrics).
- **Collaboration:** Coordinate across functions to ensure consistent ESG progress.
- **Reporting:** Coordinate the preparation and validation of the Group's Sustainability Statement.

The SWG reports to the MSC on a quarterly basis, with material updates subsequently presented to the Board.

BOARD KNOWLEDGE AND CAPACITY

The Board remains committed to enhancing its understanding of sustainability issues, including climate-related risks and opportunities, to support informed decision-making.

Details of directors' training and professional development are provided in the Corporate Governance Report (Practice 4.3).

GOVERNANCE STRUCTURE

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



Further details on the Group's corporate governance structure, including Board composition and diversity are available in the Corporate Governance Report (Practices 1.1–5.10).

SUSTAINABILITY STATEMENT

cont'd

STAKEHOLDERS' ENGAGEMENT & MATERIALITY

ENGAGEMENT APPROACH

Luxchem recognises that proactive engagement is vital to aligning sustainability initiatives with the expectations our stakeholders. We utilise a combination of structured and informal interactions to capture diverse perspectives and ensure our strategy remains relevant.

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	<p>As required</p> <ul style="list-style-type: none"> - One-on-one meetings - Bursa announcements - Company's Website - E-mails/Letters/Surveys - Site visits <p>Quarterly</p> <ul style="list-style-type: none"> - Quarterly Financial Results <p>Annually</p> <ul style="list-style-type: none"> - Annual General Meetings - Annual Reports 	<ul style="list-style-type: none"> - Financial Performance - Business strategy and direction - Continued shareholders' return - Ethical business practices - Sustainability efforts 	<ul style="list-style-type: none"> - Issuance of quarterly results announcements - Timely response to queries and shareholders' feedback - Disclosure of sustainability and governance practices in annual report
Customers	<p>As required</p> <ul style="list-style-type: none"> - One-on-one meetings - Customer visits - Social compliance audit <p>Annually</p> <ul style="list-style-type: none"> - Customer satisfaction surveys - Trade exhibitions 	<ul style="list-style-type: none"> - Product pricing and quality - Technical and after-sales support - Ethical business practices - Product and service efficiency 	<ul style="list-style-type: none"> - Increased customer engagements and visits to better understand needs and challenges
Suppliers, Principals/ Agencies	<p>As required</p> <ul style="list-style-type: none"> - Supplier visit, correspondence and negotiation - Product trainings and meetings - Market/product feedback <p>Annually</p> <ul style="list-style-type: none"> - Supplier evaluation 	<ul style="list-style-type: none"> - Financial stability - Product specifications and quality - Brand awareness - Payment terms 	<ul style="list-style-type: none"> - Close engagement to maintain reliable supply chain - Collaboration with suppliers to develop new products
Employees	<p>As required</p> <ul style="list-style-type: none"> - Orientation - Meetings - Training programs <p>On-going</p> <ul style="list-style-type: none"> - Open-door policies <p>Annually</p> <ul style="list-style-type: none"> - Performance appraisals - Appreciation & recreational activities 	<ul style="list-style-type: none"> - Financial and job stability - Job enrichment and career progression - Salary benchmarking & benefit review - Reward and recognition - Safe and secure working environment - Training & development - Compliance to labour laws 	<ul style="list-style-type: none"> - Providing competitive remuneration and benefits - Providing employees with training and upskilling programs

SUSTAINABILITY STATEMENT

cont'd

Key Stakeholders	Engagement platforms	Area of interest or concerns	Group's Response
Regulatory, government and statutory bodies	As required <ul style="list-style-type: none"> - Correspondence - Site inspections and visits - Seminar and dialogues sessions - Meetings with regulators - Reporting on regulatory requirements and compliance 	<ul style="list-style-type: none"> - Adherence to regulatory requirements - Adherence to government policies 	<ul style="list-style-type: none"> - Maintaining stringent compliance to applicable local and international laws, legislation and standards
Local Communities	As required <ul style="list-style-type: none"> - Local council meetings Ongoing <ul style="list-style-type: none"> - Corporate social responsibility programs 	<ul style="list-style-type: none"> - Community investment and development - Charitable contribution - Job creation - Environmental management and protection 	<ul style="list-style-type: none"> - Providing employment and career development opportunities to Malaysians - Contribute to community developments through financial assistance

MATERIALITY ASSESSMENT

PROCESS TO DETERMINE MATERIAL MATTERS

Materiality Approach

In FY2025, Luxchem conducted a materiality assessment based on an Impact-based approach. This approach helps the Group identify the most significant actual and potential impacts on the economy, environment, and people, including human rights, across our operations and value chain.

The last comprehensive assessment, conducted in 2023, identified 16 material matters. Following annual reviews, the number of material matters was consolidated to 12 in FY2024. In FY2025, these material matters were reaffirmed, with selected refinements such as consolidation, reclassification, or separation of topics to better align with GRI Standards. Comprehensive assessments are conducted every three years to capture evolving risks and opportunities, with the next comprehensive assessment scheduled for 2026.

Materiality Review Timeline

Year	Key Activities
2023	Comprehensive assessment conducted - 16 material matters identified.
2024	Annual review confirmed relevance - total material matters consolidated to 12.
2025	Annual review reaffirmed existing material matters with refinements for alignment with GRI Standards.

ASSESSMENT PROCESS

Stakeholder Engagement

Luxchem engaged key stakeholder groups, including employees, senior management, shareholders, customers, suppliers, regulators, and local communities through surveys, interviews, and feedback sessions. Stakeholders rated each material matter on a 0-4 scale based on perceived importance. Feedback on expectations, concerns, and future focus areas was collected to guide prioritisation.

Weighting Methodology

Each topic was assessed from two perspectives:

- External Importance: Stakeholder ratings and feedback weighted according to relevance and influence.
- Internal Importance: Business relevance, risk exposure and operational impact.

Topics were plotted on a Materiality Matrix to determine priority focus areas for management and disclosure.

SUSTAINABILITY STATEMENT

cont'd

Governance Oversight

The updated Materiality Matrix was reviewed by the MSC and endorsed by the Board of Directors.

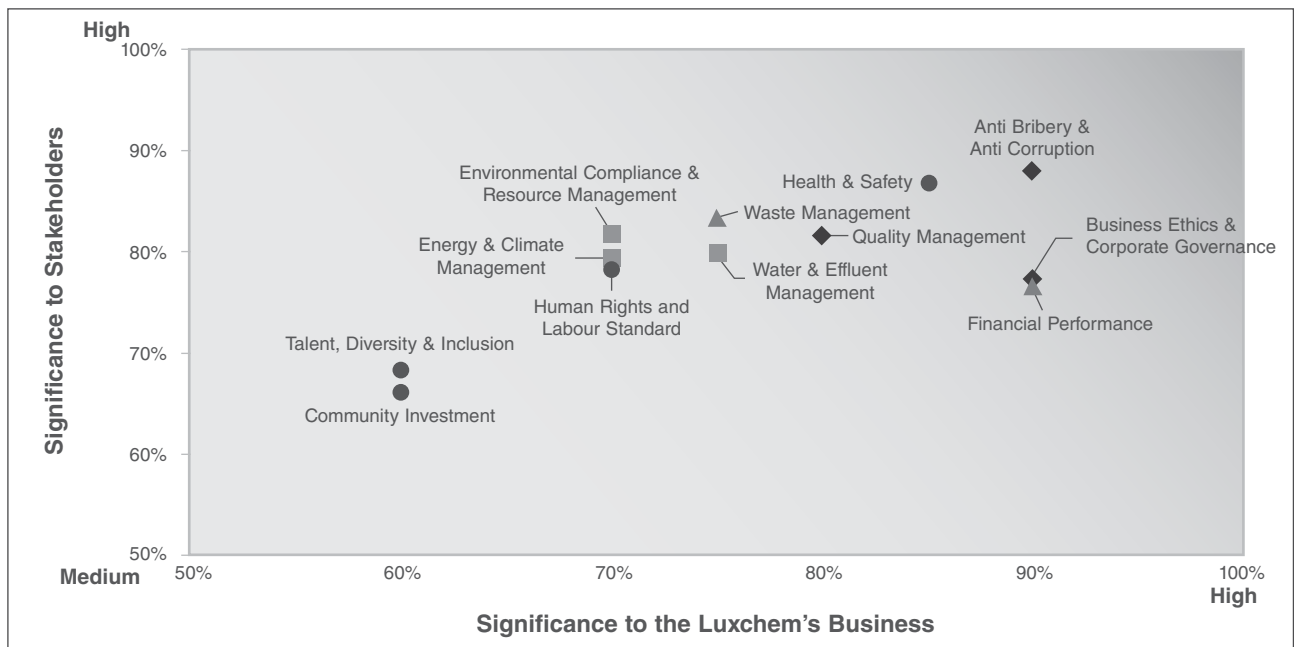
Refinement of Material Matters:

To improve reporting clarity and align with GRI, we refined the following topics:

Previous Material Matter	Updated Material Matter	Rationale
Energy & Emission Management	Energy & Climate Management	The updated title reflects Luxchem’s ongoing efforts to strengthen climate-related management and reporting.
Environmental Management	Environmental Compliance & Resource Management	Refined to focus on environmental compliance and responsible resource use in line with GRI 307.
Water & Waste Management	Water & Effluent Management	Focused on water withdrawal, consumption, and discharge management GRI 303.
	Waste Management	Separated for targeted disclosure on waste generation, treatment, and disposal GRI 306.
Talent Management Diversity	Talent, Diversity & Inclusion	Consolidated for a holistic workforce view aligned with GRI 401, 404, and 405.

Materiality Matrix

The assessment produced the following Materiality Matrix, visualising the prioritisation of the 12 material matters:



Note: Axis ranges adjusted to improve readability; relative prioritisation unchanged.

▲ ◆ Economic & Governance Indicator	■ Environmental Indicator	● Social Indicator
<ul style="list-style-type: none"> - Financial Performance - Quality Management - Business Ethics & Corporate Governance 	<ul style="list-style-type: none"> - Environmental Compliance & Resource Management - Energy & Climate Management - Water & Effluent Management - Waste Management 	<ul style="list-style-type: none"> - Health & Safety - Human Rights & Labour Standard - Talent, Diversity & Inclusion - Community Investment

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY RISKS, OPPORTUNITIES & MITIGATION MEASURES

Luxchem integrates sustainability and climate-related risks into its ERM Framework, guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles. This ensures a structured and consistent approach to identifying, assessing, and managing material risks across the Group.

Oversight is maintained by designated Risk Owners and Management, with periodic reviews conducted by the ARMC and MSC. In FY2025, Luxchem continued to strengthen its process of identifying sustainability risks that could affect operations, supply chains, or stakeholders.

The table below summarises key sustainability risks, opportunities, and mitigation measures across Luxchem's material matters.

MATERIAL RISKS, OPPORTUNITIES & MITIGATION MEASURES

Material Matters	Key Risks	Opportunities	Mitigation & Controls
Economic & Governance			
Financial Performance	Volatility in raw material prices, forex fluctuations, or demand fluctuations affecting profitability	Consistent financial performance builds investor confidence and long-term value creation.	<ul style="list-style-type: none"> - Diversification of suppliers and markets; - Continuous cost optimisation;
Business Ethics & Corporate Governance	Regulatory penalties or reputational damage from unethical conduct.	Strong governance practices reinforce integrity and stakeholder trust.	<ul style="list-style-type: none"> - ABAC Policy aligned with ISO 37001 Anti-Bribery Management System (ABMS); - 100 % employee anti-corruption training coverage; - Whistleblowing mechanism maintained and monitored.
Quality Management	Product defects leading to customer complaints, returns or recalls.	Strong quality assurance enhances competitiveness, customer loyalty and brand reputation.	<ul style="list-style-type: none"> - Adherence to ISO 9001 Quality Management System (QMS); - Root cause analysis and customer feedback; - Regular supplier quality audits.
Environmental			
Environmental Compliance & Resource Management	Non-compliance with Department of Environment (DOE) requirements or environmental regulations, resulting in penalties or reputational impact.	Full regulatory compliance strengthens stakeholder confidence and license to operate.	<ul style="list-style-type: none"> - ISO 14001 Environmental Management System (EMS) implemented at all manufacturing plants; - Regular DOE audits and staff training;
Energy & Climate Management	Rising energy costs and exposure to carbon pricing, regulatory changes or subsidy reforms.	Improved energy efficiency reduces operating costs and emissions while renewable energy enhances resilience.	<ul style="list-style-type: none"> - 994 kWp Solar photovoltaic (PV) installed; - Energy audit conducted to identify energy-saving opportunities and efficiency improvements.

SUSTAINABILITY STATEMENT

cont'd

Material Matters	Key Risks	Opportunities	Mitigation & Controls
Environmental <i>cont'd</i>			
Water & Effluent Management	Inefficient water use leading to higher operating costs and potential exposure to water scarcity risks.	Efficient water use reduces cost and improves resource sustainability.	<ul style="list-style-type: none"> - Monthly effluent monitoring and compliance check; - Process optimisation to improve water-use intensity; - Employee awareness programmes
Waste Management	Improper waste handling or regulatory non-compliance resulting in fines, environmental harm or reputational damage.	Waste reduction, recycling, and recovery improve efficiency and support circular economy practices.	<ul style="list-style-type: none"> - Waste segregation and recovery through licensed contractors; - Scheduled-waste tracking via Electronic Scheduled Waste Information System (eSWIS); - Continuous waste reduction initiatives.
Social			
Health & Safety	Workplace accidents causing injury, operational disruption, and productivity loss.	A strong safety culture improves employee morale, productivity, and operational continuity.	<ul style="list-style-type: none"> - Two manufacturing plants are ISO 45001 Occupational Health and Safety (OH&S) Management System certified; - Regular safety audits and training programmes; - Emergency preparedness and response drills.
Human Rights & Labour Standard	Breaches of labour laws or human rights violations leading to reputational or legal risk.	Upholding fair labour practices strengthen employee trust and stakeholder confidence.	<ul style="list-style-type: none"> - Formal Human Rights Policy in place and accessible grievance/whistleblowing channels.
Talent, Diversity & Inclusion	High turnover or skills gaps reducing innovation and business continuity.	Talent development strengthens organizational resilience.	<ul style="list-style-type: none"> - Structured performance reviews; - ESG and capability development training programmes; - 33% Board gender diversity maintained
Community Investment	Weak community engagement may cause social tension resistance to operations.	Proactive community partnerships enhance reputation and social license to operate.	<ul style="list-style-type: none"> - Dedicated Community Investment Policy and CSR programs.

Oversight of these sustainability and climate-related risks is embedded within Luxchem's governance structure through the ARMC and MSC, ensuring alignment between enterprise risk management and sustainability priorities.

Detailed governance roles are outlined in the Sustainability Governance Structure and Responsibilities section.

SUSTAINABILITY STATEMENT

cont'd





OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

Luxchem aligns its sustainability strategy with the UN SDGs and relevant targets, prioritising areas where our operations have the most meaningful impact. The Group has identified four Priority SDGs and four Supporting SDGs, reflecting our material matters and core business strengths.

The following table highlights our key contributions and performance indicators for each relevant SDG.

Priority SDGs reflect areas where Luxchem's operations have the most direct and material impact. Supporting SDGs represent broader contributions aligned with our business activities.





Priority SDGs - Core Contribution Areas

SDG	Relevant UN Target(s)	Luxchem's Contribution	Material Matters	Related GRI
 7 AFFORDABLE AND CLEAN ENERGY	7.2 - Increase the share of renewable energy	<ul style="list-style-type: none"> - Achieved full solar-PV installation across all manufacturing plants (total capacity 994 kWp). - Monitors and optimises energy consumption intensity (Gigajoule (Gj)/tonne). 	<ul style="list-style-type: none"> - Energy & Climate Management 	302-1 302-3
 8 DECENT WORK AND ECONOMIC GROWTH	8.7 - Eradicate forced labour 8.8 - Protect labour rights and promote safe working environments	<ul style="list-style-type: none"> - Full compliance with the Employment Act 1955 and Minimum Wages Order 2024. - Non-discrimination principles upheld via Human Rights Policy. - Promotes ethical business conduct and human rights through the Code of Ethics & Conduct for Business Partners. - Enhances workplace safety through continuous monitoring and employee training. 	<ul style="list-style-type: none"> - Human Rights & Labour Standards - Health & Safety 	401-1 408-1
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4 - Management of chemicals and waste 12.5 - Reduce waste via prevention, recycling and reuse	<ul style="list-style-type: none"> - Traceability of scheduled waste via eSWIS. - Collect returnable packaging materials in Peninsular Malaysia for reuse. 	<ul style="list-style-type: none"> - Waste Management - Environmental Compliance & Resource Management 	306-3 306-4
 13 CLIMATE ACTION	13.2 - Integrate climate measures into policies and strategies	<ul style="list-style-type: none"> - Monitors Scope 1, 2 and selected Scope 3 emissions (Business Travel and Employee Commuting). - Implements carbon-reduction initiatives and tracks GHG intensity (tCO₂e/tonne). - Expands use of renewable energy through solar PV installations. 	<ul style="list-style-type: none"> - Energy & Climate Management 	305-1 305-2 305-3 305-4

SUSTAINABILITY STATEMENT

cont'd

Supporting SDGs - Broader Contribution Areas

SDG	Relevant UN Target(s)	Luxchem's Contribution	Material Matters	Related GRI
 <p>3 GOOD HEALTH AND WELL-BEING</p>	3.9 - Reduce illnesses from hazardous chemicals	<ul style="list-style-type: none"> - Maintains ISO 45001-certified safety management systems at 2 out of 3 manufacturing plants. - Recorded zero work-related fatalities and zero lost-time incidents in FY2025. - Conducts periodic Environmental, Health and Safety (EHS) audits and employee safety training. 	- Health & Safety	403-1 403-2 403-9
 <p>4 QUALITY EDUCATION</p>	4.4 - Skills for employment and sustainable development	<ul style="list-style-type: none"> - Implements structured performance appraisals and career-development programmes. - Provides ESG and technical training for across departments. 	- Talent, Diversity & Inclusion	404-1
 <p>6 CLEAN WATER AND SANITATION</p>	6.3 - Improve water quality by reducing pollution	<ul style="list-style-type: none"> - Full compliance with the Environmental Quality Act (EQA) 1974, Environmental Quality (Industrial Effluent) Regulations 2009 and Environmental Quality (Sewage) Regulations 2009. - Consistently meets the DOE's discharge standards for wastewater treatment. - Monitors effluent quality through periodic laboratory testing and reporting to authorities. 	- Water & Effluent Management	303-2 303-4 306-1 306-3
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	16.5 - Substantially reduce corruption and bribery	<ul style="list-style-type: none"> - 100% completion of annual mandatory ABAC training. - Maintained whistleblowing channels with zero confirmed cases of corruption or bribery in FY2025. - Enhances governance through transparent reporting and regular policy reviews. 	- Business Ethics & Corporate Governance	205-2 205-3

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY TARGETS VS PERFORMANCE






Luxchem continuously monitors progress against its short and long-term sustainability targets to ensure alignment with our 2030 targets. This section outlines the Group’s measurable performance across ESG areas, benchmarked against the FY2021 baseline. The performance data from FY2023 to FY2025 reflects our ongoing commitment to responsible growth, efficiency, and accountability.

The progress indicators below provide a visual snapshot of performance achievement against interim and long-term targets.

Legend: Progress Tracking







- ○ ● Meeting interim targets, maintain performance towards meeting 2030 targets
- ● ○ Falling short of interim target for one year, review current practices
- ○ ○ Falling short of interim target for more than two years, review and revise targets (if necessary)

Below are our key targets and progress to date:

Material Matters	2030 Targets	Interim 2025 Targets	FY2023-FY2025 Performance	GRI Reference	SDGs
Energy & Climate Management	Reduce Energy use intensity by 10% from 2021 baseline (0.951 Gj/Tonne of production)	0.90 Gj/Tonne of production	2023: ○ ○ ● 0.68 Gj/Tonne of production 2024: ○ ○ ● 0.60 Gj/Tonne of production 2025: ○ ○ ● 0.64 Gj/Tonne of production	302-1 302-3	
	Reduce Scope 1 and Scope 2 GHG emissions intensity by 10% from 2021 baseline (0.13 tCO₂e/Tonne of production)	0.12 tCO ₂ e/Tonne of production	2023: ○ ○ ● 0.075 tCO ₂ e/Tonne of production 2024: ○ ○ ● 0.060 tCO ₂ e/Tonne of production 2025: ○ ○ ● 0.049 tCO ₂ e/Tonne of production	305-1 305-2 305-4	
Water & Effluent Management	Reduce Water use intensity by 10% from 2021 baseline (1.738 m³/Tonne of production)	1.66 m ³ /Tonne of production	2023: ○ ○ ● 0.76 m ³ /Tonne of production 2024: ○ ○ ● 0.68 m ³ /Tonne of production 2025: ○ ○ ● 0.75 m ³ /Tonne of production	303-5	
Waste Management	Reduce Waste intensity by 10% from 2021 baseline (39.56 kg/Tonne of production)	37.80 kg/Tonne of production	2023: ○ ○ ● 33.86kg/Tonne of production 2024: ○ ○ ● 26.30kg/Tonne of production 2025: ○ ○ ● 30.59kg/Tonne of production	306-4	
Community/ Society <i>Total amount invested in the community where the target beneficiaries are external to the listed issuer</i> <i>Total number of beneficiaries of the investment in communities</i>	Continuously increase our positive impact on the communities where we operate through strategic community investment initiatives.	RM25,000 10 beneficiaries	2023: ○ ○ ● RM28,879 (10 organisations) 2024: ○ ● ○ RM19,809 (7 organisations) 2025: ○ ○ ● RM35,774 (15 organisations and 3,412 beneficiaries) <i>In FY2025, the Group commenced tracking the estimated number of individuals positively impacted by its community investment activities, in alignment with GRI 201-1 disclosure requirements. Prior to FY2025, this data was not tracked.</i>	201-1	

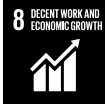

SUSTAINABILITY STATEMENT

cont'd

Material Matters	2030 Targets	Interim 2025 Targets	FY2023-FY2025 Performance	GRI Reference	SDGs
Talent, Diversity & Inclusion <i>Percentage of directors by gender and age group</i>	At least 30% of woman director at the Board level	30%	2023: ○○○● 33% achieved 2024: ○○○● 33% achieved 2025: ○○○● 33% achieved	405-1	
Health & Safety					
<i>Number of work-related fatalities</i>	Maintain Zero cases of work-related fatalities	Zero	2023: ○○○● Zero fatality 2024: ○○○● Zero fatality 2025: ○○○● Zero fatality	403-9	
<i>Lost time incident rate ("LTIR")</i>	Maintain a LTIR < 1.0	<1.0	2023: ○○○● 1.0 LTIR 2024: ○○○● 0.8 LTIR 2025: ○○○● 0.0 LTIR	403-9	
<i>Number of employees trained on health and safety standards</i>	80% employee to attend at least 1 safety training annually	80%	2023: ○●○○ 59% achieved 2024: ○○○● 97% achieved 2025: ○○○● 99% achieved	403-5 404-1	
Talent, Diversity & Inclusion; Human Rights and Labour Standard					
<i>Percentage of employees that are contractors or temporary staff</i>	No more than 10% employees are contractors or temporary staff	<10%	2023: ○○○● 3.3% achieved 2024: ○○○● 6.5% achieved 2025: ○○○● 9.7% achieved	2-8	
<i>Percentage of employee turnover</i>	Attrition rate no more than 15% for the Group	<15%	2023: ○●○○ 15.7% achieved 2024: ●○○○ 15.1% achieved 2025: ○○○● 7.2% achieved	401-1	
<i>Number of substantiated complaints concerning human rights violations</i>	Maintain Zero Substantiated complaint concerning human rights violations	Zero complaint	2023: ○○○● Zero complaint 2024: ○○○● Zero complaint 2025: ○○○● 2 findings identified and fully remediated.	-	
Anti-corruption					
<i>Percentage of operations assessed for corruption-related risks</i>	1 site per annum	25%	2023: ○○○● 40% achieved 2024: ○○○○ 0% achieved 2025: ○○○● 75% achieved	205-1	
<i>Percentage of employees who have received training on anti-corruption</i>	100% completion by year end	100%	2023: ○●○○ 12% achieved 2024: ●○○○ 77% achieved 2025: ○○○● 100% achieved	205-2	
<i>Confirmed incidents of corruption and action taken</i>	No more than 2 Total Whistle Blowing case per annum for the Group	2 cases	2023: ○○○● Zero cases 2024: ○○○● Zero cases 2025: ○○○● Zero cases	205-3	

SUSTAINABILITY STATEMENT

cont'd

Material Matters	2030 Targets	Interim 2025 Targets	FY2023-FY2025 Performance	GRI Reference	SDGs
Anti-corruption <i>cont'd</i>					
Supply chain management <i>Proportion of spending on local suppliers</i>	Minimum of 40% sourcing from local suppliers that meet our quality, cost, and delivery criteria.	40%	2023: ○○○● 51% achieved 2024: ○○○● 48% achieved 2025: ○○○● 46% achieved	204-1	
Data privacy and security <i>Number of substantiated complaints concerning breaches of customer privacy and losses of customer data</i>	Maintain Zero Substantiated complaint	Zero complaint	2023: ○○○● Zero complaint 2024: ○○○● Zero complaint 2025: ○○○● Zero complaint	418-1	

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC & GOVERNANCE DISCLOSURE

ECONOMIC PERFORMANCE

WHY IS THIS IMPORTANT?

Luxchem’s financial performance underpins the Group’s ability to create long-term value for shareholders and stakeholders alike. A strong and resilient financial position enables the Group to deliver on its sustainability commitments supporting decent employment, supply chain continuity, and community development. Sustained profitability ensures the capacity to reinvest in innovation, environmental efficiency, and business expansion, thereby strengthening overall economic resilience.

OUR APPROACH

Luxchem’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.

Luxchem adopts a disciplined and diversified approach to sustaining long-term economic growth. Our financial performance strategy focuses on:

- Maintaining financial resilience through prudent capital management and cost optimisation.
- Enhancing operational efficiency by leveraging technology and automation.
- Diversifying markets and products to capture emerging growth opportunities.
- Mitigating key business risks identified under our ERM framework.
- Ensuring responsible governance and transparency in all financial and operational disclosures.

SUSTAINABILITY STATEMENT

cont'd

OUR PERFORMANCE

In FY2025, the Group recorded a total revenue and interest income of RM738.6 million, compared to RM803.2 million in FY2024. Despite a more challenging market environment, Luxchem continues to prioritise the fair distribution of wealth to our stakeholders, as shown in the data below.

	2023 RM	2024 RM	2025 RM
Economic Value Generated (Revenue and Interest Income)	658,166,484	803,154,082	738,575,802
Economic value distributed:			
- Operating costs	(561,384,379)	(678,683,418)	(622,320,174)
- Employee salaries and benefits	(30,492,324)	(34,298,385)	(34,305,318)
- Dividend Returns to Shareholders	(17,116,258)	(17,116,258)	(18,180,424)
- Tax paid to government	(15,357,951)	(21,685,095)	(19,781,661)
- Repayment to Financiers	(2,647,733)	(2,772,435)	(2,739,568)
- Community investment	(28,879)	(19,810)	(35,774)
Economic value distributed	(627,027,524)	(754,575,401)	(697,362,919)
Economic value retained for future growth	31,138,960	48,578,681	41,212,883

Our FY2025 performance demonstrates a balanced approach to economic value. While lower revenue led to a reduction in economic value retained to RM41.2 million, we successfully maintained stable support for our employees with RM34.3 million in salaries and benefits. Furthermore, our increased dividend returns of RM18.2 million and community investments of RM35,774, alongside a significant RM19.8 million tax contribution, reflect our commitment to generating positive spillover effects for the national economy and our local communities.

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 2025.

BUSINESS ETHICS AND CORPORATE GOVERNANCE

WHY IS THIS IMPORTANT?

Luxchem recognises that strong business ethics and governance are essential to operating responsibly and sustainably. Upholding integrity and accountability strengthens stakeholder trust, protect our reputation, and prevent risks such as bribery, corruption, and regulatory non-compliance. Our governance framework ensures decisions are made with transparency, integrity and a focus on long-term value creation.

OUR APPROACH

DRIVING GOOD CORPORATE GOVERNANCE

Luxchem's Board of Directors provides oversight to ensure adherence to governance best practices and regulatory requirements. Supporting the Board are dedicated committees with clearly defined responsibilities and Terms of Reference, ensuring effective checks and balances. The Group also integrates ERM practices to proactively identify and manage risks, enabling informed decision-making across all operations.

KEY POLICIES AND COMPLIANCE

Luxchem has a comprehensive set of policies that guide ethical conduct across the Group. These policies apply to employees, directors, and relevant external stakeholders such as suppliers and business partners. Policies are approved and periodically reviewed by management and the Board, where applicable, to ensure continued alignment with prevailing laws, regulations, and governance best practices.

SUSTAINABILITY STATEMENT

cont'd

Key Policies include:

Corporate Policies:	Sustainability Policies:
ABAC Policy	Gender Diversity Policy
Code of Ethics and Conducts for Business Partner	Community Investment Policy
Whistleblowing Policy	Sustainability Policy
Directors' Remuneration Policy	Quality Management Policy
Directors' Fit and Proper Policy	Human Rights Policy
Directors' Code of Best Practice	

CERTIFYING OUR OPERATIONAL SITES

Luxchem's operational sites across both manufacturing and trading segments operate under certified management systems that support quality, occupational health and safety, and environmental management. These certifications reinforce consistent operational controls and continuous improvement practices across the Group.

Certification	LTSB	LPI	TMSB	LCSB
ISO 9001:2015 QMS	✓	✓	✓	✓
ISO 14001:2015 EMS		✓	✓	✓
ISO 45001:2018 OH&S		✓		✓

These certifications support consistent compliance and continuous improvement across both trading and manufacturing operations.

ANTI-BRIBERY & ANTI-CORRUPTION

Luxchem adopts a zero-tolerance policy on bribery and corruption. The Group's ABAC Policy aligns with ISO 37001 ABMS and complies with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The policy applies to all employees, directors, and relevant external stakeholders, including suppliers and business partners. It sets clear expectations on ethical conduct and establishes controls relating to gifts, entertainment, donations, and facilitation payments.

To strengthen awareness and accountability, the Group ensures that:

Governance body members

- 100% of Board members have been communicated the ABAC Policy and received anti-bribery and anti-corruption training.

Employees

- Mandatory anti-corruption training is conducted via annual e-learning modules.
- Employees are required to acknowledge and reaffirm understanding of the ABAC Policy upon completion.
- FY2025: 100% of employees submitted a signed declaration.
- Training is broken down by employee category and, where applicable, region.

Business partners

- Major suppliers, agents, and contractors have been communicated the ABAC Policy.
- Policy communication includes awareness of the Group's anti-corruption expectations and reporting channels.

SUSTAINABILITY STATEMENT

cont'd

OUR PROGRESS

Governance Training - Employees

Number of employees that have received training on anti-bribery and anti-corruption by category:

Employee Category	2023	2024	2025	Total Headcount 2025	Percentage (%) 2025
Senior Management	4	11	12	12	100%
Middle Management	6	53	56	56	100%
Executive	10	55	69	69	100%
Non-Executive	14	143	142	142	100%

Anti-bribery and Anti-Corruption data:

	2023	2024	2025
% of operations assessed for corruption-related risks*	40%	0%	75%
Number of reported cases of bribery or corruption	-	-	-
Number of political contributions made#	-	-	-

* Operations assessed include all subsidiaries covered in the sustainability report (LTSB, LPI, TMSB, LCSB). Assessments are conducted through ABAC risk reviews, internal audits, or management risk reviews.

The Group does not make political contributions directly or indirectly.

In FY2025, Luxchem did not receive any whistleblowing reports through established reporting channels, and no cases of bribery, corruption, or unethical conduct were identified. No employees were dismissed or disciplined, and no contracts with business partners were terminated or not renewed due to corruption-related or ethical breaches. Furthermore, no public legal cases regarding corruption were brought against the Group or its employees during the reporting period.

These outcomes demonstrate the Group's commitment to ethical conduct, proactive compliance monitoring, and continuous awareness-building initiatives, reinforcing responsible business practices across all operations and subsidiaries.

QUALITY MANAGEMENT

WHY IS THIS IMPORTANT?

Ensuring consistent and timely delivery of products that meet customer requirements and expectations is crucial for maintaining our success. By prioritising quality, we enhance trust with our stakeholders and strategically position the Group for sustained growth in a competitive market. Customer feedback provides acknowledgement of product quality and valuable insights for continuous improvement, strengthening our market position.

OUR APPROACH

PRODUCT QUALITY AND CUSTOMER SATISFACTION

Product quality is central to Luxchem's operations. All major subsidiaries LTSB, LPI, TMSB, and LCSB are certified under ISO 9001:2015 Quality Management Systems, ensuring a structured approach to quality assurance.

Luxchem utilises a formal complaint management system where every quality issue undergoes a Root Cause Analysis. Corrective measures are documented via Corrective Action Request (CAR) forms to ensure thorough investigation, resolution, and prevention of recurrence.

Customer feedback is collected through annual satisfaction surveys across all subsidiaries. Feedback is analysed to identify improvement opportunities and strengthen customer relationships, integrating lessons learned into operational practices.

SUSTAINABILITY STATEMENT

cont'd

IMPROVING PRODUCT QUALITY, PRODUCTIVITY AND CONTINUOUS LEARNING

Luxchem maintains a proactive stance on quality through:

- **Stringent Testing:** Inspection processes are regularly strengthened to ensure products meet technical specifications before delivery.
- **Audits:** Regular internal and external audits maintain compliance with ISO standards.
- **Competency Building:** Targeted training enables staff to detect and rectify issues effectively, fostering a culture of accountability.

OUR PROGRESS

In FY2025, Luxchem recorded zero incidents of non-compliance relating to the health and safety impacts of our products. No fines, penalties, or warnings were reported. Furthermore, the Group has had no legal actions related to anti-competitive behaviour or anti-trust practices over the past three years

CUSTOMER SATISFACTION TRENDS

Customer satisfaction surveys continue to serve as a KPIs for assessing product quality and service reliability. In FY2025, we observed stable or improving satisfaction levels across most subsidiaries. Notably, LPI saw a significant score increase following targeted improvement initiatives:

Year		LTSB	LPI	TMSB	LCSB
2025	Score (%)	96.7%*	93.9%*	87.2%^	90.0%^
2024	Score (%)	97.4%*	87.4%*	83.2%^	83.0%^
2023	Score (%)	96.2%*	96.43%*	84.0%^	83.0%^

* Based on "Good" & "Excellent" rating

^ Average customer satisfaction score

SUPPLY CHAIN MANAGEMENT

WHY IS THIS IMPORTANT?

Luxchem relies on a network of suppliers to keep operations running smoothly and responsibly. The choices we make in procurement affect not only product quality and costs but also our environmental impact and the well-being of workers across the supply chain.

Managing suppliers carefully is critical to mitigating risks such as unsafe working conditions, forced labour, corruption, and environmental non-compliance especially beyond Tier 1 suppliers where oversight is limited.

OUR APPROACH

SUPPORTING LOCAL SUPPLIERS

Luxchem is committed to supporting local economies through responsible sourcing practices. Wherever commercially viable, the Group prioritises local suppliers for raw materials, logistics, and general goods and services. This approach enhances supply chain responsiveness, shortens delivery times, reduces transportation emissions, and contributes to domestic economic growth.

RESPONSIBLE PROCUREMENT STANDARDS

The Group extends key corporate governance policies, particularly the ABAC Policy, to all suppliers. Compliance is mandatory for vendor registration, reinforcing transparency, fairness, and accountability across the supply chain.

While formal ESG assessments have not yet been embedded in procurement processes, preliminary planning in FY2025 initiated the development of a structured supplier evaluation framework to integrate environmental, social, and governance factors in future sourcing decisions.

SUSTAINABILITY STATEMENT

cont'd

OUR PROGRESS

LOCAL PROCUREMENT PERFORMANCE

The gradual decline over the three-year period reflects evolving business requirements and supply chain dynamics. The Group continues to meet its 40% minimum target and remains committed to maximising local procurement where quality, cost, and delivery criteria are met.

% Procurement from Local Suppliers	2023	2024	2025
Material purchases	51.0%	47.6%	46.0%

The Group remains committed to enhancing its sourcing practices, with future efforts focused on integrating ESG criteria into supplier selection, engagement, and monitoring to build a more resilient and transparent supply chain.

ENVIRONMENTAL DISCLOSURE

ENERGY AND CLIMATE MANAGEMENT

WHY IS THIS IMPORTANT?

Energy powers Luxchem's operations, yet consumption of non-renewable energy and related GHG emissions contributes to climate change. Managing energy use and reducing emissions supports cost efficiency, operational resilience, and alignment with global transition to a low-carbon economy.

While we are at the early stages of our low-carbon transition, we are committed to improving energy efficiency, monitoring our emissions footprint, and identifying opportunities to align with emerging climate-related regulations and stakeholder expectations. Proactively managing energy and emissions not only supports global climate goals but also enhances our long-term operational resilience and competitiveness.

OUR APPROACH

ENERGY EFFICIENCY

Luxchem optimises energy performance across all sites, monitoring intensity against a 2021 baseline with a 10% reduction target by 2030.

In FY2025, LPI initiated a comprehensive energy audit, targeted for completion in Q2 2026, identifying energy-saving opportunities and efficiency improvements to guide future initiatives and support long-term decarbonisation.

Key initiatives across the Group include:

- Optimising lighting systems and utilities to improve operational efficiency;
- Conducting preventive maintenance to sustain equipment performance; and
- Promoting employee awareness and behavioural change towards responsible energy use.

GHG EMISSION MANAGEMENT

The Group tracks emissions using a Carbon Management Platform aligned with ISO 14064 and the GHG Protocol, applying emission factors from IPCC, DEFRA, and EPA. Scope 3 emissions from business travel and employee commuting are disclosed voluntarily to maintain comparability and support future climate reporting readiness.

RENEWAL AND CLEAN ENERGY ADOPTION

Renewable energy is a core focus of our decarbonisation strategy. We continue to explore renewable energy solutions to reduce our dependence on fossil fuels and support our broader sustainability goals.

SUSTAINABILITY STATEMENT

cont'd

Luxchem is expanding its renewable energy footprint through solar installations across its manufacturing plants. As of FY2025, the Group's total installed solar capacity stands at 994 kWp, capable of reducing approximately 1,000 tCO₂e annually.

Year	Solar Capacity (kWp)
FY2023	458 kWp
FY2024	787 kWp
FY2025	994 kWp

TRANSITION TO ELECTRIC VEHICLE

The Group is progressively transitioning selected warehouse and manufacturing operations towards lower-emission equipment as part of its energy efficiency and emissions management efforts. As at FY2025, 11 electric forklifts (FY2024: 6 units) have been deployed across selected warehouse and manufacturing sites, replacing internal combustion engine units.

This transition reduces direct fuel consumption and associated operational emissions, while increasing electricity usage within the Group's operations. The Group monitors these changes as part of its overall energy and emissions management framework and will continue to assess the operational performance and cost effectiveness of electric vehicle adoption before further expansion.

OUR PROGRESS

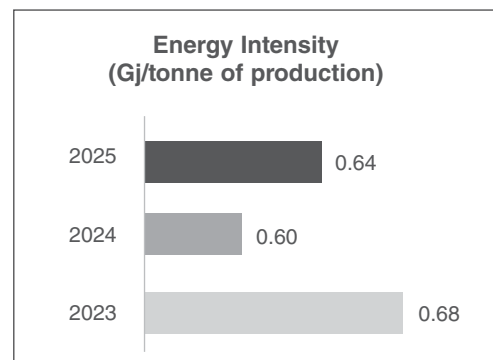
In FY2025, the Group's total energy consumption reached 53,186 GJ of energy, a 9% increase compared to previous year, primarily driven by higher production volume.

Our energy intensity for the year was 0.64 GJ per tonne of production, representing a slight increase from the 0.60 recorded in FY2024. This minor fluctuation is considered within the expected operational range as we transition to more electricity-dependent equipment, such as our expanded electric forklift fleet.

		2023	2024	2025
Scope 1	Natural Gas	25,296	31,470	36,110
	Diesel	2,448	2,602	2,340
	Petrol	2,251	2,480	2,058
Scope 2	Electricity (Manufacturing)	10,158	11,014	11,387
	Electricity (Trading)	1,123	1,446	1,291
Total Energy Consumption (Gj)		41,276	49,013	53,186

Note:

Energy Intensity calculation includes only data of Manufacturing segment

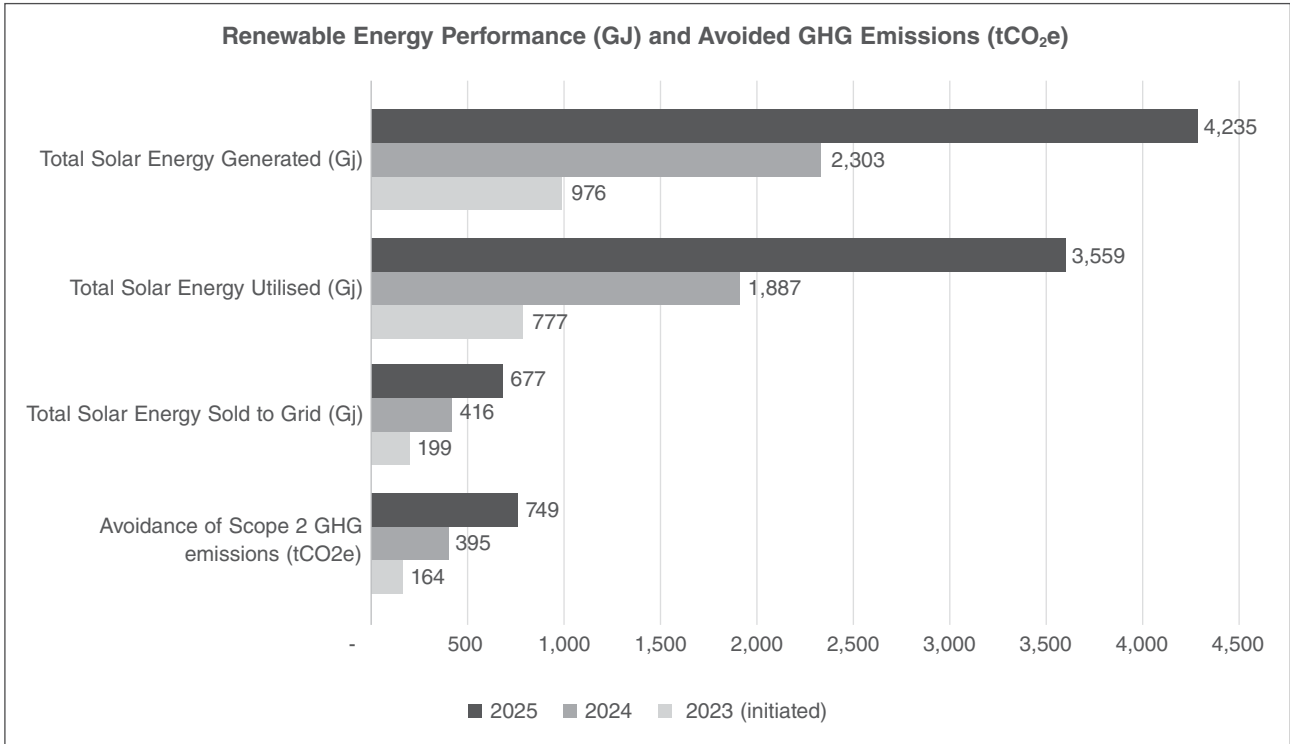


RENEWABLE ENERGY PERFORMANCE

As of FY2025, 100% of our manufacturing sites have adopted solar PV systems, generating 4,235 GJ of renewable energy, of which 3,559 GJ was consumed on-site and 677 GJ exported to the national grid. This initiative avoided approximately 749 tCO₂e in GHG emission.

SUSTAINABILITY STATEMENT

cont'd



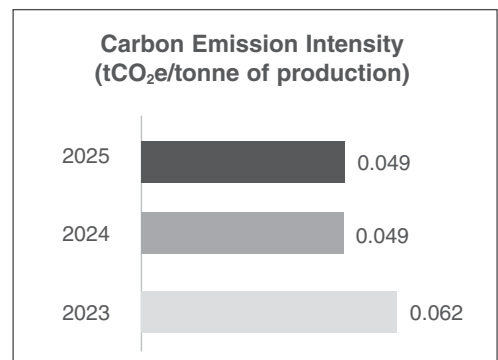
Notes:

- i Energy data covers entities under Luxchem’s operational control (LTSB, LPI, TMSB and LCSB).
- ii Fuel and electricity figures were compiled from utility invoices converted from liter and kwh to Gj using IPCC 2006 Guidelines conversion factors.
- iii Solar energy data were obtained from monitoring dashboards.
- iv Generated renewable electricity consumed on-site is included once under renewable energy use, and exported energy is excluded to avoid double-counting. Luxchem does not consume or sell purchased steam, heating, or cooling energy.

GHG EMISSIONS PERFORMANCE

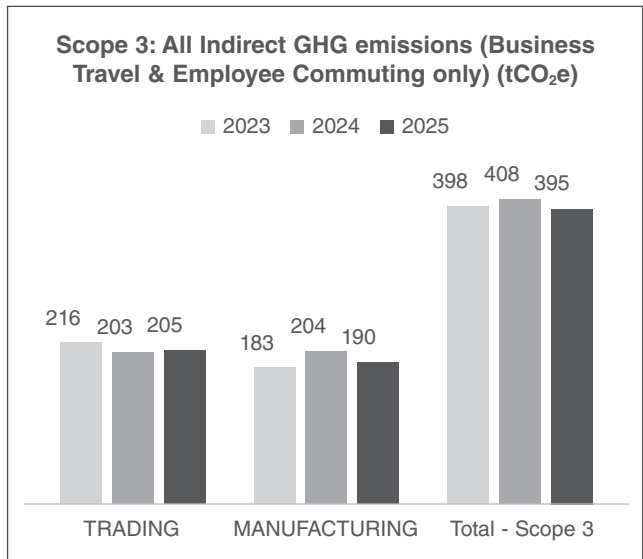
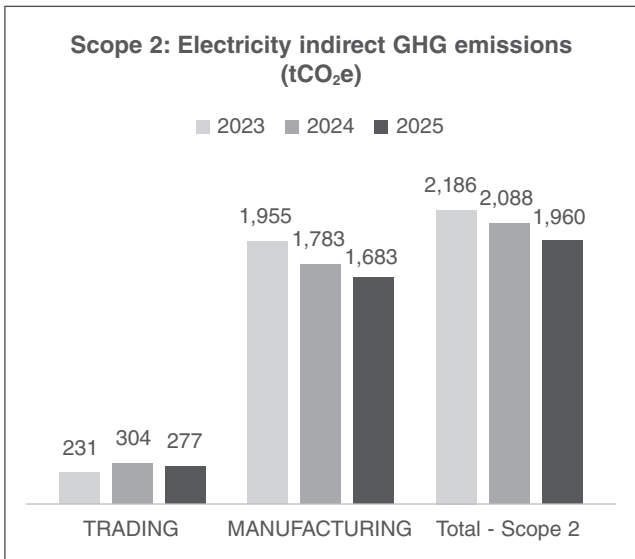
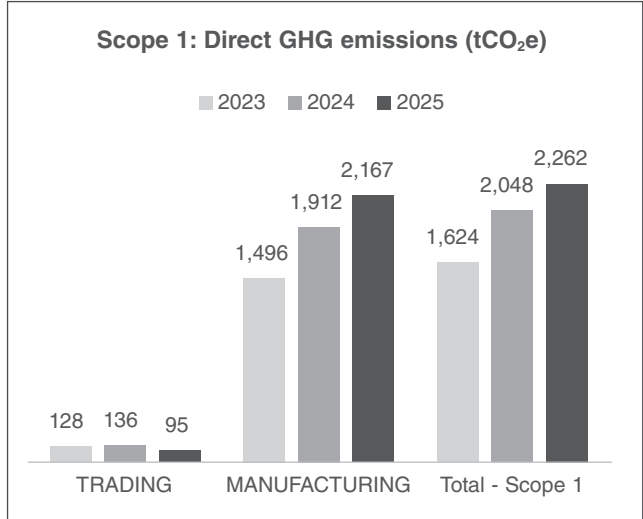
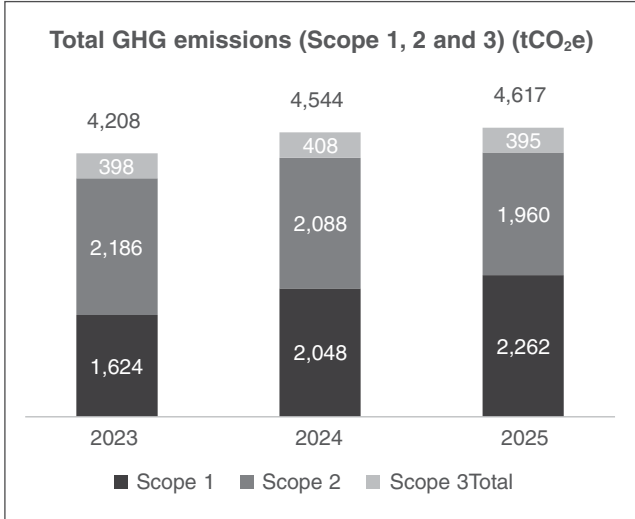
In FY2025, Luxchem’s total GHG emissions (Scope 1, 2, and 3) amounted to 4,617 tCO₂e. While absolute emission increased by 1.6% due to higher production volume, our Emission Intensity remained stable at 0.049 tCO₂e/tonne of production.

The stability was achieved through increased solar PV capacity of 994 kWp, which reduced Scope 2 emissions by substituting grid electricity with 3,559Gj of on-site renewable energy.



SUSTAINABILITY STATEMENT

cont'd



Notes:

- i Emissions Intensity calculation is limited to the Manufacturing segment.
- ii Scope 1 (Direct): Natural gas at manufacturing plants and fuel use (petrol and diesel) by company-owned vehicles.
 - o Emission factors: IPCC Sixth Assessment Report (AR6) and UK Government GHG Conversion Factors for Company Reporting (DEFRA).
- iii Scope 2 (Indirect): Purchased electricity (all sites). These emissions are calculated using the location-based method.
 - o Emission factors: Grid Emission Factor (GEF) published by Suruhanjaya Tenaga.
- iv Scope 3 (Other Indirect) Employee commuting and business travel only.
 - o Emission factors:
 - Business Travel - Spend based method using Environmentally Extended Input-Output (EEIO). Expenditure is converted to USD using Bank Negara Malaysia (BNM) foreign exchange rates applicable during the reporting period.
 - Employee commuting: Distance-based method (round trips) using DEFRA mode-specific factors.

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENTAL COMPLIANCE AND RESOURCE MANAGEMENT

WHY IS THIS IMPORTANT?

Luxchem recognises that proactive environmental management and regulatory compliance are critical to its licence to operate and long-term business sustainability. Effective resource management minimises operational impact, ensures compliance, and fosters stakeholder confidence.

OUR APPROACH

ENVIRONMENTAL COMPLIANCE

Luxchem's manufacturing plants operate under a structured EMS aligned with ISO 14001:2015 to drive continual improvement. In FY2025, LCSB achieved ISO 14001 certification, resulting in full certification across all manufacturing plants for the first time. This milestone reflects Luxchem's continued progress in embedding environmental governance throughout its operations.

Compliance with DOE regulations is maintained through:

- Scheduled internal and external environmental audit;
- Continuous monitoring of chemical handling, effluent discharge, and air emissions; and
- Regular training and awareness programmes for all operational staff.

AIR EMISSION AND BOUNDARY NOISE MONITORING

In line with the Environmental Quality (Clean Air) Regulations 2014, Luxchem conducts annual air-emission assessments at applicable manufacturing sites for key parameters, including particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), chlorine (Cl₂) and ammonia (NH₃), where required by regulatory conditions. To manage odour emissions under the EQA 1974, scrubber systems are installed and maintained at relevant manufacturing site where odour-generating processes are present.

Luxchem also performs noise-risk assessments and site-boundary noise monitoring to ensure compliance with the EQA 1974. Preventive measures include regular maintenance of machinery, provision of personal protective equipment (earplugs and earmuffs) for employees in high-noise areas and audiometric testing to monitor workers' hearing health.

RESOURCE MANAGEMENT & CIRCULARITY

Luxchem promotes circular practices primarily through our Packaging Recovery Programme. This initiative, active at all three manufacturing subsidiaries, involves the collection, decontamination, and reuse of drums and Intermediate Bulk Containers (IBCs). One of the subsidiary also operates as a DOE-licensed collector, facilitating on-site washing, while others utilise licensed contractors. This program directly reduces scheduled waste and integrates with our water-reuse initiatives via the IETS.

OUR PROGRESS

As of FY2025, 100% of our manufacturing plants are ISO 14001 certified. The Group has not incurred any fines, penalties, or legal non-compliance actions related to environmental matters since FY2023. Compliance is monitored through internal audits, regulatory inspections, and management reviews.

WATER & EFFLUENT MANAGEMENT

WHY IS THIS IMPORTANT?

Water is a critical resource and one of the key raw materials in Luxchem's chemical manufacturing processes. As Malaysia faces increasing climate variability and growing water demand, efficient water management is essential to ensure business continuity and compliance. Luxchem recognises that its operations depend on municipal water systems that are shared with surrounding communities and is committed to using water responsibly while minimising environmental impacts.

SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH

WATER MANAGEMENT

Luxchem’s manufacturing facilities are located in Sitiawan (Perak), Kapar (Selangor), and Melaka, sourcing water entirely from municipal supplies. There is no withdrawal from groundwater, surface water or other natural resources. Water is primarily used as a process input, raw material and for cooling, cleaning, and employee welfare.

The Group also operates offices and warehouses in Petaling Jaya, Pulau Indah, Penang, Ipoh, and Johor, where water is used mainly for sanitation and office needs. These sites consume minimal amounts of water and are not material to the Group’s overall water footprint.

Water use is monitored monthly using utility bills to track consumption trends and identify opportunities for efficiency improvement.

EFFLUENT MANAGEMENT

Effluent is mainly generated at TMSB and LCSB, both equipped with Industrial Effluent Treatment Systems (IETS), monitored monthly by DOE-certified competent persons and independently verified against Standard B limits under the Environmental Quality (Industrial Effluent) Regulations 2009.

To promote circularity, TMSB reuses treated water from its IETS for container washing as part of the Group’s Packaging Recovery Programme. While all three manufacturing subsidiaries participate in the recovery programme to reduce scheduled waste, this specific integration of water reuse at TMSB significantly enhances resource efficiency. In FY2025, all effluent discharges fully complied with DOE limits, and no significant water-related incidents were recorded.

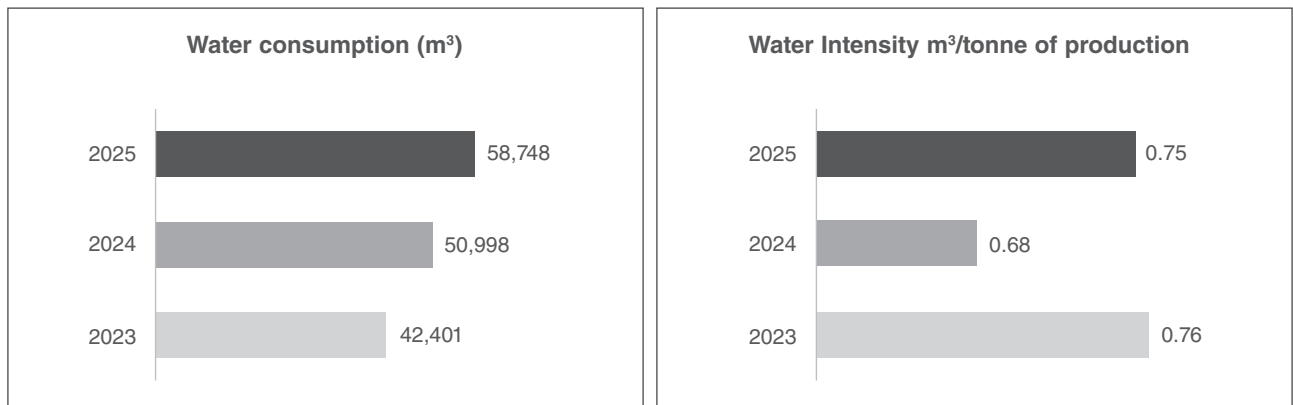
EMPLOYEE AWARENESS AND CAPACITY BUILDING

Luxchem promotes responsible water use through staff awareness sessions and operational campaigns focused on leak prevention, equipment maintenance, and efficient cleaning practices. Water stewardship is embedded into daily operations as part of the Group’s wider environmental culture.

OUR PROGRESS

In FY2025, total water consumption across manufacturing plants amounted to 58,748 m³, a 15 % increase driven by higher production volumes.

Water withdrawal intensity increased to 0.75m³/tonne of production, mainly due to operational requirements. Despite this, we continue to implement efficiency measures, such as cleaning optimisation and the reuse of treated IETS water, to mitigate our overall footprint.



Note: Water consumption intensity includes only data from manufacturing segment.

SUSTAINABILITY STATEMENT

cont'd

WASTE MANAGEMENT

WHY IS THIS IMPORTANT?

Luxchem recognises that its manufacturing and trading operations generate both hazardous and non-hazardous waste. If not properly managed, waste can lead to environmental degradation, health risks, and reputational damage. Effective waste management minimises these adverse impacts, enhances resource efficiency, and ensures compliance with environmental regulations. This commitment supports sustainable operations and safeguards the Group's long-term financial and environmental resilience.

OUR APPROACH

WASTE MANAGEMENT PRACTICES

Luxchem prioritises responsible waste management to minimise environmental impact and benefit surrounding communities, particularly in relation to its manufacturing operations. The Group generates various types of waste including scheduled hazardous waste and non-hazardous waste such as domestic and recyclable materials. Improper management could result in air, soil, or water contamination. Hence, preventive and proactive measures are applied across all facilities.

To promote circularity, Luxchem adopts the Waste Hierarchy guided by the 5R principles (Remove, Reduce, Reuse, Recycle, and Recover). This framework ensures waste prevention is prioritised at the source and resources are reused or recycled wherever possible.

HAZARDOUS WASTE MANAGEMENT

Luxchem strictly adheres to environmental regulations for hazardous waste handling and disposal. Scheduled waste is managed by DOE-licensed contractors or the licensed subsidiary, ensuring safe and compliant practices. Waste is recorded, monitored, and reported through eSWIS, enhancing traceability, accuracy, and transparency.

Main scheduled waste categories and recovery methods:

SW Code	Description	Primary Management Method
SW 204	Sludge containing heavy metals.	Sent to licensed facilities for potential metal recovery or stabilization as alternative raw material.
SW 305	Spent lubricating oil.	Managed by contractors with re-refining capabilities for conversion into base oil or alternative fuel.
SW 322	Non-halogenated organic solvents.	Sent to licensed distillers for solvent recovery and industrial reuse.
SW 323	Halogenated organic solvents.	
SW 409	Disposed containers, bags, or equipment contaminated with chemicals, pesticides, mineral oil, or scheduled waste.	Managed through washing, decontamination, or disposal, as appropriate.

Note: Waste collected by DOE-licensed contractors is recovered where technically and economically feasible. Where recovery is not viable, waste is treated and disposed of in accordance with regulatory requirements.

PACKAGING RECOVERY PROGRAMME

All three manufacturing subsidiaries participate in the Group's Packaging Recovery Programme, which covers the collection, washing and reuse of drums and IBCs. One subsidiary operates as a DOE-licensed collector, performing on-site washing and decontamination, while the remaining subsidiaries send used containers to licensed contractors.

This programme reduces the generation of scheduled waste, supports circular material use, and contributes to water reuse through integration with the IETS.

SUSTAINABILITY STATEMENT

cont'd

EMPLOYEE AWARENESS AND OFFICE INITIATIVES

Employee awareness programmes reinforce proper waste segregation, handling, and recycling practices across all sites. Employees in manufacturing operations are encouraged to participate in waste reduction initiatives, supporting compliance with hazardous and non-hazardous waste handling requirements and strengthening the Group's environmental culture.

For office operations, where paper is the primary material consumed, employees are encouraged to segregate recyclable materials and adopt digital alternatives to reduce printing. Non-hazardous waste generated from office operations is currently not quantitatively tracked due to its immaterial impact relative to manufacturing waste, but these initiatives complement the Group's broader waste reduction and circular economy efforts.

OUR PROGRESS

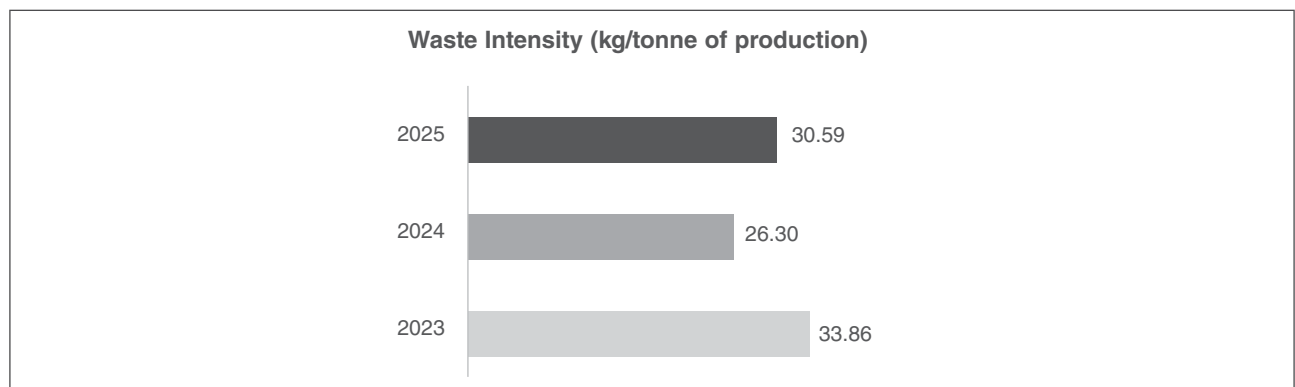
Total waste generated from production increased by 21% (approximately 408 tonnes) compared to the previous year. This increase was mainly driven by higher production volumes.

Our waste intensity for the year was 30.59 kg per tonne of production. While this represents an increase compared to FY2024 (26.3 kg/tonne), it remains a significant improvement over our FY2023 intensity of 33.86 kg/tonne. Fluctuations in intensity are often attributed to changes in product mix, specific maintenance activities, or cleaning cycles required for different chemical batches.

Despite the increase in volume, the Group maintained a strong waste diversion rate of 95.8%, ensuring that most of the generated waste was sent to licensed recovery facilities rather than landfill.

During the reporting period, the Group recorded zero significant spills of hazardous substances from its operations.

Waste Generated (Tonne)	2023	2024	2025
Total waste diverted from disposal	1,834	1,923	2,292
Total waste directed to disposal	61	60	100
Total Waste Generated	1,895	1,983	2,392
Waste Diversion Rate (%)	96.8%	97.0%	95.8%



Note:

Waste intensity includes only data of Manufacturing segment.

SUSTAINABILITY STATEMENT

cont'd

SOCIAL DISCLOSURE

HEALTH & SAFETY

WHY IS THIS IMPORTANT?

Ensuring the health and safety of our employees is a critical priority for Luxchem. Given the nature of our operations, employees may be exposed to a range of occupational hazards including chemical exposure, extreme temperatures, airborne pollutants, high noise levels, and manual handling risks. These hazards, if not properly managed, can lead to work-related injuries, occupational ill health or more serious incidents.

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 maintaining a robust safety culture, compliance with regulations, and proactive risk prevention, Luxchem safeguards employee well-being, reduces operational downtime, and reinforces stakeholder confidence in our commitment to responsible operations.

OUR APPROACH

HEALTH AND SAFETY MANAGEMENT FRAMEWORK

Luxchem's EHS Management System governs all manufacturing and warehouse operations, covering 100% of employees and on-site contractors. The system complies fully with the Occupational Safety and Health Act (OSHA) 1994 and relevant Malaysian regulations.

Two of the Group's manufacturing subsidiaries, LPI and LCSB, are certified to ISO 45001:2018, reflecting adherence to international occupational health and safety standards.

Key elements of Luxchem's EHS approach include:

- Continuous hazard identification and workplace risk assessment;
- Implementation of control measures, including proper signage, PPE, and equipment maintenance;
- Job-specific safety training aligned to risk exposure levels;
- Emergency preparedness drills, fire safety training, and regular evacuation exercises; and
- Immediate incident reporting, root cause analysis, and corrective action follow-up.

GOVERNANCE AND WORKER PARTICIPATION

Safety oversight is managed according to the specific needs and regulatory requirements of each site. LPI appoints a certified Safety and Health Officer to lead its programs. While our other manufacturing sites are not legally required to appoint a certified officer, they maintain high safety standards through appointed safety coordinators who monitor compliance and conduct inspections.

Health and Safety Committees are active at all manufacturing locations, with representation from both management and employees to ensure two-way engagement. Workers are encouraged to raise safety concerns or suggest improvements without fear of retaliation, fostering an open and participatory safety culture.

HEALTH SERVICES AND WELL-BEING INITIATIVES

Luxchem supports the physical and well-being of employees through:

- Annual occupational health screenings;
- Provision of PPE based on job-specific exposure risks; and
- Regular toolbox meetings, fire safety training, and targeted safety briefings.

No work-related ill health or occupational disease cases were reported during FY2025.

SUSTAINABILITY STATEMENT

cont'd

CONTRACTOR AND BUSINESS PARTNER SAFETY

All on-site contractors and visitors are covered under Luxchem's EHS Management System. Contractor management includes mandatory safety inductions, work permits for high-risk activities, and regular performance monitoring by EHS officers. Compliance with safety requirements is a condition of engagement and renewal for service providers.

OUR PROGRESS

In FY2025, all subsidiaries achieved the annual target of ≤ 2 work accidents per year, with zero lost-time incidents recorded across the Group. Notably, LPI achieved a marked improvement, reducing from three incidents in 2024 to zero in 2025, driven by targeted safety interventions including enhanced hazard identification reviews, additional job-specific training, and more frequent safety walkthroughs at high-risk work areas.

WORK ACCIDENT PERFORMANCE

Subsidiary	Target: ≤ 2 Work Accidents per Year	2023	2024	2025
LTSB	✓ Achieved	0	0	0
LPI	✓ Achieved	3	3	0
TMSB	✓ Achieved	0	0	0
LCSB	✓ Achieved	0	0	0

INJURY RATE PERFORMANCE

Subsidiary	Lost-Time Injuries (LTIR)	Total Hours Worked	LTIR (per 200k hours)
LTSB	0	196,550	0.00
LPI	0	248,262	0.00
TMSB	0	110,918	0.00
LCSB	0	103,472	0.00

Notes:

- i The LTIR is calculated using a multiplier of 200,000 hours in accordance with GRI 403-9.
- ii All incidents were documented, investigated, and addressed within the Group's EHS Management System. LPI and LCSB's performance are independently audited under ISO 45001 certification.

HEALTH AND SAFETY TRAINING

We achieved high engagement in our safety training programs, with 99% of our total workforce completing relevant standards.

Employee Category	2023	2024	2025	Total Headcount 2025	Percentage (%) 2025
Senior Management	-	-	11	12	92%
Middle Management	-	-	55	56	98%
Executive	-	-	68	69	99%
Non-Executive	-	-	142	142	100%
Total	162	269	276*	279	99%

* Breakdown by category was formalized in FY2025, previous years' totals are provided for aggregate comparison.

Luxchem remains committed to maintaining a zero-harm workplace. Looking ahead, the Group will continue to strengthen its EHS culture through ongoing training, proactive hazard identification, and the continuous improvement of our safety management systems.

SUSTAINABILITY STATEMENT

cont'd

HUMAN RIGHTS AND LABOUR STANDARD

WHY IS THIS IMPORTANT?

Respecting human rights and maintaining fair labour practices are integral to Luxchem's responsible business conduct. As part of the manufacturing and chemical sectors, we acknowledge potential industry risks such as unsafe working conditions, excessive working hours or discriminatory practices within operations and supply chains. By promoting ethical employment and safe workplaces, Luxchem safeguards employee well-being, strengthens its corporate reputation, and supports sustainable growth.

OUR APPROACH

GOVERNANCE AND POLICY FRAMEWORK

In FY2025, Luxchem adopted a standalone Human Rights Policy, superseding the previous Workforce Policy. This Policy applies across all subsidiaries and extends to business partners, including suppliers, agents, service providers, and joint venture partners, providing a foundation to embed human rights and fair labour principles throughout the value chain.

Key commitments include:

- Compliance with national labour laws, fair wages, reasonable working hours, and employee benefits;
- Prohibition of child labour and forced, bonded, or involuntary labour;
- Equal opportunity in employment, promotion, and training;
- Respect for employee rights to freedom of association and collective representation;
- Provision of grievance and whistleblowing channels with confidentiality and protection against retaliation;
- Workplace safety, health, and harassment prevention; and
- Privacy and protection of personal data in accordance with applicable laws.

Oversight of human rights matters rests with the Board of Directors, supported by the MSC and the Human Resources & Administration Department, with compliance monitored at the subsidiary level. Luxchem is progressively implementing human rights due diligence to identify, assess, and mitigate risks and intends to integrate ESG and human rights screening into supplier management over time.

REMEDiation AND GRIEVANCE HANDLING

Luxchem provides accessible channels for stakeholders to report potential human rights violations or unethical conduct. Whistleblowing reports are first reviewed by the Whistleblowing Committee, ensuring confidentiality and protection against retaliation. The Committee may escalate matters to the ARMC or the MSC as required. In FY2025, no human rights-related grievances were reported through these formal channels.

AWARENESS AND TRAINING

Human rights awareness is promoted through internal communication and policy dissemination. In FY2026, the Group will launch a dedicated e-learning module on workplace ethics, harassment prevention, and non-discrimination to further enhance employee understanding of responsible conduct.

SOCIAL AUDIT AND CORRECTIVE ACTIONS

In FY2025, a customer-led social audit identified two non-compliance areas at a subsidiary. Luxchem viewed this as an opportunity for continuous improvement and completed the following remediation:

Statutory Contributions (SOC SO): A gap in foreign worker SOC SO contributions was identified following 2024 regulatory changes. The Group has since calculated and settled all outstanding payments, ensuring full coverage for all eligible workers.

Recruitment Cost Remediation: It was discovered that one foreign worker had paid recruitment fees to an agent prior to joining the Group. Although this occurred before the official "Zero Recruitment Cost" policy mandate, Luxchem has fully reimbursed the worker in line with our commitment to ethical recruitment and the prevention of debt bondage.

SUSTAINABILITY STATEMENT

cont'd

OUR PROGRESS

In FY2025, Luxchem achieved full compliance with the Minimum Wages Order 2024 and all applicable labour laws. Internal reviews confirmed adherence to employment contracts, statutory contributions, fair wages, and regulated working hours across the Group.

A customer-led social audit during the year identified two non-compliance findings related to labour and human rights standards. The findings year served as a constructive mechanism for continuous improvement. The Group successfully addressed and rectified isolated findings regarding a foreign worker's recruitment fees and a technical gap in SOCSO contributions arising from 2024 regulatory changes. These proactive remediations reinforce our commitment to ethical labour and the prevention of debt bondage.

No complaints were received through Luxchem's formal grievance or whistleblowing channels in FY2025. Beyond these audit findings, there were no reported incidents of child labour, forced labour, discrimination, or harassment.

TALENT, DIVERSITY & INCLUSION

WHY IS THIS IMPORTANT?

Our people are central to Luxchem's long-term resilience and growth. The Group is committed to cultivating a high-performing, inclusive, and equitable workplace that attracts, develops, and retains skilled talent. Strategic investment in human capital mitigates turnover risk, enhances productivity, and strengthens corporate culture.

OUR APPROACH

FAIR EMPLOYEMENT PRACTICES

Luxchem ensures competitive wages above statutory minimums, transparent recruitment, and merit-based promotion. Local hiring is prioritised for senior management roles to support local capability-building. Employment contracts include minimum notice periods aligned with the Employment Act 1955 and terms are periodically reviewed to align with regulatory requirements and market practices.

DIVERSITY & INCLUSION

The Group's Gender Diversity Policy guides its commitment to creating a workplace that values differences in age, gender, ethnicity, nationality, religion, and socioeconomic background. Luxchem aligns with the Malaysian Code on Corporate Governance (MCCG) to maintain at least 30% female representation on the Board. Gender pay equity is also reviewed periodically across all job categories to ensure fairness.

EMPLOYEE BENEFITS AND WELL-BEING

Luxchem provides benefits that support physical, mental, and financial well-being, including medical and hospitalisation coverage, group personal accident insurance, statutory contributions. Employee recognition programmes, such as long-service awards and festive vouchers, reinforce a culture of appreciation and belonging.

TRAINING & DEVELOPMENT

Employee growth is central to Luxchem's sustainability strategy. In FY2026, ESG awareness training will be introduced to strengthen understanding of sustainability principles. Training needs are identified through performance appraisals, career development programmes, and job rotations, supporting internal mobility and leadership progression.

SUSTAINABILITY STATEMENT

cont'd

OUR PROGRESS

EMPLOYEE DIVERSITY

In FY2025, we saw a steady increase in female representation, reaching 38% of our total workforce.

By Gender	2023		2024		2025	
Male	177	65%	178	64%	173	62%
Female	97	35%	98	36%	106	38%
Total	274	100%	276	100%	279	100%

By Age Group	By Gender	2023		2024		2025	
Over 50 Years Old	Male	24	69%	20	63%	28	64%
	Female	11	31%	12	37%	16	36%

30 – 50 Years Old	Male	103	64%	104	63%	102	61%
	Female	57	36%	60	37%	66	39%

Under 30 Years Old	Male	50	63%	54	68%	43	64%
	Female	29	37%	26	33%	24	36%

By Ethnicity	By Gender	2023		2024		2025	
Chinese	Male	51	59%	42	55%	42	52%
	Female	36	41%	34	45%	38	48%

Malay	Male	89	63%	100	64%	98	62%
	Female	53	37%	56	36%	59	38%

Indian	Male	6	43%	8	50%	7	44%
	Female	8	57%	8	50%	9	56%

Others	Male	31	100%	28	100%	26	100%
	Female	-	-	-	-	-	-

By Employee Category	By Gender	2023		2024		2025	
Senior Management	Male	8	73%	9	75%	9	75%
	Female	3	27%	3	25%	3	25%

Middle Management	Male	34	57%	26	49%	25	45%
	Female	26	43%	27	51%	31	55%

Executive	Male	20	34%	25	42%	34	49%
	Female	38	66%	34	58%	35	51%

Non-executive	Male	115	79%	118	78%	105	74%
	Female	30	21%	34	22%	37	26%

SUSTAINABILITY STATEMENT

cont'd

BOARD OF DIRECTORS' DIVERSITY

We have maintained our 33% female representation on the Board.

By Gender	2023		2024		2025	
Male	4	67%	4	67%	4	67%
Female	2	33%	2	33%	2	33%
Total	6	100%	6	100%	6	100%

By Age Group	By Gender	2023		2024		2025	
Over 50 Years Old	Male	4	67%	4	67%	4	67%
	Female	2	33%	2	33%	2	33%

Note: 100% of our Board of Directors fall within the "Over 50 Years Old" category. As there is currently no representation in the "Under 30" or "30-50" age groups, those categories have been omitted for clarity.

EMPLOYEES THAT ARE CONTRACTORS OR TEMPORARY STAFF

	2023	2024	2025
Total contractors or temporary staff	9	18	27
Total employees	275	279	279
% of employees that are contractor or temporary staff	3.3%	6.5%	9.7%

EMPLOYEE TURNOVER

Our retention efforts saw significant success in FY2025, with our turnover rate dropping to 7.2% from 15.1% in the previous year.

	2023	2024	2025
Total turnovers	42	41	20
Total employees	267	272	279
% of Turnover	15.7%	15.1%	7.2%

By Gender		2023	2024	2025
Male	Total turnovers	27	21	8
	Total employees	177	178	173
	% of Turnover	15.3%	11.8%	4.6%
Female	Total turnovers	15	20	12
	Total employees	97	98	106
	% of Turnover	15.5%	20.4%	11.3%

SUSTAINABILITY STATEMENT

cont'd

By Employee Category		2023	2024	2025
Senior Management	Total turnovers	-	3	-
	Total employees	12	12	12
	% of Turnover	-	25.0%	-
Middle Management	Total turnovers	1	11	5
	Total employees	56	58	56
	% of Turnover	1.8%	18.9%	8.9%
Executive	Total turnovers	12	11	5
	Total employees	60	60	68
	% of Turnover	20.0%	18.3%	7.4%
Non-executive	Total turnovers	29	16	10
	Total employees	139	143	143
	% of Turnover	20.8%	11.2%	7.0%

TRAINING HOURS

We maintained a commitment to continuous learning, with an average of 15 training hours per employee in FY2025.

	2023	2024	2025
Total training hours	4,780	4,465	4,303
Total employees	274	279	279
Average training hours per employee	17	16	15

By employee category:		2023	2024	2025
Senior Management	Total training hours	218	237	290
	Total employees	12	13	12
	Average training hours per employee	18	18	24
Middle Management	Total training hours	1,393	1,166	871
	Total employees	60	61	56
	Average training hours per employee	23	19	16
Executive	Total training hours	1,072	1,152	1,100
	Total employees	62	63	69
	Average training hours per employee	17	18	16
Non-Executive	Total training hours	2,097	1,909	2,043
	Total employees	147	154	142
	Average training hours per employee	14	12	14

COMMUNITY INVESTMENT

WHY IS THIS IMPORTANT?

Luxchem believes that the benefits of its business should extend to the communities where we operate. Supporting social well-being and sustainable development strengthens relationships with local communities, builds trust, and enhances long-term business resilience.

SUSTAINABILITY STATEMENT

cont'd

OUR APPROACH

Community investment is a core part of Luxchem's sustainability agenda. The Group focuses its support on areas that promote education, healthcare, environmental awareness, and social welfare, reflecting its commitment to responsible corporate citizenship.

While Luxchem does not undertake large-scale infrastructure projects, our efforts aim to create meaningful and positive impacts. All donations and sponsorships undergo internal review and management approval to ensure transparency and compliance with our ABAC Policy. Contributions are strictly non-commercial and guided by integrity.

OUR PROGRESS

In FY2025, we nearly doubled our community investment compared to the previous year. This growth reflects our proactive approach to supporting local beneficiaries through various channels.

	2023	2024	2025
Total Community Investments (RM)	28,879	19,810	35,774
Total number of organisations	10*	7*	15*
Total number of beneficiaries	-	-	3,412^

* Represents the number of organizations/associations supported.

^ Represents the estimated number of individuals positively impacted.

Note: In FY2025, the Group commenced tracking the estimated number of individuals positively impacted by its community investment activities, in alignment with GRI 201-1 disclosure requirements. Prior to FY2025, this data was not tracked.

- **Social welfare:** Employee-driven initiatives included providing essential items and financial support to elderly care centers, orphanages and children with special needs.
- **Education:** We provided donations to local schools to fund educational materials and programs, directly enhancing the learning environment for students.

While formal impact assessments were not conducted for these activities, these initiatives are designed to foster goodwill and provide immediate relief and support to vulnerable groups.

SUSTAINABILITY STATEMENT

cont'd

GRI CONTENT INDEX

Statement of use	Luxchem Corporation Berhad has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD	GRI CODE	GRI DISCLOSURE	REFERENCE/SECTION	PAGE NUMBER
GRI 2: General Disclosures 2021	ORGANISATIONAL OVERVIEW			
	2-1	Organizational details	Management Discussion & Analysis	18 to 19
	2-2	Entities included in the organization's sustainability reporting	Scope & Boundaries	26
	2-3	Reporting period, frequency and contact point		
	2-4	Restatements of information	Restatements were made for FY2023 and FY2024 Scope 3 GHG emissions (Employee Commuting). These adjustments reflect improved data collection methodologies and refined assumptions to ensure higher accuracy.	
	2-5	External assurance	No external assurance	
	2-6	Activities, value chain and other business relationships	Management Discussion & Analysis	18 to 19
	2-7	Employees	Talent, Diversity & Inclusion	55
	2-8	Workers who are not employees		56
	SUSTAINABILITY GOVERNANCE			
	2-9	Governance structure and composition	Sustainability Statement - Sustainability Governance Structure and Responsibilities	27
	2-10	Nomination and selection of the highest governance body		
	2-11	Chair of the highest governance body		
	2-12	Role of the highest governance body in overseeing the management of impacts		
2-13	Delegation of responsibility for managing impacts			
2-14	Role of the highest governance body in sustainability reporting			

SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD	GRI CODE	GRI DISCLOSURE	REFERENCE/SECTION	PAGE NUMBER	
GRI 2: General Disclosures 2021 <i>cont'd</i>	2-15	Conflicts of interest	CG Overview Statement	73	
	2-16	Communication of critical concerns		76	
	2-17	Collective knowledge of the highest governance body		71	
	2-18	Evaluation of the performance of the highest governance body		73	
	2-19	Remuneration policies		74	
	2-20	Process to determine remuneration		74	
	2-21	Annual total compensation ratio	Undisclosed. Reason: Confidentiality constraints Explanation: Salary and compensation package are confidential information per company's policy		
	2-22	Statement on sustainable development strategy	Management Discussion & Analysis	25	
	2-23	Policy commitments	Business Ethics & Corporate Governance	40	
	2-24	Embedding policy commitments		40	
	2-25	Processes to remediate negative impacts	Whistleblowing Policy	53	
	2-26	Mechanisms for seeking advice and raising concerns			
	2-27	Compliance with laws and regulations	In 2025, Luxchem did not record any significant instances of non compliance with laws and regulations that resulted in fines, penalties, or legal actions.		
	STAKEHOLDERS				
	2-28	Membership associations	Luxchem is a member of: <ul style="list-style-type: none"> - Malaysian Rubber Products Manufacturers Association (MRPMA) - Federation of Malaysian Manufacturers (FMM) - Chemical Industries Council of Malaysia (CICM) - Malaysian Employers Federation (MEF) - Malaysian Rubber Glove Manufacturers Association (MARGMA) 		
2-29	Approach to stakeholder engagement	Stakeholders' Engagement & Materiality	29		
2-30	Collective bargaining agreements	Human Rights And Labour Standard	53		
GRI 3: Material Topics 2021	MATERIALITY				
	3-1	Process to determine material topics	Materiality Assessment	30	
	3-2	List of material topics	Materiality Matrix	31	
	3-3	Management of material topics	Found under each material topic section		

SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD	GRI CODE	GRI DISCLOSURE	REFERENCE/SECTION	PAGE NUMBER
ECONOMICS/GOVERNANCE				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance	38
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supply Chain Management	42
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics and Corporate Governance	41
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 415: Public Policy 2016	415-1	Political contributions		
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Quality Management	42
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		42
ENVIRONMENTAL				
GRI 302: Energy 2016	302-1	Energy consumption within the organization		44
	302-3	Energy intensity		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy and Climate Management	46
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity		
	305-5	Reduction of GHG emissions		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water & Effluent Management	48
	303-2	Management of water discharge-related impacts		
	303-3	Water withdrawal		

SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD	GRI CODE	GRI DISCLOSURE	REFERENCE/SECTION	PAGE NUMBER
GRI 306: Effluents and Waste 2016	306-3	Significant spills	Waste Management	50
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts		49
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
SOCIAL				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent, Diversity & Inclusion	56
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		54
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee		57
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees		55
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		Health & Safety
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety	52	
	403-6	Promotion of worker health	51	

SUSTAINABILITY STATEMENT

cont'd

GRI STANDARD	GRI CODE	GRI DISCLOSURE	REFERENCE/SECTION	PAGE NUMBER
GRI 403: Occupational Health and Safety 2018 <i>cont'd</i>	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Safety	51
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		52
	403-10	Work-related ill health		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights and Labour Standard	53
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		

SUSTAINABILITY STATEMENT

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BURSA MALAYSIA PRESCRIBE TABLE

Luxchem Corporation Berhad BMLR Transition Period

Date & Time: 2026-03-11_09:44:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Economic Performance	Economic Value Retained = Direct Economic Value Generated – Economic Value Distributed	Ringgit Malaysia (RM)	41,212,883	—	No assurance	
Business Ethics & Corporate Governance	Employee Trained on Anti-Bribery and Anti-Corruption	%	100	100	No assurance	
Business Ethics & Corporate Governance	Operations assessed for corruption-related risks	%	75	25	No assurance	1 site per annum
Business Ethics & Corporate Governance	Confirmed incidents of corruption and action taken	Number	0	0	No assurance	
Business Ethics & Corporate Governance	Political contributions made	Number	0	0	No assurance	
Quality Management	Customer Satisfaction Score	%	91.95	—	No assurance	91.95% is derived from the average of four subsidiary scores
Supply Chain Management	Procurement from Local Suppliers	%	46	40	No assurance	
Energy and Climate Management	Energy Consumed	Gj	53,186	—	No assurance	
Energy and Climate Management	Energy Intensity	Gj/tonne of production	0.64	0.90	No assurance	Energy Intensity calculation includes only data of Manufacturing segment
Energy and Climate Management	GHG Emission	tCO2e	4,617	—	No assurance	Scope 1, Scope 2 and Limited Scope 3 (Employee Commuting and Business Travel)
Energy and Climate Management	GHG Intensity	tCO2e/tonne of production	0.049	0.12	No assurance	Emissions Intensity calculation is limited to the Manufacturing segment
Water & Effluent Management	Water consumption	m3	58,748	—	No assurance	

SUSTAINABILITY STATEMENT

cont'd

Luxchem Corporation Berhad

BMLR Transition Period

Date & Time: 2026-03-11_09:44:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Water & Effluent Management	Water Intensity	m ³ /tonne of production	0.75	1.66	No assurance	Water consumption intensity includes only data from manufacturing segment
Waste Management	Waste Generated	tonne	2,392	—	No assurance	
Waste Management	Waste Diverted From Disposal	tonne	2,292	—	No assurance	
Waste Management	Waste Directed to Disposal	tonne	100	—	No assurance	
Waste Management	Waste Diversion	%	95.8	—	No assurance	
Waste Management	Waste Intensity	kg/tonne of production	30.59	3780	No assurance	Waste intensity includes only data of Manufacturing segment
Health & Safety	Gender Diversity Workforce (Male)	Number	0	<=2	No assurance	
Health & Safety	Lost-Time Injury Rate	Number	0	<1.0	No assurance	
Health & Safety	Employees attended Health and Safety Training	%	99	—	No assurance	
Human Rights and Labour Standard	Substantiated complaints concerning human rights violation	Number	2	0	No assurance	Fully remediated (via customer-led social audit; zero worker-initiated grievances received through formal channels)
Talent, Diversity & Inclusion	Employee By Gender (Male)	%	62	—	No assurance	
Talent, Diversity & Inclusion	Employee By Gender (Female)	%	38	—	No assurance	
Talent, Diversity & Inclusion	Employee Over 50 Years Old (Male)	%	64	—	No assurance	
Talent, Diversity & Inclusion	Employee Over 50 Years Old (Female)	%	36	—	No assurance	

SUSTAINABILITY STATEMENT

cont'd

Luxchem Corporation Berhad

BMLR Transition Period

Date & Time: 2026-03-11_09:44:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Talent, Diversity & Inclusion	Employee Between 30 to 50 Years Old (Male)	%	61	—	No assurance	
Talent, Diversity & Inclusion	Employee Between 30 to 50 Years Old (Female)	%	39	—	No assurance	
Talent, Diversity & Inclusion	Employee Below 30 Years Old (Male)	%	64	—	No assurance	
Talent, Diversity & Inclusion	Employee Below 30 Years Old (Female)	%	36	—	No assurance	
Talent, Diversity & Inclusion	Chinese (Male)	%	52	—	No assurance	
Talent, Diversity & Inclusion	Chinese(Female)	%	48	—	No assurance	
Talent, Diversity & Inclusion	Malay (Male)	%	62	—	No assurance	
Talent, Diversity & Inclusion	Malay (Female)	%	38	—	No assurance	
Talent, Diversity & Inclusion	Indian (Male)	%	44	—	No assurance	
Talent, Diversity & Inclusion	Indian (Female)	%	56	—	No assurance	
Talent, Diversity & Inclusion	Others (Male)	%	100	—	No assurance	
Talent, Diversity & Inclusion	Others (Female)	%	0	—	No assurance	
Talent, Diversity & Inclusion	Senior Management (Male)	%	75	—	No assurance	
Talent, Diversity & Inclusion	Senior Management (Female)	%	25	—	No assurance	
Talent, Diversity & Inclusion	Middle Management (Male)	%	45	—	No assurance	
Talent, Diversity & Inclusion	Middle Management (Female)	%	55	—	No assurance	
Talent, Diversity & Inclusion	Executive (Male)	%	49	—	No assurance	
Talent, Diversity & Inclusion	Executive (Female)	%	51	—	No assurance	

SUSTAINABILITY STATEMENT

cont'd

Luxchem Corporation Berhad

BMLR Transition Period

Date & Time: 2026-03-11_09:44:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Talent, Diversity & Inclusion	Non-Executive (Male)	%	74	—	No assurance	
Talent, Diversity & Inclusion	Non-Executive (Female)	%	26	—	No assurance	
Talent, Diversity & Inclusion	Board of Directors (Male)	%	67	—	No assurance	
Talent, Diversity & Inclusion	Board of Directors (Female)	%	33	>30%	No assurance	
Talent, Diversity & Inclusion	Board of Directors (Over 50 Years Old)	%	100	—	No assurance	100% of our Board of Directors fall within the "Over 50 Years Old" category. As there is currently no representation in the "Under 30" or "30-50" age groups, those categories have been omitted for clarity.
Talent, Diversity & Inclusion	Employees that are Contractors or Temporary Staff	%	9.7	<10%	No assurance	
Talent, Diversity & Inclusion	Employee Turnover	%	7.2	<15%	No assurance	
Talent, Diversity & Inclusion	Employee Turnover (Male)	%	4.6	—	No assurance	
Talent, Diversity & Inclusion	Employee Turnover (Female)	%	11.3	—	No assurance	
Talent, Diversity & Inclusion	Employee Turnover (Senior Management)	%	0	—	No assurance	
Talent, Diversity & Inclusion	Employee Turnover (Middle Management)	%	8.9	—	No assurance	
Talent, Diversity & Inclusion	Employee Turnover (Executive)	%	7.4	—	No assurance	
Talent, Diversity & Inclusion	Employee Turnover (Non-Executive)	%	70	—	No assurance	
Talent, Diversity & Inclusion	Average Training Hours per Employee	Hours	15	—	No assurance	

SUSTAINABILITY STATEMENT

cont'd

Luxchem Corporation Berhad
BMLR Transition Period

Date & Time: 2026-03-11_09:44:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Talent, Diversity & Inclusion	Average Training Hours per Employee (Senior Management)	Hours	24	—	No assurance	
Talent, Diversity & Inclusion	Average Training Hours per Employee (Middle Management)	Hours	16	—	No assurance	
Talent, Diversity & Inclusion	Average Training Hours per Employee (Executive)	Hours	16	—	No assurance	
Talent, Diversity & Inclusion	Average Training Hours per Employee (Non-Executive)	Hours	14	—	No assurance	
Community Investment	Total Community Investments	Ringgit Malaysia (RM)	35,774	25,000	No assurance	
Community Investment	Number of Beneficiaries	Number	3,412	10	No assurance	

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 2025 (“**FY 2025**”) 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 17 April 2026. Shareholders may obtain this CG Report by accessing this link 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.

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 Datuk Kwan Foh Kwai	Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali Datuk Kwan Foh Kwai	Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali 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, Nominating 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 achieving their objectives, changing the composition 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.

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 2025 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 2025, 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 2025 were as follows:

Name of Director	Date Attended	Course Title
Datuk Kwan Foh Kwai	9 January 2025	Forum Ekonomi Malaysia 2025
	20 March 2025	Amendments to Listing Requirements 2024 & Conflict of Interest
	13 May 2025	PwC AI Leadership Conference 2025
	27 May 2025	Transfer Pricing & Tax Corporate Governance
	2 August 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 1
	4 August 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 2
	21 November 2025	Invitation to The Chairperson's Circle
Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali	20 March 2025	Amendments to Listing Requirements 2024 & Conflict of Interest
	28 April 2025	e-Learning Module: Cybersecurity Awareness - Module 1 & 2
	13 May 2025	MIA Webinar Series: Key Learning Points from Review of MIA's Illustrative MPERS (Application by reference to various related MFRSs)
	7 July 2025 – 8 July 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	15 July 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 1
	16 July 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 2
	13 August 2025	MIA Webinar Series: Auditor's Report, Audit Modifications, Going Concerns and Other Matters Paragraph
Tan Teck Kiong	20 March 2025	Amendments to Listing Requirements 2024 & Conflict of Interest
	14 April 2025	e-Learning Module: Cybersecurity Awareness - Module 1 & 2
	18 June 2025 – 19 June 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	20 June 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 1 & 2

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

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

(I) Board Responsibilities *cont'd*

Name of Director	Date Attended	Course Title
Tang Ying See	20 March 2025	Amendments to Listing Requirements 2024 & Conflict of Interest
	29 April 2025	e-Learning Module: Cybersecurity Awareness - Module 1 & 2
	1 July 2025 – 2 July 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	5 July 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 1 & 2
	18 August 2025	E-Learning Module Quick Guide to Fire Safety
Chin Song Mooi	20 March 2025	Amendments to Listing Requirements 2024 & Conflict of Interest
	20 March 2025	Personal / Company Tax Training for Luxchem
	29 April 2025	e-Learning Module: Cybersecurity Awareness - Module 1 & 2
	9 May 2025	Safety Briefing
	1 July 2025 – 2 July 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	4 July 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 1 & 2
Chen Moi Kew	18 August 2025	E-Learning Module Quick Guide to Fire Safety
	25 February 2025	Onboarding Programme for First Time Directors: Company and Key Players Explained
	20 March 2025	Amendments to Listing Requirements 2024 & Conflict of Interest
	20 March 2025	Personal / Company Tax Training for Luxchem
	27 March 2025	Onboarding Programme for First Time Directors: Corporate Governance Matters for the Board
	29 April 2025	Safety Briefing
	30 April 2025	e-Learning Module: Cybersecurity Awareness - Module 1 & 2
	5 June 2025	Unmasking Corporate Fraud: Identifying Red Flags to Strengthen Organisational Integrity
	20 June 2025	Everything About Dividend
	25 June 2025	Driving forces of next-generation governance: Shaping the future of corporate leadership
	30 June 2025	e-Learning Module: Anti-Bribery and Anti-Corruption - Module 1 & 2
	1 July 2025 – 2 July 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	4 July 2025	Agile and Strategic Thinking
	18 August 2025	E-Learning Module Quick Guide to Fire Safety
	25 August 2025	Strategic Employee Wellbeing & Resilience for Corporate Leaders
17 September 2025	Payroll Administration in Compliance with Malaysian Employment Laws	
28 October 2025 – 29 October 2025	Data Protection Officer (DPO) Certificate Programme	
4 November 2025	BDO's Tax Seminar on Budget 2026	

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.

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 MCGG, 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 MCGG.

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 2025. 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 2025.

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 2025, the Nominating Committee conducted a fit and proper assessment of Datuk Kwan Foh Kwai and Mr Tang Ying See, who sought re-election as Directors at the 33rd AGM on 22 May 2025. As part of the assessment, both Datuk Kwan Foh Kwai and Mr Tang Ying See submitted their Fit and Proper Declaration Forms to the Nominating Committee. Following the evaluation, the Nominating Committee recommended their re-election as Directors.

On 12 February 2026, the Nominating Committee also carried out a fit and proper assessment of the retiring Directors namely, Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali and Mr Tan Teck Kiong ("Retiring Directors"), who are seeking re-election at the upcoming 34th 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 2025, the Board, on 12 February 2026, agreed with the Nominating Committee's recommendation to propose re-election of the Retiring Directors at the upcoming 34th AGM.

On 12 February 2026, 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 2025. The Nominating Committee was satisfied with the performance and contributions of the Directors.

CORPORATE GOVERNANCE

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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

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. 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, the level of responsibilities assumed in the Board and its Board Committee, their attendance, as well as special skills and expertise they contribute to the Board.

The aggregate remuneration paid or payable to all Directors of the Company during FY 2025 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 2025, 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 2025 were as follows:

	Company (RM)	Group (RM)
Statutory audit fees	100,000	398,000
Assurance related services	5,000	5,000
Non-audit services	4,500	88,500
Total	109,500	491,500

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.

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.

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 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, Quality Management Policy and Human Rights Policy. During the FY 2025, there were no whistleblowing cases received by the Company.

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 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.

At the last AGM held on 22 May 2025, the Company had given at least 28 days' notice period for Notice of the Thirty-Third 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-Third 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-Third AGM were put to vote by poll. 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.

The aforesaid voting was conducted through the on-site electronic voting system to ease the whole voting process. The Company will continue to explore the leveraging of technology, to enhance the quality of engagement with its shareholders.

This Statement was approved by the Board on 12 February 2026.

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 2025, 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 2025 (“**FY 2025**”) 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 of Chartered 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.

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.

2. MEETING AND ATTENDANCE

During the FY 2025, 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 2025, 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 6 March 2025, the ARMC reviewed the draft annual audited financial statements for the financial year ended 31 December 2024, 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 2024 to the Board for approval at its meeting on 6 March 2025. The audited financial statements which were included in the 2024 Annual Report, were issued to the shareholders on 18 April 2025.

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

- a) On 23 October 2025, 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 13 February 2025. 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 23 October 2025, the ARMC took note of the audit services rendered by BDO PLT. Mr Rejeesh Balasubramaniam, 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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

iii. Review the Group's Risk Management Framework

During the FY 2025, 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, discussed, assessed and monitored to safeguard shareholders' investments and the Company's assets.

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 situations 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 13 February 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

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

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 *cont'd*

- e) Site visits conducted by ARMC members and reviewed the key operation processes of the subsidiaries as follows:

Date of Site Visit	Details
23 June 2025	Transform Master Sdn. Bhd. Purpose: To obtain an overview of the plant's operations from the General Manager, particularly in relation to production capabilities and resource management
23 October 2025	<ul style="list-style-type: none"> • Lands acquired by Transform Master Sdn. Bhd. • Pulau Indah warehouse extension • Lands acquired by Lexis Chemical Sdn. Bhd. • Office of Lexis Chemical Sdn. Bhd. Purpose: To keep abreast of key operational issues and monitor the organisation's operating performance and condition.

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 2025.

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:

Name	Amos Law, Executive Director
Professional Qualification	Certified Internal Auditor (" CIA "), Chartered Institute of Internal Auditors (" CIIA ") Certification in Risk Management Assurance (" CRMA ")

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

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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

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

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 2025 and conducted their reviews on the following key audit areas of the respective entities:

- i. Luxchem Trading Sdn. Bhd. on commercial functions involving Sales, Billing, Collection, Credit Control, Procurement and Payment and Inventory Management under Rubber and Fibreglass Reinforced Plastic & Coating Division.
- ii. Lexis Chemical Sdn. Bhd. and Lexis Specialties Sdn. Bhd. on Sales, Billing, Collection and Credit Control.
- iii. Luxchem Trading Sdn. Bhd. on Human Resources and Payroll Processing.
- iv. Follow-up Audits on Lexis Chemical Sdn. Bhd. and Luxchem Trading 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 2025 was RM88,000 (2024: RM88,000).

This ARMC Report was approved by the Board on 12 February 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**the Board**”) of Luxchem Corporation Berhad (“**the Company**”) is pleased to present this Statement on Risk Management and Internal Control (“**the Statement**”), which describes the state of risk management and internal control of the Company and its subsidiaries (“**the Group**”) for the financial year ended 31 December 2025.

This Statement is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (“**SORMIC Guide 2025**”).

The SORMIC Guide 2025 aligns with international best practices established by the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”), the International Organization for Standardization (ISO), and The Institute of Internal Auditors (IIA). These standards reinforce accountability, strengthen governance frameworks and enhance business resilience in a dynamic corporate environment.

BOARD RESPONSIBILITIES AND GOVERNANCE OVERSIGHT

The Board acknowledges its responsibility for the Group’s system of risk management and internal control, including establishing an appropriate governance structure, risk appetite, and internal control framework to manage risks that may affect the achievement of the Group’s strategic plans and objectives.

In discharging its responsibilities, the Board is guided by four governance pillars outlined in the SORMIC Guide 2025, namely:

- Accountability and delegation through clearly defined roles and responsibilities;
- Governance and strategic oversight of principal and emerging risks;
- Monitoring and engagement with internal and external assurance providers; and
- Risk appetite and policy setting aligned with the Group’s objectives and strategy.

The Board is assisted by the Board’s Committee – the Audit and Risk Management Committee (“**ARMC**”) – and the Management’s Committee – the Risk Management Committee (“**RMC**”) – while retaining ultimate accountability for the adequacy and effectiveness of the Group’s risk management and internal control system.

The Board derives assurance through, among others:

- Quarterly review of financial performance, financial results and key business indicators, as applicable;
- Yearly review of performance against approved strategies, budgets and targets, as applicable;
- Yearly review of the integrity of financial reporting and quarterly review of internal audit findings and management responses by ARMC;
- Presentation of enterprise risk management assessments, risk registers and mitigation status by the RMC on quarterly basis;
- Reports and observations from the External Auditors arising from statutory audits on internal control at least once a year; and
- Written assurance from Management on the adequacy and effectiveness of the Group’s risk management and internal control system.

RISK MANAGEMENT FRAMEWORK

The Group has established a structured and systematic enterprise risk management (“**ERM**”) framework that aligns with recognised international standards, including but not limited to COSO. The ERM framework is designed to provide reasonable assurance in managing risks that could impede the achievement of the Group’s objectives, while supporting value creation, strategic alignment and accountability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

RISK MANAGEMENT PROCESS

The Group's risk management process includes:

- Ongoing identification, evaluation and prioritisation of strategic, operational, financial, compliance, sustainability and emerging risks, including cyber security and environmental, social and governance ("ESG")-related risks;
- Assessment of risks based on likelihood and impact, taking into account the Group's risk appetite and tolerance levels;
- Formulation and implementation of risk mitigation strategies using preventive, detective and corrective controls;
- Monitoring of key risks, control effectiveness and risk trends through defined key risk indicators ("KRIs") and management metrics; and
- Periodic reporting to the Board on material risks, mitigation status and emerging risk developments.

During the financial year under review, the principal risks identified, reviewed and measured include, among others:

- Competition and credit risks arising from competitive pricing of products and customer credit exposure;
- Operational risks relating to supply chain disruptions, production / logistic efficiency and health and safety;
- Compliance and regulatory risks; and
- Information and cyber security risks.

Each risk is evaluated based on its likelihood and potential impact, taking into consideration the Group's risk appetite and tolerance levels. Risk assessments also consider the effectiveness of existing controls and potential residual risk exposure.

Mitigating measures are established for each risk, which may include preventive, detective and corrective controls such as standard operating procedures, segregation of duties, management reviews, credit controls, insurance coverage, system access controls, and compliance monitoring mechanism.

The Group maintains a formal risk register which documents identified risks, risk owners, existing controls, residual risk ratings and action plans. The risk register is reviewed and updated at least annually, with interim reviews conducted by Risk Management Committee to ensure that emerging risks and changes in the business and operational environment are appropriately considered.

These processes were in place throughout the financial year under review and up to the date of approval of this Statement, and are subject to continuous monitoring and improvement to ensure their ongoing adequacy and effectiveness.

RISK MANAGEMENT COMMITTEE

The RMC, chaired by the Managing Director and supported by senior management and Heads of Department, is responsible for overseeing the implementation of the ERM framework. The RMC's key roles include:

- Identifying and evaluating principal and emerging risks;
- Recommending risk mitigation strategies and action plans;
- Promoting risk awareness and embedding risk considerations into business and operational processes;
- Ensuring adequate resources and information are available for effective risk management; and
- Reporting periodically to the Board on the Group's risk profile and the effectiveness of risk mitigation actions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL CONTROL SYSTEM

The Group's internal control system is designed to provide reasonable assurance that the likelihood of significant adverse impact on business objectives arising from an event is kept at an acceptable level to the Group.

Key elements of the internal control system include:

- A defined organisational structure with clear lines of responsibility, authority and accountability;
- Board Committees with written Terms of Reference to support effective governance;
- Clearly defined limits of authority and approval matrices;
- Periodic operational and management reporting to monitor and evaluate performance against the approved objectives;
- Monthly management and credit meetings to monitor financial exposures and operational matters;
- Human capital development through training and competency enhancement programmes;
- Information technology controls, including daily off-site data backup procedures;
- Adoption of internationally recognised management system standards (ISO 9001, ISO 14001, and ISO 45001) across relevant subsidiaries;
- A Whistleblowing Policy providing a structured reporting channel for concerns on misconduct, fraud or non-compliance;
- Anti-Bribery and Anti-Corruption policies, Codes of Ethics and Conduct, Conflict of Interest Policy and Directors' Fit and Proper Policy; and
- Annual declarations of independence and conflict of interest by Directors and key management personnel.

SUSTAINABILITY AND ESG RISK INTEGRATION

In line with the SORMIC Guide 2025, the Group integrates sustainability risks into its ERM and internal control framework. These include environmental, social and governance risks that may impact long-term value creation, regulatory compliance and stakeholder expectations.

The Group's approach is aligned with relevant sustainability frameworks and applicable sustainability disclosure standards. Sustainability risks are identified, assessed and monitored alongside other principal risks, with mitigation actions incorporated into business strategies and operational plans where relevant.

INTERNAL AUDIT AND ASSURANCE – THREE LINES MODEL

The Group adopts the Three Lines Model to support effective governance and assurance. The roles and responsibilities are clearly defined as follows:

First Line – Risk Owners

Heads of Subsidiaries and Departments across the Group are responsible for:

- Identifying, assessing and managing risks within their respective areas of responsibility;
- Designing, implementing and maintaining effective internal controls and standard operating procedures;
- Ensuring compliance with applicable laws, regulations, internal policies and risk appetite parameters;
- Monitoring operational performance, financial exposures and risk indicators; and
- Reporting, evaluating risk matters, control weaknesses and emerging risks to the Executive Directors on a timely basis.

Second Line – Executive Officers

Executive Officers at the Group level responsible for risk oversight, corporate governance, compliance, sustainability, quality management and other control monitoring roles. Their responsibilities include:

- Facilitating and coordinating the enterprise risk management framework and maintaining the Group's risk register;
- Reviewing and challenging risk assessments performed by the First-Line;
- Monitoring compliance with internal policies and regulatory requirements;
- Providing guidance, tools and methodologies to support effective risk management practices; and
- Reporting significant risk matters and control issues to ARMC.

The Second-Line provides oversight and ensures consistency in the application of risk management practices across the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT AND ASSURANCE – THREE LINES MODEL *cont'd*

Third Line – Internal Audit (Independent Assurance)

The internal audit function is outsourced to Crowe Governance Sdn. Bhd. (“**Internal Auditor**”), an independent professional firm reporting functionally to the ARMC.

The Internal Auditor’s responsibilities include:

- Evaluating the adequacy and effectiveness of governance, risk management and internal control processes;
- Assessing compliance with policies, procedures and regulatory requirements;
- Reviewing the reliability and integrity of financial and operational information;
- Reporting significant findings, control deficiencies and improvement recommendations directly to the ARMC; and
- Following up on the implementation status of agreed corrective actions.

The Internal Auditor provides independent and objective assurance to the ARMC and the Board on the adequacy and effectiveness of the Group’s governance, risk management and internal control system. All assessment findings and recommendations were presented to the ARMC on a quarterly basis.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Board, through the ARMC and RMC, reviews the adequacy and effectiveness of the Group’s risk management and internal control system at least annually. This review considers, among others:

- Results of risk assessments and internal audit reviews;
- Effectiveness of key controls and mitigation measures;
- Indicators of control weaknesses, including recurring issues, incidents, losses or near misses;
- Management’s responsiveness in addressing identified gaps; and
- Quality and timeliness of risk and control reporting.

Where weaknesses or areas for improvement are identified, appropriate remedial actions are implemented, monitored by Management and reported to the ARMC and the Board.

LIMITATIONS OF THE SYSTEM

The Board recognises that any system of risk management and internal control has inherent limitations and is designed to manage, rather than eliminate, the risk of failure to achieve the Group’s business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

Inherent limitations may arise from:

- Human error, judgemental bias or misunderstanding of instructions;
- Management override of controls;
- Inadequate or untimely reporting of control weaknesses;
- Quality gaps in risk assessments or documentation;
- Failure to identify or adequately respond to emerging or evolving risks; and
- External events beyond the Group’s control.

The Board is also mindful that indicators of control ineffectiveness may include recurring audit findings, delays in remediation of control deficiencies, compliance breaches, operational incidents, or significant variances from expected risk tolerance levels.

To mitigate these limitations, the Group continues to strengthen its risk and governance processes, enhance reporting transparency, reinforce escalation mechanisms, and promote culture of accountability as well as continuous improvement across all levels of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

MANAGEMENT ASSURANCE

The Board has received assurance from the Managing Director/Chief Executive Officer and the Executive Director/Chief Financial Officer that, to the best of their knowledge and based on established processes, the Group's risk management and internal control system operated 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 is satisfied that the Group has maintained an adequate and effective system of risk management and internal control that is aligned with the Group's objectives, strategy and risk appetite. The Board remains committed to continuously strengthening the Group's risk management and internal control framework in response to an evolving business, regulatory and sustainability landscape.

There were no material losses arising from any inadequacy or failure of the Group's risk management and internal control system that would require separate disclosure in the Annual Report for the financial year ended 31 December 2025.

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 Annual Report 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 is supported by documentation prepared by or for the Directors and whether it appropriately reflects the process adopted by the Directors in reviewing the adequacy and integrity of the Group's internal control system.

Based on their review procedures, the External Auditors have reported that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure requirements of the SORMIC Guide 2025 or is factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 12 February 2026.

ADDITIONAL COMPLIANCE INFORMATION

- **UTILISATION OF PROCEEDS**

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2025.

- **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 interests of the Directors, Chief Executive who is not a Director or major shareholders either still subsisting at the end of the financial year ended 31 December 2025 or, if not then subsisting, entered into since the end of the previous financial year.

- **RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OF TRADING NATURE**

During the financial year ended 31 December 2025, 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")**

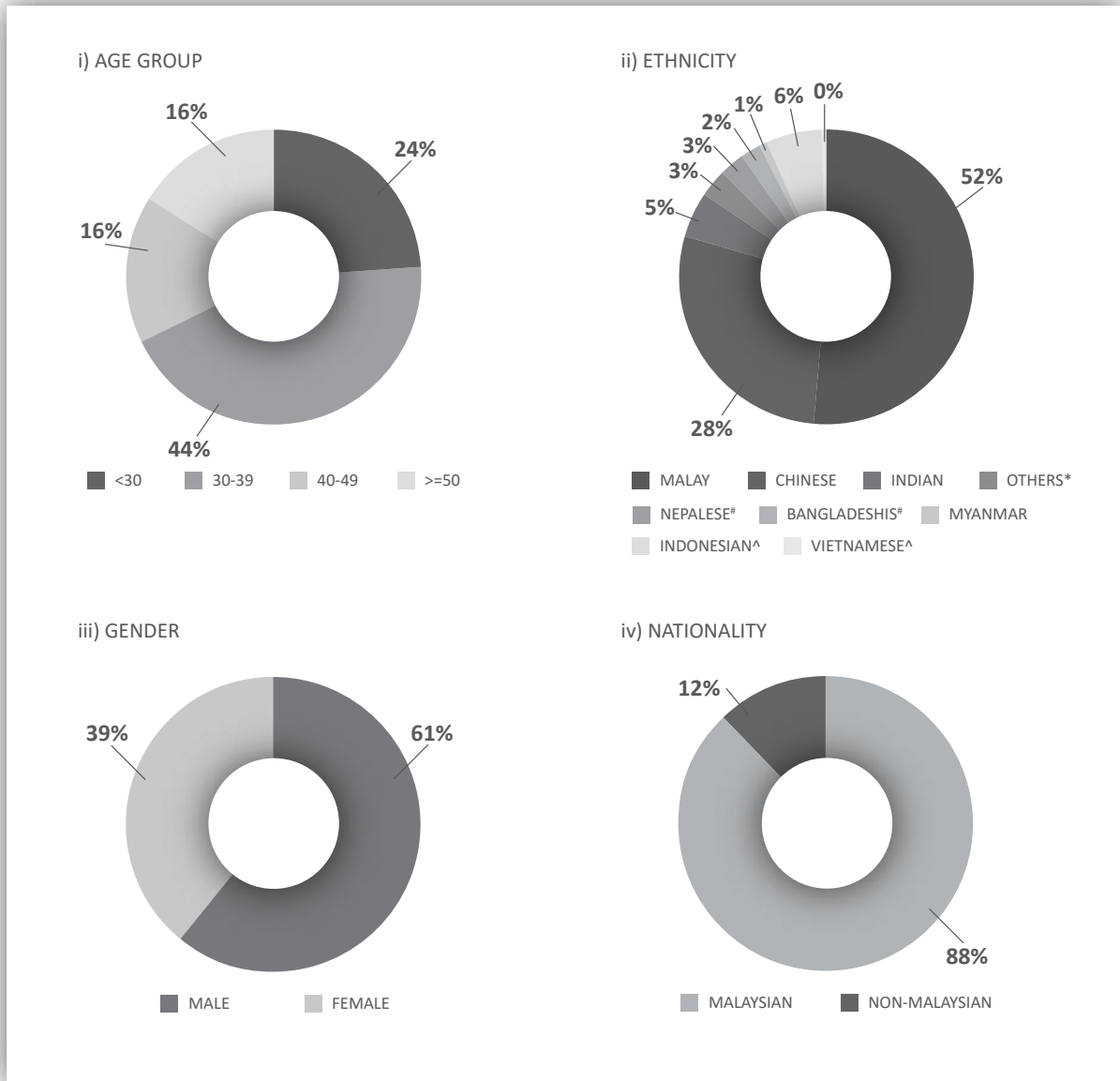
There were no ESOS offered nor options exercised during the financial year ended 31 December 2025.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

- WORKFORCE DIVERSITY**

The Group's workplace statistics in terms of age, ethnicity, gender and nationality as at 31 December 2025 are disclosed below:



ADDITIONAL COMPLIANCE INFORMATION

cont'd

• FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		730,983,693	795,375,115
Interest/Finance income		7,592,109	7,778,967
Dividend income		33,274	6,960
Other income		777,675	3,376,322
Others (please specify in the remarks column)	Rental income	1,237,427	277,900
Total		740,624,178	806,815,264
Total Assets		803,669,477	821,541,598

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income		7,592,109	7,778,967
Dividend income received from conventional instruments		33,274	6,960
Rental income received from tenant involved in Shariah non-compliant activities		690,960	64,000
Total		8,316,343	7,849,927

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash in hand		34,330	36,772
Cash at bank		92,164	547,736
Total Cash		126,494	584,508

ADDITIONAL COMPLIANCE INFORMATION

cont'd

- FINANCIAL DATA FOR SHARIAH SCREENING *cont'd*

- (c) Component of Financial Position *cont'd*

- (i) Cash Component *cont'd*

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		90,578,298	67,759,528
Deposits with licensed bank		180,800,395	190,218,177
Total Cash		271,378,693	257,977,705

- (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current		Nil	Nil
Non-Current		Nil	Nil
Total Financing		Nil	Nil

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Trade financing		39,229,245	69,958,373
Term loans		2,743,322	2,777,542
Hire purchase payables		201,609	235,104
Non-Current			
Term loans		6,476,192	9,233,222
Hire purchase payables		61,178	275,979
Total Debt		48,711,546	82,480,220

FINANCIAL STATEMENTS

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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 2025.

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 RM	Company RM
Profit for the financial year	49,636,544	15,043,915
Attributable to:		
Owners of the parent	41,838,153	15,043,915
Non-controlling interests	7,798,391	-
	49,636,544	15,043,915

DIVIDENDS

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

	RM
Second single-tier interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 14 March 2025	10,697,661
First single-tier interim dividend of 0.70 sen per ordinary share in respect of the financial year ended 31 December 2025, paid on 29 August 2025	7,482,763
	18,180,424

Subsequent to the financial year, the Board of Directors of the Company had on 12 February 2026 declared a second single-tier interim dividend of 1.00 sen per ordinary share amounting to RM10,689,661 for the financial year ended 31 December 2025. 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 2026.

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.

REPURCHASE OF SHARES

During the financial year, the Company repurchased 800,000 of its issued ordinary shares from the open market of Bursa Securities at an average price of RM0.48 per share.

As at 31 December 2025, a total of 900,000 (2024: 100,000) treasury shares at a total cost of RM455,321 (2024: RM70,536) are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Securities.

The number of ordinary shares as at 31 December 2025, net of treasury shares is 1,068,966,119 (2024: 1,069,766,119). Further details are disclosed in Note 15(b) to the financial statements.

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
 Wong Kee Ann
 Joseph Tjendra
 Trisia Claudia
 Ng Chai Teik
 Pang Tee King
 Kor Soo Bee
 Lee Juinn Yong
 Chuah Kim Piew
 Tang Chii Shyan (Appointed on 23 January 2026)

DIRECTORS' REPORT

cont'd

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 2025 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 as at 1.1.2025	Acquired	Disposed	
Shares in the Company				
Tang Ying See				
- Direct	15,806,500	11,239,100	-	27,045,600
- Indirect*	448,312,800	-	-	448,312,800
Chin Song Mooi				
- Direct	10,278,000	-	-	10,278,000
- Indirect**	453,841,300	11,239,100	-	465,080,400
Chen Moi Kew				
- Direct	4,590,000	-	-	4,590,000
Datuk Kwan Foh Kwai				
- Direct	2,388,800	50,000	-	2,438,800
- 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 as at 1.1.2025	Acquired	Disposed	
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 2025 were as follows:

	Group RM	Company RM
Fees	379,428	195,000
Short-term employee benefits	7,006,733	15,000
Defined contribution plan	710,114	-
Defined benefit obligations	77,657	-
Others	108,138	-
Benefits-in-kind	67,763	-
	8,349,833	210,000

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.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 29 October 2025, Transform Master Sdn Bhd ("TMSB") a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") to acquire 1,800,000 ordinary shares, representing 100% equity interest in Kazox Materials Sdn Bhd ("Kazox") from Lee Siok Ching, Lee Ern Ern, and Haziq Bin Zairel Oh for a total cash consideration of RM3,785,607. The acquisition was completed on 22 January 2026. Consequently, Kazox has become an indirect wholly owned subsidiary of the Company. Kazox is principally involved in the manufacturing and trading of zinc oxide.

ULTIMATE HOLDING COMPANY

The Directors regard Chemplex Resources Sdn. Bhd., a company incorporated in Malaysia as the ultimate 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 2025 were as follows:

	Group RM	Company RM
Statutory audit	461,709	100,000
Assurance related services	5,000	5,000
	466,709	105,000

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

Tang Ying See
Director

Kuala Lumpur
27 March 2026

Chen Moi Kew
Director

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the accompanying financial statements set out on pages 105 to 166 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 2025 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
27 March 2026

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 105 to 166 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 27 March 2026)

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 2025 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 105 to 166.

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 2025, 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"), as applicable to audits of financial statements of public interest entities 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 2025, 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 forecasts of the cash generating units ("CGUs") in determining the recoverable amount based on value-in-use calculations. 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 forecasts to actual outcome to assess the reliability of management forecasting process;
- (b) compared cash flow forecasts against recent performance, and assessed and challenged the key assumptions applied in the value-in-use calculations through discussion with management and compared the key assumptions 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 forecasted operating profit margins and growth rates by assessing evidence available to support the key assumptions in forecast;
- (d) evaluated the reasonableness of the pre-tax discount rates applied by management by comparing the discount rates used to entities with similar risk profiles and relevant market information and other 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 disclosed in Note 9 to the financial statements, the carrying amounts of investments in subsidiaries amounted to RM273,405,622 as at 31 December 2025, of which RM165,088,300 relates to subsidiaries with impairment indicators. Impairment losses on costs of investments in subsidiaries of the Company amounted to RM9,514,992 as at 31 December 2025.

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 forecasts 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 forecasts to actual outcome to assess the reliability of management forecasting process;
- (b) compared cash flow forecasts against recent performance, and assessed and challenged the key assumptions applied in the value-in-use calculations through discussion with management and compared the key assumptions to available external industry sources of data;
- (c) evaluated the reasonableness of forecasted operating profit margins and growth rates by assessing evidence available to support the key assumptions in forecast;
- (d) evaluated the reasonableness of the pre-tax discount rate applied by management by comparing the discount rates used to entities with similar risk profiles and relevant market information and other 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)

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

Key Audit Matters *cont'd*

b) Impairment assessment of investments in subsidiaries *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.

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*

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*

- 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.
- 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

Rejeesh A/L Balasubramaniam
02895/08/2026 J
Chartered Accountant

Kuala Lumpur
27 March 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	139,564,125	125,156,610	-	-
Investment properties	6	6,290,798	6,377,455	-	-
Goodwill	7	65,315,203	65,315,203	-	-
Intangible assets	8	101,475,414	108,113,689	-	-
Investments in subsidiaries	9	-	-	273,405,622	277,267,671
Other investments	10	503,581	1,340,005	-	-
Deferred tax assets	11	741,403	319,201	-	-
		313,890,524	306,622,163	273,405,622	277,267,671
Current assets					
Inventories	12	74,976,089	101,238,414	-	-
Trade and other receivables	13	140,692,598	149,743,111	833,957	1,534,477
Current tax assets		2,580,749	5,375,696	-	-
Cash and bank balances	14	271,529,517	258,562,214	26,569,163	25,643,808
		489,778,953	514,919,435	27,403,120	27,178,285
TOTAL ASSETS		803,669,477	821,541,598	300,808,742	304,445,956
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	(455,321)	(70,536)	(455,321)	(70,536)
Reserves	16	287,918,297	265,975,228	2,601,686	5,738,195
		585,540,773	563,982,489	300,224,162	303,745,456
Non-controlling interests		89,364,707	86,159,237	-	-
TOTAL EQUITY		674,905,480	650,141,726	300,224,162	303,745,456

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025
cont'd

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
LIABILITIES					
Non-current liabilities					
Retirement benefits	17	723,153	732,533	-	-
Lease liabilities	18	258,136	354,955	-	-
Borrowings	20	6,476,192	9,233,222	-	-
Deferred tax liabilities	11	26,662,687	27,470,207	-	-
		34,120,168	37,790,917	-	-
Current liabilities					
Trade and other payables	19	50,839,412	58,092,925	563,482	647,689
Lease liabilities	18	503,780	375,420	-	-
Borrowings	20	41,972,567	72,735,915	-	-
Current tax liabilities		1,328,070	2,404,695	21,098	52,811
		94,643,829	133,608,955	584,580	700,500
TOTAL LIABILITIES		128,763,997	171,399,872	584,580	700,500
TOTAL EQUITY AND LIABILITIES		803,669,477	821,541,598	300,808,742	304,445,956

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 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	730,983,693	795,375,115	19,344,500	17,832,000
Cost of sales		(612,809,773)	(668,750,077)	-	-
Gross profit		118,173,920	126,625,038	19,344,500	17,832,000
Other operating income		9,640,485	11,440,149	763,586	884,537
Selling and distribution costs		(9,510,401)	(9,933,341)	-	-
Administration expenses		(41,108,320)	(39,289,086)	(886,615)	(579,024)
Other operating expenses		(6,564,790)	(6,422,522)	(3,997,376)	(2,131,796)
Finance costs	22	(2,779,962)	(2,772,435)	-	-
Net reversal of impairment on financial assets		299,727	45,780	-	-
Profit before tax	23	68,150,659	79,693,583	15,224,095	16,005,717
Tax expense	24	(18,514,115)	(20,680,853)	(180,180)	(208,637)
Profit for the financial year		49,636,544	59,012,730	15,043,915	15,797,080
Other comprehensive loss, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(1,001,028)	(803,887)	-	-
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation		25,371	32,292	-	-
Fair value (loss)/gain on equity investments at fair value through other comprehensive income		(836,424)	277,513	-	-
		(811,053)	309,805	-	-
Total other comprehensive loss for the financial year, net of tax		(1,812,081)	(494,082)	-	-
Total comprehensive income for the financial year		47,824,463	58,518,648	15,043,915	15,797,080

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 2025
cont'd

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Profit attributable to:					
Owners of the parent		41,838,153	48,000,385	15,043,915	15,797,080
Non-controlling interests		7,798,391	11,012,345	-	-
		49,636,544	59,012,730	15,043,915	15,797,080
Total comprehensive income attributable to:					
Owners of the parent		40,123,493	47,549,810	15,043,915	15,797,080
Non-controlling interests		7,700,970	10,968,838	-	-
		47,824,463	58,518,648	15,043,915	15,797,080
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic	25	3.91	4.49		
- Diluted	25	3.91	4.49		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025

Group	Note	Share capital RM	Exchange translation reserve RM	Fair value reserve RM	Treasury shares RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2025		298,077,797	(210,292)	1,044,664	(70,536)	265,140,856	563,982,489	86,159,237	650,141,726
Profit for the financial year		-	-	-	-	41,838,153	41,838,153	7,798,391	49,636,544
Foreign currency translations		-	(901,735)	-	-	-	(901,735)	(99,293)	(1,001,028)
Fair value loss on equity investments		-	-	(836,424)	-	-	(836,424)	-	(836,424)
Remeasurement of defined benefit obligations		-	-	-	-	23,499	23,499	1,872	25,371
Total comprehensive income		-	(901,735)	(836,424)	-	41,861,652	40,123,493	7,700,970	47,824,463
Transactions with owners									
Repurchase of treasury shares of the Company	15(b)	-	-	-	(384,785)	-	(384,785)	-	(384,785)
Dividends paid	26	-	-	-	-	(18,180,424)	(18,180,424)	(4,495,500)	(22,675,924)
Total transactions with owners		-	-	-	(384,785)	(18,180,424)	(18,565,209)	(4,495,500)	(23,060,709)
Balance as at 31 December 2025		298,077,797	(1,112,027)	208,240	(455,321)	288,822,084	585,540,773	89,364,707	674,905,480

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025
cont'd

Group	Note	Share capital RM	Exchange translation reserve RM	Fair value reserve RM	Treasury shares RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
Balance as at 1 January 2024		298,077,797	547,705	767,151	(70,536)	234,226,820	533,548,937	79,798,399	613,347,336
Profit for the financial year		-	-	-	-	48,000,385	48,000,385	11,012,345	59,012,730
Foreign currency translations		-	(757,997)	-	-	-	(757,997)	(45,890)	(803,887)
Fair value gain on equity investments		-	-	277,513	-	-	277,513	-	277,513
Remeasurement of defined benefit obligations		-	-	-	-	29,909	29,909	2,383	32,292
Total comprehensive income		-	(757,997)	277,513	-	48,030,294	47,549,810	10,968,838	58,518,648
Transaction with owners		-	-	-	-	(17,116,258)	(17,116,258)	(4,608,000)	(21,724,258)
Dividends paid	26	-	-	-	-	(17,116,258)	(17,116,258)	(4,608,000)	(21,724,258)
Total transaction with owners		-	-	-	-	(17,116,258)	(17,116,258)	(4,608,000)	(21,724,258)
Balance as at 31 December 2024		298,077,797	(210,292)	1,044,664	(70,536)	265,140,856	563,982,489	86,159,237	650,141,726

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

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025

Company	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2025		298,077,797	(70,536)	5,738,195	303,745,456
Profit for the financial year		-	-	15,043,915	15,043,915
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	15,043,915	15,043,915
Transactions with owners					
Repurchase of treasury shares of the Company	15(b)	-	(384,785)	-	(384,785)
Dividends paid	26	-	-	(18,180,424)	(18,180,424)
Total transactions with owners		-	(384,785)	(18,180,424)	(18,565,209)
Balance at 31 December 2025		298,077,797	(455,321)	2,601,686	300,224,162
Balance as at 1 January 2024		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
Transaction with owners					
Dividends paid	26	-	-	(17,116,258)	(17,116,258)
Total transaction with owners		-	-	(17,116,258)	(17,116,258)
Balance at 31 December 2024		298,077,797	(70,536)	5,738,195	303,745,456

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		68,150,659	79,693,583	15,224,095	16,005,717
Adjustments for:					
Amortisation of intangible assets	8	6,694,111	6,802,845	-	-
Bad debts written off	23	-	3,750	-	-
Depreciation of investment properties	6	86,657	34,265	-	-
Depreciation of property, plant and equipment	5	6,822,063	6,735,975	-	-
Defined benefit obligations	17(b)	116,059	129,594	-	-
Dividend income	23	(33,274)	(6,960)	(19,344,500)	(17,832,000)
Net gain on changes in fair value of forward exchange contracts	23	(42,235)	(14,929)	-	-
Gain on disposal of property, plant and equipment	23	(98,406)	(141,219)	-	-
Gain on modification of lease	18(e)	-	(51)	-	-
Gain on termination of lease	18(e)	(2,191)	-	-	-
Impairment losses on trade receivables	13(h)	683,537	762,625	-	-
Impairment losses on investment in subsidiaries	9	-	-	3,862,049	1,992,136
Interest income	23	(7,592,109)	(7,778,967)	(763,432)	(884,325)
Interest expense	22	2,779,962	2,772,435	-	-
Inventories written down	12(d)	1,540,392	920,323	-	-
Inventories written off	12(f)	410,348	627,267	-	-
Intangible asset written off	8	-	2	-	-
Property, plant and equipment written off	5	193,672	176,774	-	-
Net unrealised loss on foreign exchange	23	670,039	707,783	519	143
Reversal of impairment losses on trade receivables	13(h)	(961,467)	(808,405)	-	-
Reversal of inventories written down	12(e)	(884,860)	(409,754)	-	-
Reversal of inventories written off	12(g)	(632,423)	(794,611)	-	-
Operating profit/(loss) before working capital changes		77,900,534	89,412,325	(1,021,269)	(718,329)
Decrease/(Increase) in inventories		23,668,742	(34,275,076)	-	-
Decrease/(Increase) in trade and other receivables		7,772,785	(38,371,726)	-	195
(Decrease)/Increase in trade and other payables		(7,129,614)	11,335,491	(84,367)	38,989

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025
cont'd

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES <i>cont'd</i>					
Cash generated from/(used in) operations		102,212,447	28,101,014	(1,105,636)	(679,145)
Tax paid		(18,332,662)	(18,945,826)	(211,893)	(153,444)
Retirement benefits paid	17(b)	(5,218)	(63,088)	-	-
Net cash from/(used in) operating activities		83,874,567	9,092,100	(1,317,529)	(832,589)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income received		7,592,109	7,778,967	763,432	884,325
Purchase of property, plant and equipment	5(d)	(21,105,402)	(15,058,465)	-	-
Purchase of intangible assets	8	(55,836)	(151,367)	-	-
Proceeds from disposal of property, plant and equipment		245,269	981,165	-	-
Dividend received	23	33,274	6,960	19,344,500	17,832,000
Net cash outflow on acquisition of a subsidiary	9(e)	-	(607,383)	-	(1,216,585)
Repayments from/(Advances to) a subsidiary		-	-	700,161	(1,526,869)
Withdrawal/(Placement) of deposits with licensed banks with original maturity of more than three (3) months		44,537,921	(9,011,510)	9,380,715	(3,205,800)
Net cash from/(used in) investing activities		31,247,335	(16,061,633)	30,188,808	12,767,071
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest expense paid		(2,739,568)	(2,732,968)	-	-
Payment of lease liabilities		(528,528)	(518,404)	-	-
Repurchase of treasury shares of the Company		(384,785)	-	(384,785)	-
Net (repayment)/drawdown of short term borrowings		(27,730,646)	32,513,642	-	-
Repayment of term loans		(2,791,250)	(3,000,673)	-	-
Dividends paid	26	(18,180,424)	(17,116,258)	(18,180,424)	(17,116,258)
Dividends paid to non-controlling interests	9(f)	(4,495,500)	(4,608,000)	-	-
Net cash (used in)/from financing activities		(56,850,701)	4,537,339	(18,565,209)	(17,116,258)
Net increase/(decrease) in cash and cash equivalents		58,271,201	(2,432,194)	10,306,070	(5,181,776)
Cash and cash equivalents at beginning of financial year		114,534,053	117,653,821	936,022	6,117,798
Effect of changes in exchange rates		(765,977)	(687,574)	-	-
Cash and cash equivalents at end of financial year		172,039,277	114,534,053	11,242,092	936,022

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025
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	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	90,729,122	68,344,036	5,042,092	236,022
Deposits placed with licensed banks	180,800,395	190,218,178	21,527,071	25,407,786
	271,529,517	258,562,214	26,569,163	25,643,808
Less:				
Placement of deposits with licensed banks with original maturity of more than three (3) months	(99,490,240)	(144,028,161)	(15,327,071)	(24,707,786)
	172,039,277	114,534,053	11,242,092	936,022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Note	Leases	Borrowings
		(Note 18) RM	(Note 20) RM
At 1 January 2024		908,279	50,747,980
Cash flows		(518,404)	29,512,969
Non-cash changes:			
- Acquisition of a subsidiary	9(e)	-	1,975,685
- Additions		269,385	-
- Modification	18	54,688	-
- Translation adjustments		(23,040)	(267,497)
- Accretion of interest		39,467	-
At 31 December 2024		730,375	81,969,137
At 1 January 2025		730,375	81,969,137
Cash flows		(528,528)	(30,521,896)
Non-cash changes:			
- Additions		649,297	-
- Termination	18	(95,420)	-
- Translation adjustments		(34,202)	(2,998,482)
- Accretion of interest		40,394	-
At 31 December 2025		761,916	48,448,759

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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 immediate and ultimate 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 2025 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 27 March 2026.

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 2025

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 RM	Manufacturing RM	Other RM	Consolidated RM
2025				
Revenue				
Total revenue	478,842,277	419,344,806	-	898,187,083
Inter-segment revenue	(34,760,583)	(132,442,807)	-	(167,203,390)
External sales	444,081,694	286,901,999	-	730,983,693
Results				
Segment results	17,183,959	45,915,416	(1,031,565)	62,067,810
Dividend, interest and rental income	4,180,377	3,919,001	763,433	8,862,811
Operating profit	21,364,336	49,834,417	(268,132)	70,930,621
Finance costs	(2,118,643)	(661,319)	-	(2,779,962)
Profit before tax	19,245,693	49,173,098	(268,132)	68,150,659
Tax expense	(6,115,090)	(12,218,845)	(180,180)	(18,514,115)
Profit for the financial year	13,130,603	36,954,253	(448,312)	49,636,544
Segment assets	313,151,922	463,945,795	26,571,760	803,669,477
Segment liabilities	55,295,429	72,880,148	588,420	128,763,997

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
cont'd

4. OPERATING SEGMENTS *cont'd*

(a) Operating Segments *cont'd*

	Trading RM	Manufacturing RM	Other RM	Consolidated RM
2025				
Other segment information				
Additions to non-current assets:				
- property, plant and equipment	12,824,252	8,930,447	-	21,754,699
- intangible assets	-	55,836	-	55,836
Depreciation and amortisation	2,891,556	10,711,275	-	13,602,831
<i>Non cash expenses other than depreciation and amortisation:</i>				
- Impairment losses on trade receivables, net of reversals	(39,654)	(238,276)	-	(277,930)
- Inventories written down	276,139	1,264,253	-	1,540,392
- Inventories written off	81,564	320,034	8,750	410,348
- Property, plant and equipment written off	45,342	148,330	-	193,672
- Reversal of inventories written down	(187,179)	(697,681)	-	(884,860)
- Reversal of inventories written off	-	(632,423)	-	(632,423)
- Defined benefit obligations	116,059	-	-	116,059
- Net unrealised loss on foreign exchange	410,290	259,230	519	670,039
- Net gain on changes in fair value of forward exchange contracts	(42,235)	-	-	(42,235)
- (Gain)/loss on disposal of property, plant and equipment	(162,893)	64,487	-	(98,406)
2024				
Revenue				
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
Results				
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 2025

cont'd

4. OPERATING SEGMENTS *cont'd*

(a) Operating Segments *cont'd*

	Trading RM	Manufacturing RM	Other RM	Consolidated RM
2024				
Other segment information				
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)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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.

	2025		2024	
	Revenue RM	Non-current assets RM	Revenue RM	Non-current assets RM
Malaysia	437,292,094	318,740,047	469,306,174	304,245,157
Vietnam	110,145,589	-	120,099,867	-
Indonesia	72,047,309	629,195	74,596,674	717,800
Thailand	40,213,722	-	37,203,078	-
China	29,922,095	-	38,731,729	-
Bangladesh	8,990,169	-	10,076,618	-
Australia	6,046,604	-	7,869,859	-
Sri Lanka	5,779,172	-	6,622,467	-
United States of America	3,367,599	-	4,634,860	-
India	3,101,122	-	1,022,633	-
Singapore	2,002,816	-	3,157,838	-
Cambodia	1,864,238	-	2,396,646	-
United Arab Emirates	1,390,810	-	2,458,257	-
Japan	1,295,737	-	1,620,884	-
Philippines	1,288,859	-	2,247,538	-
Algeria	1,207,088	-	3,284,406	-
Egypt	1,020,520	-	1,185,295	-
New Zealand	959,299	-	2,864,441	-
France	799,290	-	1,355,551	-
South Africa	468,562	-	2,432,389	-
Others	1,780,999	-	2,207,911	-
	730,983,693	319,369,242	795,375,115	304,962,957

(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 2025

cont'd

5. PROPERTY, PLANT AND EQUIPMENT

2025 Group	Balance as at 1.1.2025	Additions	Disposals	Termination	Written off	Reclassifi- cation	Translation adjustments	Depreciation charge for the year	Balance as at 31.12.2025
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount									
Freehold land	25,735,374	-	-	-	-	-	-	-	25,735,374
Long term leasehold land									
- Right-of-use assets	18,680,703	-	-	-	-	5,018,000	-	(320,347)	23,378,356
Buildings									
- Owned	58,451,786	538,650	-	-	-	-	-	(1,310,013)	57,680,423
- Right-of-use assets	279,930	649,297	-	(93,229)	-	-	(22,328)	(254,272)	559,398
Renovation	5,280,530	834,575	-	-	(10,881)	2,560	(3,216)	(1,153,514)	4,950,054
Furniture and fittings	1,128,139	183,970	-	-	(21,296)	-	(349)	(207,878)	1,082,586
Plant, machinery and equipment	10,383,717	2,250,415	(109,405)	-	(55,720)	617,438	(5,110)	(2,378,535)	10,702,800
Motor vehicles									
- Owned	2,451,956	1,547,893	(37,458)	-	-	32,715	(21,205)	(1,018,069)	2,955,832
- Right-of-use assets	671,865	-	-	-	-	(32,715)	(35,520)	(179,435)	424,195
Capital work-in- progress	2,092,610	15,749,899	-	-	(105,775)	(5,637,998)	(3,629)	-	12,095,107
	125,156,610	21,754,699	(146,863)	(93,229)	(193,672)	-	(91,357)	(6,822,063)	139,564,125

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

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

2024 Group	Balance as at 1.1.2024	Acquisition of a subsidiary (Note 9(e))		Additions	Disposals	Modifications	Written off	Reclassifi- cation	Translation adjustments	Depreciation charge for the year	Balance
	RM	RM	RM								RM
Carrying amount											
Freehold land	18,478,962	437,717	9,668,354	(437,717)	-	-	(2,411,942)	-	-	-	25,735,374
Long term leasehold land											
- Right-of- use 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 assets	251,722	-	168,956	-	54,739	-	-	(10,903)	(184,584)	(184,584)	279,930
Renovation	2,645,039	-	113,587	-	-	-	3,523,859	(642)	(1,001,313)	(1,001,313)	5,280,530
Furniture and fittings	753,455	1	83,185	(6)	-	-	472,256	-	-	(180,608)	1,128,139
Plant, machinery and equipment	10,942,315	2,643	1,334,751	(10,345)	-	(114,782)	713,634	(2,434)	(2,482,065)	(2,482,065)	10,383,717
Motor vehicles											
- Owned	3,094,300	-	174,000	(45,149)	-	-	213,876	(14,216)	(970,855)	(970,855)	2,451,956
- Right-of- use assets	715,023	-	221,142	-	-	-	(61,076)	(22,484)	(180,740)	(180,740)	671,865
Capital work-in- 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)	(6,735,975)	125,156,610

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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 excluding 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.

After 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 earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. 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	
	2025 RM	2024 RM
Purchase of property, plant and equipment	21,754,699	15,327,850
Financed by lease liabilities	(649,297)	(269,385)
Cash payments on purchase of property, plant and equipment	21,105,402	15,058,465

- (e) As at the end of the reporting period, freehold land and buildings of the Group with the total carrying amounts of RM6,328,760 and RM5,430,444 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 2025

cont'd

6. INVESTMENT PROPERTIES

Group	Balance as at 1.1.2025	Depreciation charge for the year	Balance as at 31.12.2025
Carrying amount	RM	RM	RM
Investment properties	6,377,455	(86,657)	6,290,798
	← At 31.12.2025 →		
	Cost	Accumulated depreciation	Carrying amount
	RM	RM	RM
Investment properties	8,129,575	(1,838,777)	6,290,798

Group	Balance as at 1.1.2024	Reclassification from property, plant and equipment	Depreciation charge for the year	Balance as at 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 depreciation	Carrying amount	
	RM	RM	RM	
Investment properties	8,129,575	(1,752,120)	6,377,455	

- (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 RM58,800,000 (2024: RM39,600,000). 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 has been 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 RM988,340 (2024: RM241,900).
- (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 2025
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	
	2025	2024
	RM	RM
Direct operating expenses	32,126	28,783

7. GOODWILL

	Group	
	2025	2024
	RM	RM
As at 1 January	65,315,203	64,706,662
Acquisition of a subsidiary (Note 9(e))	-	608,541
	65,315,203	65,315,203

- (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	
	2025	2024
	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	608,541
	65,315,203	65,315,203

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 cash flow forecast covering a five (5) year period with a terminal value thereafter for TMSB, LSSB, HMSB and cash flow forecast covering a sixteen (16) year period for LCSB as approved by senior management team of the subsidiaries. The sixteen (16) year period applied in the cash flow forecasts for LCSB is based on the remaining useful life of its trade formula. The key assumptions for the computation of value-in-use are further described in Note 7(c) to the financial statements.

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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
2025				
Revenue growth rates (%)	3.98	3.98	2.79	2.97
Operating profit margins (%)	7.62	8.46	20.91	39.51
Pre-tax discount rate (%)	12.11	13.49	14.50	13.25
2024				
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 16 years (2024: 17 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.
Terminal growth rate	Terminal growth rate of 0% (2024: 0%) has been applied.

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.

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8. INTANGIBLE ASSETS

Group	Balance as at 1.1.2025 RM	Addition RM	Amortisation charge for the year RM	Balance as at 31.12.2025 RM
Carrying amount				
Computer software	1,734,758	55,836	(551,375)	1,239,219
Brand equity	4,000,000	-	-	4,000,000
Trade formulas	102,378,931	-	(6,142,736)	96,236,195
	108,113,689	55,836	(6,694,111)	101,475,414

Group	At 31.12.2025		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Computer software	4,492,002	(3,252,782)	1,239,220
Brand equity	4,000,000	-	4,000,000
Trade formulas	122,854,716	(26,618,522)	96,236,194
	131,346,718	(29,871,304)	101,475,414

Group	Balance as at 1.1.2024 RM	Addition RM	Reclassification from property, plant and equipment RM	Written off RM	Amortisation charge for the year RM	Balance as at 31.12.2024 RM
Carrying amount						
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

Group	At 31.12.2024		
	Cost RM	Accumulated amortisation RM	Carrying amount 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

- (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.

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8. INTANGIBLE ASSETS *cont'd*

- (b) The costs of computer software acquired, including all directly attributable costs of preparing the assets for their intended use, are amortised on a straight-line basis to administrative expenses over the estimated useful life of 5 years (2024: 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 (2024: 20 years).

- (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 covering a five-year (5) period approved by senior 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	
	2025	2024
Revenue growth rate (%)	0.00	0.00
Operating profit margin (%)	9.32	7.30
Pre-tax discount rate (%)	9.31	9.96

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 a 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.
Terminal growth rate	Terminal growth rate of 0% (2024: 0%) has been applied.

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.

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9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	RM	RM
Unquoted equity shares, at cost	238,643,733	238,643,733
Less: Impairment losses	(9,514,992)	(5,652,943)
	229,128,741	232,990,790
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
	273,405,622	277,267,671

- (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(i) 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 RM3,862,049 (2024: RM1,992,136) in a subsidiary due to continuous losses incurred by a 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

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9. INVESTMENTS IN SUBSIDIARIES *cont'd*

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

	2025 RM	2024 RM
At the beginning of the year	5,652,943	3,660,807
Impairment losses	3,862,049	1,992,136
At the end of the year	9,514,992	5,652,943

(e) Acquisition of a subsidiary

In the previous financial year, the Company had on 17 April 2024 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 became 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 Marketing Sdn. Bhd. RM	Fair value adjustments RM	Recognised value on acquisition 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 assets				(908,044)
Goodwill	7			608,541

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

	Group RM	Company RM
Consideration for equity interest acquired	1,516,585	1,516,585
Less: Cash and cash equivalents of the subsidiary acquired	(609,202)	-
Less: Deferred consideration	(300,000)	(300,000)
Net cash outflow arising from acquisition of subsidiary	607,383	1,216,585

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 2025
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9. INVESTMENTS IN SUBSIDIARIES *cont'd*

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

	Lexis Chemical Sdn. Bhd.	Other individual immaterial subsidiaries	Total
	RM	RM	RM
2025			
NCI percentage of ownership interest and voting interest (%)	45%		
Carrying amount of NCI	85,192,200	4,172,510	89,364,710
Profit allocated to NCI	7,473,322	325,069	7,798,391
Other comprehensive loss allocated to NCI	(45,170)	(52,251)	(97,421)
Total comprehensive income allocated to NCI	7,428,152	272,818	7,700,970
Dividends paid to NCI	4,230,000	265,500	4,495,500
2024			
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
Dividends paid to NCI	4,302,000	306,000	4,608,000

(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:

	2025	2024
	RM	RM
Lexis Chemical Sdn. Bhd.		
Assets and liabilities		
Non-current assets	42,484,107	42,206,808
Current assets	95,228,255	100,669,956
Non-current liabilities	(5,431,542)	(6,500,144)
Current liabilities	(16,946,408)	(32,854,000)
Net assets	115,334,412	103,522,620

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9. INVESTMENTS IN SUBSIDIARIES *cont'd*

- (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: *cont'd*

	2025 RM	2024 RM
Lexis Chemical Sdn. Bhd.		
Results		
Revenue	121,589,949	135,436,953
Profit for the financial year	21,275,862	27,920,005
Total comprehensive income	21,211,794	27,883,699
Cash flows from operating activities	19,672,042	19,178,620
Cash flows from/(used) in investing activities	3,853,666	(9,723,507)
Cash flows used in financing activities	(16,549,298)	(5,666,295)
Net increase in cash and cash equivalents	6,976,410	3,788,818

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025	2024	
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 [#]	Indonesia	92.62%	92.62%	Distributor of chemicals and petrochemical products.
Luxchem Vietnam Company Limited*	Vietnam	100%	100%	Distributor of chemicals and petrochemical products.
Transform Master Sdn. Bhd.	Malaysia	100%	100%	Manufacturer of chemical products and transport agent.

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31 December 2025
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9. INVESTMENTS IN SUBSIDIARIES *cont'd*

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025	2024	
Hurco Marketing Sdn. Bhd.	Malaysia	100%	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
Subsidiary of Lexis Chemical Sdn. Bhd.				
Lexis Corporation (Guangzhou) Co Ltd*	China	55%	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

10. OTHER INVESTMENTS

	Group	
	2025 RM	2024 RM
Equity securities:		
- Quoted shares in Malaysia	393,580	1,230,004
- Unquoted shares in Malaysia	110,001	110,001
	503,581	1,340,005

(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.

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10. OTHER INVESTMENTS *cont'd*

- (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.

The following table shows a reconciliation of Level 3 fair values of other investments:

	Group	
	2025 RM	2024 RM
Balance as at 1 January/31 December	110,001	110,001

- (d) There has been no transfer between levels in the hierarchy during the financial year.
- (e) As the Group does not hold a significant amount in the investments and 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 exposed to significant 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	
		2025 RM	2024 RM
Balance as at 1 January		27,151,006	28,124,883
Recognised in profit or loss	24	(1,267,067)	(1,004,244)
Recognised in other comprehensive income		-	9,109
Translation adjustments		37,345	21,258
Balance as at 31 December		25,921,284	27,151,006

Presented after appropriate offsetting:

	Group	
	2025 RM	2024 RM
Deferred tax assets	(741,403)	(319,201)
Deferred tax liabilities	26,662,687	27,470,207
	25,921,284	27,151,006

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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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

	Property, plant and equipment RM	Deductible temporary differences RM	Total RM
Balance as at 1 January 2025	(31,719)	(1,058,035)	(1,089,754)
Recognised in profit or loss	(1,040)	(581,414)	(582,454)
Translation adjustments	3,835	33,510	37,345
Balance as at 31 December 2025	(28,924)	(1,605,939)	(1,634,863)
Balance as at 1 January 2024	(31,353)	(1,279,728)	(1,311,081)
Recognised in profit or loss	(2,676)	193,636	190,960
Recognised in other comprehensive income	-	9,109	9,109
Translation adjustments	2,310	18,948	21,258
Balance as at 31 December 2024	(31,719)	(1,058,035)	(1,089,754)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Intangible asset RM	Other temporary differences RM	Total RM
Balance as at 1 January 2025	3,050,562	24,836,863	353,335	28,240,760
Recognised in profit or loss	1,086,974	(1,474,257)	(297,330)	(684,613)
Balance as at 31 December 2025	4,137,536	23,362,606	56,005	27,556,147
Balance as at 1 January 2024	2,809,413	26,311,120	315,431	29,435,964
Recognised in profit or loss	241,149	(1,474,257)	37,904	(1,195,204)
Balance as at 31 December 2024	3,050,562	24,836,863	353,335	28,240,760

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12. INVENTORIES

	Group	
	2025	2024
	RM	RM
At cost		
Raw materials	22,481,598	26,279,892
Consumables	1,351,523	869,021
Finished goods	14,750,506	16,125,021
Trading goods	36,060,056	57,580,083
	74,643,683	100,854,017
At net realisable value		
Raw materials	115,334	68
Finished goods	62,985	241,092
Trading goods	154,087	143,237
	332,406	384,397
	74,976,089	101,238,414

- (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 RM598,231,000 (2024: RM650,609,747).
- (d) During the financial year, the amounts of inventories written down of the Group recognised as expenses amounted to RM1,540,392 (2024: RM920,323).
- (e) During the financial year, the Group had recognised a reversal of RM884,860 (2024: RM409,754), 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 RM410,348 (2024: RM627,267).
- (g) During the financial year, the Group had recognised a reversal of RM632,423 (2024: RM794,611), being part of inventories written off in previous financial years, as the inventories were recovered.

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13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Third parties	121,064,590	142,096,752	-	-
Less: Impairment losses	(1,393,610)	(2,302,637)	-	-
Total trade receivables	119,670,980	139,794,115	-	-
Other receivables				
Amounts owing by subsidiaries	-	-	831,957	1,532,477
Third parties	10,454,796	9,802,680	2,000	2,000
Less: Impairment losses	(64,547)	(64,547)	-	-
Total other receivables	10,390,249	9,738,133	833,957	1,534,477
Total receivables	130,061,229	149,532,248	833,957	1,534,477
Deposits for acquisition of property, plant and equipment	6,906,934	-	-	-
Prepayments	3,724,395	210,863	-	-
Derivative assets	40	-	-	-
	140,692,598	149,743,111	833,957	1,534,477

- (a) Total receivables are classified as financial assets measured at amortised costs. Derivative assets are classified as financial assets measured at fair value through profit or loss.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 0 to 120 days (2024: 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 payable within next twelve (12) months in cash and cash equivalents.
- (d) The fair value of derivative assets 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 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 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.

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13. TRADE AND OTHER RECEIVABLES *cont'd*

- (e) The currency exposure profile of trade and other receivables excluding deposits, prepayments and derivative assets are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	98,397,354	99,989,818	828,869	1,528,869
United States Dollar	21,853,693	37,792,317	-	-
Chinese Yuan Renminbi	5,144,377	1,342,089	-	-
Indonesian Rupiah	4,646,783	10,106,439	-	-
Singapore Dollar	17,838	20,478	-	-
Euro	1,184	1,129	-	-
Thai Baht	-	279,978	-	-
Vietnamese Dong	-	-	5,088	5,608
	130,061,229	149,532,248	833,957	1,534,477

- (f) 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Effects of 10% changes to RM against foreign currencies				
Profit after tax				
- United States Dollar	1,660,881	2,872,216	-	-
- Chinese Yuan Renminbi	390,973	101,999	-	-
- Indonesian Rupiah	353,156	768,089	-	-
- Singapore Dollar	1,356	1,556	-	-
- Euro	90	86	-	-
- Thai Baht	-	21,278	-	-
- Vietnamese Dong	-	-	387	426

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

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13. TRADE AND OTHER RECEIVABLES *cont'd*

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

Group	Gross carrying amount RM	Lifetime expected credit losses RM	Net carrying amount RM
2025			
Not past due	76,193,405	*	76,193,405
Past due			
1 to 30 days	25,442,434	*	25,442,434
31 to 60 days	9,390,273	*	9,390,273
61 to 90 days	3,926,337	(3,860)	3,922,477
91 to 120 days	619,928	(9,200)	610,728
More than 120 days	5,492,213	(1,380,550)	4,111,663
	44,871,185	(1,393,610)	43,477,575
	121,064,590	(1,393,610)	119,670,980
2024			
Not past due	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

* Amount is negligible

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES *cont'd*

(h) *cont'd*

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 in Malaysia 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.

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

	ECL - not credit impaired RM	ECL - credit impaired RM	Total RM
Trade receivables			
Balance as at 1 January 2025	558,088	1,744,549	2,302,637
Charge for the year	-	683,537	683,537
Reversal during the year	(558,088)	(403,379)	(961,467)
Written off	-	(585,545)	(585,545)
Translation adjustment	-	(45,552)	(45,552)
Balance as at 31 December 2025	-	1,393,610	1,393,610
Trade receivables			
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

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.

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31 December 2025
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13. TRADE AND OTHER RECEIVABLES *cont'd*

- (i) 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 in Malaysia 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.

The reconciliation of movements in impairment losses of the Group's other receivables is as follows:

	2025 RM	2024 RM
ECL - credit impaired		
Balance as at 1 January/31 December	64,547	64,547

- (j) The credit risk concentration profile of the trade receivables at the end of the reporting period are as follows:

	← Group →			
	2025		2024	
	RM	% of total	RM	% of total
By country				
Malaysia	31,639,099	26	31,708,367	23
China	2,286,383	2	-	-
Indonesia	-	-	11,943,372	9
Vietnam	-	-	3,483,393	2
Australia	-	-	2,029,153	1
	33,925,482	28	49,164,285	35

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 28% (2024: eleven (11) major customers representing approximately 35%) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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13. TRADE AND OTHER RECEIVABLES *cont'd*

(j) *cont'd*

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:

	2025 RM	2024 RM
Maximum exposure	121,064,590	142,096,752
Collateral obtained	(27,497,000)	(26,857,000)
Net exposure	93,567,590	115,239,752

The above collateral represents coverage by trade credit insurance.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	90,729,122	68,344,036	5,042,092	236,022
Deposits with licensed banks	180,800,395	190,218,178	21,527,071	25,407,786
	271,529,517	258,562,214	26,569,163	25,643,808

(a) Deposits with licensed banks of the Group and of the Company have an average maturity period of 82 days and 103 days respectively (2024: 93 days and 153 days).

(b) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	229,706,120	218,125,850	26,567,173	25,643,808
United States Dollar	29,087,335	25,110,657	1,990	-
Indonesian Rupiah	4,936,879	1,382,316	-	-
Chinese Yuan Renmibi	4,510,861	11,058,863	-	-
Singapore Dollar	3,159,655	2,710,094	-	-
Vietnamese Dong	64,410	40,175	-	-
Thai Baht	64,257	77,425	-	-
Australian Dollar	-	56,834	-	-
	271,529,517	258,562,214	26,569,163	25,643,808

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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	
	2025 RM	2024 RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax		
- United States Dollar	2,210,637	1,908,410
- Indonesian Rupiah	375,203	105,056
- Chinese Yuan Renminbi	342,825	840,474
- Singapore Dollar	240,134	205,967
- Vietnamese Dong	4,895	3,053
- Thai Baht	4,884	5,884
- Australian Dollar	-	4,319

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	
	2025	2024	2025	2024
Fixed rates	3.19%	3.48%	3.09%	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			
	2025		2024	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up ordinary shares with no par value				
Balance as at 1 January/ 31 December	1,069,866,119	298,077,797	1,069,866,119	298,077,797

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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15. SHARE CAPITAL *cont'd*

(b) Treasury shares

During the financial year, the Company repurchased its issued ordinary shares from the open market as summarised below:

Month	Number of shares	Market price			Consideration paid RM
		Lowest RM	Highest RM	Average RM	
Shares repurchased					
March 2025	800,000	0.48	0.48	0.48	384,785

As at 31 December 2025, a total of 900,000 (2024: 100,000) treasury shares at a total cost of RM455,321 (2024: 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 2025 net of treasury shares is 1,068,966,119 (2024: 1,069,766,119).

16. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Exchange translation reserve	(1,112,027)	(210,292)	-	-
Fair value reserve	208,240	1,044,664	-	-
	(903,787)	834,372	-	-
Distributable:				
Retained earnings	288,822,084	265,140,856	2,601,686	5,738,195
	287,918,297	265,975,228	2,601,686	5,738,195

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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17. RETIREMENT BENEFITS

	Group	
	2025 RM	2024 RM
Present value of unfunded defined benefit obligations	723,153	732,533

(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. The Group engaged an independent actuarial consultant to determine the valuation of severance pay, gratuity and compensation benefits as at 31 December 2025 and 31 December 2024.

(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	
		2025 RM	2024 RM
Balance as at 1 January		732,533	759,346
Recognised in profit or loss			
Actuarial loss of curtailment and settlement		-	7,938
Current service costs		69,139	72,845
Interest on obligation		48,294	48,811
Past service costs		(1,374)	-
	27	116,059	129,594
Benefit paid		(5,218)	(63,088)
		110,841	66,506
Recognised in other comprehensive income			
Actuarial loss arising from changes in financial assumptions		(25,371)	(41,401)
Translation adjustments		(94,850)	(51,918)
Balances as at 31 December		723,153	732,533

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	
	2025 %	2024 %
Discount rate	6.16	7.08
Expected rate of average salary increases	9.00	9.00

NOTES TO THE FINANCIAL STATEMENTS

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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	
	(Decrease)/Increase in defined benefit obligations	
	2025	2024
	RM	RM
Impact on other comprehensive income		
Discount rate increases by 1%	(29,251)	(34,269)
Discount rate decreases by 1%	32,357	37,726
Future average salary growth increases by 1%	27,635	33,122
Future average salary growth decreases by 1%	(25,505)	(30,769)

18. LEASES

The Group as a 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 as at 1.1.2025		Depreciation charge for the year	Reclassification from/(to) property, plant and equipment	Termination	Translation adjustments	Balance as at 31.12.2025
	RM	RM					
2025							
Leasehold land	18,680,703	-	(320,347)	5,018,000	-	-	23,378,356
Buildings	279,930	649,297	(254,272)	-	(93,229)	(22,328)	559,398
Motor vehicles	671,865	-	(179,435)	(32,715)	-	(35,520)	424,195
	19,632,498	649,297	(754,054)	4,985,285	(93,229)	(57,848)	24,361,949
	Balance as at 1.1.2024		Depreciation charge for the year	Reclassification to property, plant and equipment	Modification	Translation adjustments	Balance as at 31.12.2024
	RM	RM					
2024							
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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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18. LEASES *cont'd*

The Group as a lessee *cont'd*

Lease liabilities

	Group	
	2025	2024
	RM	RM
Lease liabilities		
Non-current liabilities	258,136	354,955
Current liabilities	503,780	375,420
Total lease liabilities	761,916	730,375
Lease liabilities owing to:		
- financial institutions	95,183	216,821
- non-financial institutions	666,733	513,554
	761,916	730,375

- (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 2025

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18. LEASES cont'd**The Group as a lessee cont'd**

(c) The movement of lease liabilities during the financial year is as follows:

2025	Balance as at 1.1.2025	Additions	Lease payments	Accretion of interest expense	Termination	Translation adjustments	Balance as at 31.12.2025
	RM	RM	RM	RM	RM	RM	RM
Buildings	219,292	649,297	(275,728)	15,608	(95,420)	(13,919)	499,130
Motor vehicles	511,083	-	(252,800)	24,786	-	(20,283)	262,786
	730,375	649,297	(528,528)	40,394	(95,420)	(34,202)	761,916

2024	Balance as at 1.1.2024	Additions	Lease payments	Accretion of interest expense	Modification	Translation adjustments	Balance as at 31.12.2024
	RM	RM	RM	RM	RM	RM	RM
Leasehold land	41,967	-	(42,503)	536	-	-	-
Buildings	253,139	96,705	(185,186)	8,398	54,688	(8,452)	219,292
Motor vehicles	613,173	172,680	(290,715)	30,533	-	(14,588)	511,083
	908,279	269,385	(518,404)	39,467	54,688	(23,040)	730,375

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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18. LEASES *cont'd*

The Group as a 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	
	2025 RM	2024 RM
Depreciation charge of right-of-use assets	754,054	665,667
Interest expense on lease liabilities	40,394	39,467
Expenses relating to short-term leases	144,642	216,729
Expenses relating to leases of low value assets	37,615	54,851
Gain on termination of lease	(2,191)	-
Gain on modification of lease	-	(51)
	974,514	976,663

- (f) The weighted average incremental borrowing rate applied to the lease liabilities is 5.02% (2024: 4.60%).
- (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	One (1) to five (5) years	Total
	RM	RM	RM
31 December 2025			
Lease liabilities	503,780	258,136	761,916
31 December 2024			
Lease liabilities	375,420	354,955	730,375

- (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	One (1) to five (5) years	Total
	RM	RM	RM
31 December 2025			
Lease liabilities	531,339	262,549	793,888
31 December 2024			
Lease liabilities	392,314	363,610	755,924

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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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	
	2025 RM	2024 RM
Less than one (1) year	859,253	999,300
One (1) to three (3) years	592,560	1,250,213
	1,451,813	2,249,513

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	37,627,352	44,583,607	-	-
Other payables				
Amount owing to a subsidiary	-	-	160	-
Other payables	6,133,133	4,992,437	53,715	689
Accruals	7,078,927	8,474,686	509,607	647,000
Total other payables	13,212,060	13,467,123	563,482	647,689
Total payables	50,839,412	58,050,730	563,482	647,689
Derivative liabilities				
	-	42,195	-	-
	50,839,412	58,092,925	563,482	647,689

- (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 (2024: 0 to 90 days) from date of invoice.
- (c) Non-trade amount owing to a subsidiary is unsecured, interest free and repayable within next twelve (12) months in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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19. TRADE AND OTHER PAYABLES *cont'd*

(d) The currency exposure profile of total payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	33,550,853	40,160,781	563,482	647,689
United States Dollar	15,445,644	17,049,471	-	-
Chinese Yuan Renminbi	1,282,024	301,418	-	-
Indonesian Rupiah	494,060	445,046	-	-
Vietnam Dong	39,995	51,795	-	-
Singapore Dollar	26,836	27,946	-	-
Thai Baht	-	14,273	-	-
	50,839,412	58,050,730	563,482	647,689

(e) 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.

(f) 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	
	2025 RM	2024 RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax		
- United States Dollar	1,173,869	1,295,760
- Chinese Yuan Renminbi	97,434	22,908
- Indonesian Rupiah	37,549	33,823
- Vietnam Dong	3,040	3,936
- Singapore Dollar	2,040	2,124
- Thai Baht	-	1,085

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

(g) In the previous financial year, fair value of derivative liabilities of the Group were categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy during the financial year.

Fair value of a forward foreign exchange contract was the amount that would be payable or receivable upon termination of the outstanding position arising and was 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 2025

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19. TRADE AND OTHER PAYABLES *cont'd*

- (h) 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 amount in foreign currency (FC)	Equivalent amount in Ringgit Malaysia (RM)	Average contract rate FC/RM	Expiry date
31 December 2025				
United States Dollar	53,987	219,241	4.061	02.01.2026
31 December 2024				
United States Dollar	150,000	628,926	4.190	15.01.2025

20. BORROWINGS

	Group	
	2025	2024
	RM	RM
Non-current liabilities		
Unsecured		
Term loans	1,164,900	3,165,300
Secured		
Term loans	5,311,292	6,067,922
	6,476,192	9,233,222
Current liabilities		
Unsecured		
Trade finance	39,229,245	69,958,373
Term loans	2,000,400	2,000,927
	41,229,645	71,959,300
Secured		
Term loans	742,922	776,615
	41,972,567	72,735,915
Total borrowings		
Trade finance	39,229,245	69,958,373
Term loans	9,219,514	12,010,764
	48,448,759	81,969,137

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
cont'd

20. BORROWINGS *cont'd*

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The secured borrowings of the Group are secured by the following:
- (i) 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.
 - (ii) a fixed charge over certain land and building of the Group as disclosed in Note 5 to the financial statements.
- (c) The currency exposure profile of borrowings is as follows:

	Group	
	2025	2024
	RM	RM
Ringgit Malaysia	41,791,144	57,452,146
Indonesia Rupiah	3,807,432	3,842,035
United States Dollar	2,850,183	20,674,956
	48,448,759	81,969,137

- (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	
	2025	2024
	RM	RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax		
- Indonesia Rupiah	289,365	291,995
- United States Dollar	216,614	1,571,297

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 4.32% and 4.56% (2024: 4.03% and 4.56%) respectively per annum.
- (f) The interest rate profile of the borrowings as at the end of each reporting period is as follows:

	Group	
	2025	2024
	RM	RM
Floating rate	48,448,759	81,969,137

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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20. BORROWINGS *cont'd*

(f) *cont'd*

Sensitivity analysis for floating rate instruments

As at 31 December 2025, if there was a variation in interest rates by 50 basis points with all other variables held constant, profit after tax of the Group for the financial year, arising mainly as a result of higher or lower interest expense on variable borrowings, would have been:

	Group	
	2025	2024
	RM	RM
Effects on profit after tax		
50 basis point higher	(184,105)	(311,483)
50 basis point lower	184,105	311,483

- (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.
- (h) The following table sets out the carrying amounts and the remaining maturities of the borrowings of the Group:

Group	Within one (1) year	One (1) to five (5) years	Over five (5) years	Total
Financial liabilities	RM	RM	RM	RM
Borrowings				
31 December 2025	41,972,567	4,496,665	1,979,527	48,448,759
31 December 2024	72,735,915	6,354,687	2,878,535	81,969,137

- (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	On demand or within one (1) year	One (1) to five (5) years	Over five (5) years	Total
Financial liabilities	RM	RM	RM	RM
Borrowings				
31 December 2025	42,771,022	5,133,979	2,051,288	49,956,289
31 December 2024	73,943,014	7,227,809	3,059,177	84,230,000

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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21. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers	730,983,693	795,375,115	-	-
Other revenue:				
- Dividend income	-	-	19,344,500	17,832,000
	730,983,693	795,375,115	19,344,500	17,832,000
Revenue from contracts with customers is recognised as follows:				
At point in time	730,983,693	795,375,115	-	-

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

	Note	Group	
		2025 RM	2024 RM
Lease liabilities	18(c)	40,394	39,467
Trade finance interest		2,306,931	2,171,690
Term loan interest		432,637	561,278
		2,779,962	2,772,435

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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23. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
- Statutory audit	461,709	449,204	100,000	97,000
- Non statutory audit	5,000	5,000	5,000	5,000
Bad debts written off	-	3,750	-	-
Directors' remuneration:				
- Executive Directors of the Company				
- fees	40,000	40,000	-	-
- salaries and other remuneration	2,476,627	2,655,216	-	-
- Non-executive Directors of the Company				
- fees	195,000	165,000	195,000	165,000
- other remuneration	15,000	15,000	15,000	15,000
- Executive Directors of subsidiaries				
- fees	134,600	81,039	-	-
- salaries and other remuneration	5,411,015	5,747,847	-	-
- Non-executive Director of a subsidiary				
- fees	9,828	10,262	-	-
Key Management Personnel of subsidiaries				
- salaries and other remuneration	448,417	846,866	-	-
Loss on foreign exchange:				
- realised	4,660,979	1,982,725	-	-
- unrealised	683,824	830,188	519	143
And crediting:				
Dividend income:				
- quoted investments	33,274	6,960	-	-
- subsidiaries	-	-	19,344,500	17,832,000
Net gain on changes in fair value of forward exchange contracts	42,235	14,929	-	-
Gain on disposal of property, plant and equipment	98,406	141,219	-	-
Gain on foreign exchange:				
- realised	45,689	131,887	-	-
- unrealised	13,785	122,405	-	-
Interest income from deposits with financial institutions	7,592,109	7,778,967	763,432	884,325
Rental income	1,031,940	277,900	-	-

(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 2025
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24. TAX EXPENSE

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year:					
Malaysian income tax		19,890,458	21,547,023	180,180	208,637
Foreign income tax		56,872	-	-	-
		19,947,330	21,547,023	180,180	208,637
(Over)/Under provision in prior years:					
Malaysian income tax		(166,148)	138,074	-	-
		19,781,182	21,685,097	180,180	208,637
Deferred tax					
Relating to origination and reversal of temporary differences		(1,897,799)	(1,054,888)	-	-
Under provision in prior years		630,732	50,644	-	-
	11	(1,267,067)	(1,004,244)	-	-
		18,514,115	20,680,853	180,180	208,637

- (a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	68,150,659	79,693,583	15,224,095	16,005,717
Tax expense at the rate of 24% (2024: 24%)	16,356,158	19,126,460	3,653,783	3,841,372
Tax effects in respect of:				
Differences in tax rates of foreign jurisdictions	(102,410)	43,292	-	-
Deferred tax asset not recognised	17,967	13,922	-	-
Utilisation of deferred tax asset previously not recognised	(4,549)	-	-	-
Non-allowable expenses	1,906,482	2,018,496	1,169,114	646,945
Tax exempt income	(124,117)	(710,035)	(4,642,717)	(4,279,680)
	18,049,531	20,492,135	180,180	208,637

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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24. TAX EXPENSE *cont'd*

- (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: *cont'd*

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Over)/Under provision in prior years:				
- current tax	(166,148)	138,074	-	-
- deferred tax	630,732	50,644	-	-
	18,514,115	20,680,853	180,180	208,637

- (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	
	2025 RM	2024 RM
Unused tax losses		
- No expiry	101,936	120,888
- Expires by 31 December 2024	-	8,305
- Expires by 31 December 2025	8,224	8,224
- Expires by 31 December 2026	3,935	3,935
- Expires by 31 December 2029	9,481	9,481
- Expires by 31 December 2030	56,239	-
- Expires by 31 December 2035	26,927	-
Deductible temporary differences	7,156	-
	213,898	150,833

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
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24. TAX EXPENSE *cont'd*

(e) Tax on each component of other comprehensive income is as follows:

2025	Before tax RM	Group	
		Tax effect RM	After tax RM
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	(1,001,028)	-	(1,001,028)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations	32,527	(7,156)	25,371
Fair value gain on equity investments at fair value through other comprehensive income	(836,424)	-	(836,424)
	(803,897)	(7,156)	(811,053)
<hr/>			
2024	Before tax RM	Group	
		Tax effect RM	After tax RM
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	(803,887)	-	(803,887)
Items that will not be reclassified subsequently to profit or loss			
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
	318,914	(9,109)	309,805

25. EARNINGS PER SHARE

	Group	
	2025	2024
Profit for the financial year attributable to ordinary equity holders of the parent (RM)	41,838,153	48,000,385
Weighted average number of ordinary shares in issue	1,068,966,119	1,069,766,119
Earnings per ordinary share (sen)		
- Basic	3.91	4.49
- Diluted	3.91	4.49

NOTES TO THE FINANCIAL STATEMENTS

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25. EARNINGS PER SHARE *cont'd*

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 share equal to the basic earnings per share.

26. DIVIDENDS

	Group and Company	
	2025	2024
	RM	RM
Second single-tier interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2024	10,697,661	-
First single-tier interim dividend of 0.90 sen per ordinary share in respect of the financial year ended 31 December 2025	7,482,763	
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
	18,180,424	17,116,258

Subsequent to the financial year, the Board of Directors of the Company had on 12 February 2026 declared a second single-tier interim dividend of 1.00 sen per ordinary share amounting to RM10,689,661 for the financial year ended 31 December 2025. 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 2026.

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

27. EMPLOYEE BENEFITS

	Note	Group	
		2025	2024
		RM	RM
Salaries, wages and bonuses		29,607,279	29,249,358
Defined contribution plan		2,876,759	3,219,355
Defined benefit obligations	17	116,059	129,594
Others employee benefits		1,705,221	1,700,078
		34,305,318	34,298,385

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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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	
	2025 RM	2024 RM
Dividend income received/receivable from subsidiaries	19,344,500	17,832,000

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		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	379,428	296,301	195,000	165,000
Short-term employee benefits	7,406,117	8,127,189	15,000	15,000
Defined contribution plan	757,755	938,588	-	-
Defined benefit obligations	77,657	78,630	-	-
Others	109,530	120,522	-	-
	8,730,487	9,561,230	210,000	180,000
Benefits-in-kind	67,763	78,825	-	-
	8,798,250	9,640,055	210,000	180,000

NOTES TO THE FINANCIAL STATEMENTS

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29. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Approved and contracted for		
Acquisition of a subsidiary	7,499,046	-
Purchase of:		
- property, plant and equipment	83,251,064	14,995,917
- intangible assets	171,063	127,861
Approved but not contracted for		
Purchase of property, plant and equipment	6,427,147	8,636,115
Purchase of intangible assets	527,949	527,949

30. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2025 RM	2024 RM
Unsecured		
Financial guarantees given to financial institutions for credit facilities granted to subsidiaries:		
- Limit of guarantee	355,619,364	372,163,712
- Amount utilised	48,448,759	81,969,137

- (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) Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contract with Customers*.
- (c) The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiaries amounted to RM48,448,759 representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.
- (d) 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 2025
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30. FINANCIAL GUARANTEE CONTRACTS *cont'd*

- (e) 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 or within one (1) year RM	Total RM
Financial liabilities		
Financial Guarantee Contracts		
31 December 2025	48,448,759	48,448,759
31 December 2024	81,969,137	81,969,137

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 2025 and 31 December 2024.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	48,448,759	81,969,137	-	-
Trade and other payables	50,839,412	58,092,925	563,482	647,689
Total liabilities	99,288,171	140,062,062	563,482	647,689
Less: Cash and bank balances	(271,529,517)	(258,562,214)	(26,569,163)	(25,643,808)
Net surplus	(172,241,346)	(118,500,152)	(26,005,681)	(24,996,119)
Total capital	585,540,770	563,982,489	260,477,146	303,745,456
Net surplus	(172,241,346)	(118,500,152)	(26,005,681)	(24,996,119)
	413,299,424	445,482,337	234,471,465	278,749,337
Gearing ratio	N/A	N/A	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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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 2025.

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.

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31 December 2025
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31. CAPITAL AND FINANCIAL RISK MANAGEMENT *cont'd*

(b) Financial risk management *cont'd*

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: *cont'd*

(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.

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. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 29 October 2025, Transform Master Sdn Bhd ("TMSB") a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") to acquire 1,800,000 ordinary shares, representing 100% equity interest in Kazox Materials Sdn Bhd ("Kazox") from Lee Siok Ching, Lee Ern Ern, and Haziq Bin Zairel Oh for a total cash consideration of RM3,785,607. The acquisition was completed on 22 January 2026. Consequently, Kazox has become an indirect wholly owned subsidiary of the Company. Kazox is principally involved in the manufacturing and trading of zinc oxide.

NOTES TO THE FINANCIAL STATEMENTS

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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 Amendment to the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

The adoption of the above Amendment 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 2026

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 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 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 2025

No.	Postal Address/ title identification	Approximate age of building/ tenure/date of expiry of lease	Years lease remaining	Description and existing use	Land area/ build up area/(sq ft)	Date of acquisition	Net Book Value as at 31 December 2025 RM
A) LUXCHEM TRADING SDN. BHD.							
1.	No. 6 Jalan SS21/58, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan/ H.S (D) 170789, No. P.T. 6012, Bandar Petaling Jaya, Petaling Jaya, Selangor	48 years/ freehold	-	Shoplot (4 storey mid terraced shop- office)	1,650/ 5,446	April 08, 1991	381,771
2.	No. 4 Jalan SS21/58, Damansara Utama, 47400 Petaling Jaya Selangor Darul Ehsan/ H.S. (D) 170791, P.T. 6013, Bandar Petaling Jaya, Petaling Jaya, Selangor	48 years/ freehold	-	Shoplot (4 storey mid terraced shop- office)	1,650/ 5,446	June 22, 2005	1,637,999
3.	Lot 3385, Jalan Banting Pandamaran, 42000 Port Klang, Selangor Darul Ehsan/ No. G.M 1708, Lot 3385, Mukim Klang, Klang, Selangor	30 years/ freehold	-	Warehouse	80,150/ 32,400	August 30, 1991	1,706,760
4.	No. 54, Persiaran Rishah 9, Kawasan Perindustrian Miel Silibin, 30100 Ipoh, Perak Darul Ridzuan/ PN 37744 Lot 128185 Mukim of Hulu Kinta, Kinta, Perak	40 years/ leasehold/ March 22, 2045	20	Office / Store	10,000/ 6,500	February 06, 1992	197,976
5.	Plot 129a, Bukit Minyak Industrial Park, 14100 Seberang Perai, Pulau Pinang/ H.S. (D) 42609, P.T. 317, Mukim 13, Seberang Perai Tengah, Pulau Pinang	15 years/ leasehold/ November 03, 2058	33	Industrial land/ factory warehouse	87,120/ 49,776	March 28, 1997	4,586,721
6.	No. 4, Jalan Bistari 4, Taman Industri Jaya, 81300 Skudai, Johor Darul Takzim/ PN 13419, Lot 56749, Mukim of Pulai, Johor Bahru, Johor	27 years/ leasehold/ September 03, 2911	886	1 1/2 storey semi-detached factory	21,780/ 17,403	March 28, 2005	1,173,763

LIST OF PROPERTIESAs at 31 December 2025
cont'd

No.	Postal Address/ title identification	Approximate age of building/ tenure/date of expiry of lease	Years lease remaining	Description and existing use	Land area/ build up area(sq ft)	Date of acquisition	Net Book Value as at 31 December 2025 RM
7.	No. Lot 23, Fasa 3A, 26/KS11, Lebuh Sungai Chandong, Taman Perindustrian 42920 Pulau Indah, Selangor/ P.N 7935, Lot No. 74078, District and Mukim of Klang, Selangor	8 years/ leasehold/ February 24, 2097	72	Industrial land Warehouse	366,775 140,672	September 14, 2017 July 01, 2023	13,537,695 13,936,353
8.	Lot 23a (DBKK No. 6) Bigwheel Industrial Park Mile 7 1/2, Menggatal Jalan Tuaran 88450 Kota Kinabalu, Sabah	6 years/ leasehold/ *December 3, 2117	92	Semi-detached 3-storey 4-in-1 corporate office, showroom, factory & warehouse	8,581/ 5,766	December 21, 2018	2,601,870
9.	Block N, Jaya One, 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor/ PN 96662, Lot No. 82 Seksyen 13 Bandar Petaling Jaya, Petaling Jaya, Selangor	12 years/ Leasehold/ May 28, 2105	80	Office Building	28,578	October 15, 2022	19,348,153
B) LUXCHEM POLYMER INDUSTRIES SDN. BHD.							
1.	No. 3, Jalan TTC 30, Taman Teknologi Cheng, 75250 Fasa 4A, Melaka PN 20123, Lot 4819 Mukim Cheng, District of Melaka Tengah, Melaka	27 years/ leasehold/ August 14, 2096	71	Industrial land/ factory warehouse	190,112/ 85,741	February 04, 1997	7,795,726
C) TRANSFORM MASTER SDN. BHD.							
1.	Lot P2, Lumut Port Industrial Park, 32000 Sitiawan, Perak Darul Ridzuan/ PN 296183, Lot 15592, Mukim of Lumut, District of Manjung, Perak	19 years/ leasehold/ July 09, 2105	80	Industrial land/ factory warehouse office building	67,608/ 45,302	July 15, 2011	3,348,154
2.	Lumut Port Industrial Park, 32000 Sitiawan, Perak Darul Ridzuan/ HSD 36089, PT 17549, Mukim of Lumut, District of Manjung, Perak	19 years/ leasehold/ July 09, 2105	80	Industrial land	74,269	February 07, 2025	4,960,818

* Subject to change after issuance of strata title

LIST OF PROPERTIES

As at 31 December 2025
cont'd

No.	Postal Address/ title identification	Approximate age of building/ tenure/date of expiry of lease	Years lease remaining	Description and existing use	Land area/ build up area/(sq ft)	Date of acquisition	Net Book Value as at 31 December 2025 RM
D) LEXIS CHEMICAL SDN. BHD.							
1.	No.26, Jalan Bestari 2/KU7, Sg. Kapar Indah, 42200 Klang, Selangor/ No HSD 153790, PT No 73984, Mukim Kapar, District of Klang, Selangor	5 years/ Freehold	-	Industrial land	72,549	August 30, 2018	8,000,000
				1 storey factory 3 storeys annexe building	45,720	December 31, 2020	4,867,202
2.	No.25, Jalan Bestari 2A/KU7, Sg. Kapar Indah, 42200 Klang, Selangor/ No HSD 153816, PT No 74010 Mukim Kapar, District of Klang, Selangor	5 years/ Freehold	-	Industrial land	70,148	June 30, 2022	8,067,020
				1 storey factory/ warehouse/ office annex	37,626	June 01, 2023	6,737,149
3.	No.24, Jalan Bestari 2A/KU7, Sg. Kapar Indah, 42200 Klang, Selangor/ No HSD 153791, PT No 74010 Mukim Kapar, District of Klang, Selangor	5 years/ Freehold	-	Industrial land	65,326	December 19, 2024	9,668,354
4.	Residential Suites Sunsuria Forum, Jalan Setia Dagal AL U13/AL, Setia Alam, 40170 Shah Alam, Selangor GRN 334463, Lot 86616 Mukim Bukit Raja, District of Petaling, Selangor	2 years/ Freehold	-	Serviced Apartment	894	April 15, 2025	531,468

ANALYSIS OF SHAREHOLDINGS

As at 27 March 2026

Class of Shares	:	Ordinary Shares
Total number of Issued Shares	:	1,069,866,119
No. of Treasury Shares held	:	900,000
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	17	0.210	288	0.000
100 - 1,000	983	12.167	625,068	0.058
1,001 - 10,000	3,843	47.567	21,831,800	2.042
10,001 - 100,000	2,688	33.271	92,654,800	8.667
100,001 - 53,448,304 (*)	546	6.758	479,846,763	44.888
53,448,305 AND ABOVE (**)	2	0.024	474,007,400	44.342
Grand Total	8,079	100.000	1,068,966,119	100.00

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 27 MARCH 2026)

Names	Direct Holdings		Indirect Holdings (excluding bare trustees)	
	No.	% [^]	No.	% [^]
Chemplex Resources Sdn. Bhd.	416,320,000	38.946	0.000	0.000
Tang Ying See	27,045,600	2.530	448,312,800 ^(a)	41.937
Chin Song Mooi	10,278,000	0.961	465,080,400 ^(b)	43.506
Tan Sri Dato' Lim Kuang Sia	10,600,000	0.991	77,419,600 ^(c)	7.241
Lim Woi Kok	400,000	0.037	57,687,400 ^(d)	5.396
Lim Seow Kiang	500,000	0.046	57,687,400 ^(d)	5.396
Lim Siew Bing	300,000	0.028	57,687,400 ^(d)	5.396
Lim Leng Bung (L) Foundation	0	0.000	57,687,400 ^(e)	5.396
Lim Kuang Yong (L) Foundation	0	0.000	57,687,400 ^(e)	5.396
Lim Kuang Sia (L) Foundation	0	0.000	57,687,400 ^(e)	5.396
Lim Kwan Hwa (L) Foundation	0	0.000	57,687,400 ^(e)	5.396
Lim Kuang Wang (L) Foundation	0	0.000	57,687,400 ^(e)	5.396
Lim Kuang Yong	0	0.000	57,687,400 ^(f)	5.396
Lim Leng Bung	0	0.000	57,687,400 ^(g)	5.396
Lim Kuang Wang	0	0.000	57,687,400 ^(h)	5.396
Kossan Holdings (M) Sdn. Bhd.	57,687,400	5.396	0	0.000

ANALYSIS OF SHAREHOLDINGS

As at 27 March 2026
cont'd

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS *cont'd* (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS' AS AT 27 MARCH 2026)

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, 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 900,000 treasury shares

LIST OF DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 27 MARCH 2026)

Directors	Shareholdings			
	Direct	% [^]	Indirect	% [^]
TANG YING SEE	27,045,600	2.530	448,312,800 ^(a)	41.937
CHIN SONG MOOI	10,278,000	0.961	465,080,400 ^(b)	43.506
CHEN MOI KEW	4,590,000	0.429	0	0.000
DATUK KWAN FOH KWAI	2,438,800	0.228	2,200,000 ^(c)	0.206
TAUFIQ AHMAD @ AHMAD MUSTAPHA 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 her spouse, Datin Lee Hung Kuen pursuant to Section 8 and Section 59 (11)(c) of the Companies Act 2016.
- ^ Excluding 900,000 treasury shares

ANALYSIS OF SHAREHOLDINGS

As at 27 March 2026

cont'd

LIST OF TOP 30 HOLDERS AS AT 27 MARCH 2026

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

(AS PER THE RECORD OF DEPOSITORS AS AT 27 MARCH 2026)

No	Holder Name	Shares Held	%
1	CHEMPLEX RESOURCES SDN. BHD.	416,320,000	38.946
2	KOSSAN HOLDINGS (M) SDN. BHD.	57,687,400	5.396
3	CHUAH KIM PIEW	41,927,711	3.922
4	LEE JUINN YONG	30,963,855	2.896
5	OH WEI WAH	28,195,000	2.637
6	TANG YING SEE	27,045,600	2.530
7	PUAN SRI DATIN CHOW CHENG MOEY	19,732,200	1.845
8	FONG AH CHAI	18,300,000	1.711
9	TANG CHII SHYAN	16,714,800	1.563
10	TAN SRI DATO' LIM KUANG SIA	10,600,000	0.991
11	CHIN SONG MOOI	10,278,000	0.961
12	NG KIT HENG	7,956,400	0.744
13	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	7,752,553	0.725
14	LIM JEE SOON	5,856,300	0.547
15	CHIA KEE FOO	5,000,000	0.467
16	CHIA KEE KWEI	5,000,000	0.467
17	ERVINNA TEO	5,000,000	0.467
18	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR AU CHUN CHOONG	4,772,600	0.446
19	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOH UNG NANG (CCTS)	4,593,000	0.429
20	CHEN MOI KEW	4,590,000	0.429
21	CHIA CHEA EIM	4,305,000	0.402
22	CH'NG CHAN SENG	3,704,100	0.346
23	MISA SDN. BHD.	3,674,400	0.343
24	CHIA SEONG POW	3,100,000	0.289
25	CHIA PING CHI	3,000,000	0.280
26	FOO KHON PU	3,000,000	0.280
27	LEE CHOONG ONN	3,000,000	0.280
28	FAN KOCK KEONG	2,946,800	0.275
29	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG	2,700,000	0.252
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG	2,550,000	0.238

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting (“34th AGM”) of the Company will be held at Banyan, Casuarina, Dillenia & Eugenia Room, KLGCC Convention Centre (formerly known as Sime Darby Convention Centre), 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Malaysia, on **Thursday, 21 May 2026, at 10.00 a.m.**, to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 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 2026: | |
| | (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 2026. | 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) Mr Tan Teck Kiong | Ordinary Resolution 6 |
| | (b) Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali | 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 2026 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**”).

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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,

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."

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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 HWEI (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
17 April 2026

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 <https://luxchem.com.my/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 15 May 2026. 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.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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.
 - (ii) Online
In the case of an appointment made via online lodgement facility, please login to the link website at <https://srmy.vistra.com> and select "e-Services" to login. Please refer to the Administrative Guide on how to register to Vistra Share Registry and IPO (MY) portal 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, 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, 19 May 2026 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. 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.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

(ii) Explanatory Notes

Ordinary Business

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2025

*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 5 March 2026, the Remuneration Committee had reviewed the Directors' fees for the financial year ending 31 December 2026, 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 2026 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 34th AGM of the Company.

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.

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 2026, 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 2026 is as follows:

Type of Benefits	Amount
Meeting Attendance Allowance	
Board Committees and Board Meeting Allowances	RM1,000.00 per day
Insurance Premium	
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 34th 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.

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

Mr Tan Teck Kiong and Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 34th AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance (“MCCG”), the profiles of both Directors are set out on pages 8 and 9 of the Annual Report 2025 of the Company. For the purpose of determining the eligibility of both Directors to stand for re-election at the 34th 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.

The Board agrees that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, covering character, experience, integrity, competence, and time commitment to effectively discharge their roles as 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 Mr Tan Teck Kiong as Independent Non-Executive Director

Mr Tan Teck Kiong fulfils the requirements of independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has remained objective and independent in expressing his views and participating in Board deliberations and decision-making.

Mr Tan Teck Kiong has vast experience in legal services and is able to provide the Board with a diverse set of expertise and perspective as well as contributed to the Board deliberations, time commitment and his ability to act in the best interests of the Company in decision-making.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

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 Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali as Independent Non-Executive Director

Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali fulfils the requirements of independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has remained objective and independent in expressing his views and participating in Board deliberations and decision-making.

Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali has vast experience in audit and financial advisory services and is able to provide the Board with a diverse set of expertise and perspective.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

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.

Based on the above, the Board collectively agreed and recommended that the aforementioned Directors be re-elected as Directors of the Company at the 34th AGM of the Company.

5. Ordinary Resolution 8 – Re-appointment of Auditors

The Audit and Risk Management Committee (“ARMC”) had at its meeting held on 12 February 2026 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 2026, with the following justifications:

The ARMC was satisfied with the suitability of BDO PLT, having considered its quality of audit, performance, competency, independence and objectivity.

The ARMC was also satisfied that the provisions of non-audit services by BDO PLT to the Company for the financial year ended 31 December 2025 did not in any way impair their objectivity and independence as External Auditors of the Company.

The Board has reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the 34th AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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 33rd AGM held on 22 May 2025 ("33rd 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 33rd 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 its total number of issued shares. Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Mandate dated 17 April 2026 for further information.

STATEMENT ACCOMPANYING NOTICE OF 34TH 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-Fourth Annual General Meeting (“34th AGM”) of the Company to be held at Banyan, Casuarina, Dillenia & Eugenia Room, KLGCC Convention Centre (formerly known as Sime Darby Convention Centre), 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Malaysia, on **Thursday, 21 May 2026, at 10.00 a.m.**, and to vote as indicated below:

Item	Agenda	Ordinary Resolution (“OR”)	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2025			
2.	Approval of the following Directors’ Fees for the financial year ending 31 December 2026:			
	(a) RM65,000.00 for Datuk Kwan Foh Kwai	OR 1		
	(b) RM65,000.00 for Mr Tan Teck Kiong	OR 2		
	(a) 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 2026	OR 5		
4.	Re-election of Mr Tan Teck Kiong as Director	OR 6		
5.	Re-election of Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali 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		
Special Business				
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 _____ 2026

Number of ordinary shares held	
CDS account no.	

 *Signature/Common Seal of Shareholder

* Delete if not applicable

Fold This Flap For Sealing

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 <https://luxchem.com.my/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 15 May 2026. 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.

Then Fold Here

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

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(ii) Online

In the case of an appointment made via online lodgement facility, please login to the link website at [Vistra Share Registry and IPO \(MY\) portal at https://srm.vistra.com](https://srm.vistra.com) and select "e-Services" to login. Please refer to the Administrative Guide on how to register to Vistra Share Registry and IPO (MY) portal 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, 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, 19 May 2026 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. 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.

www.luxchem.com.my

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

Wisma Luxchem, Block N, Jaya One, 72A,
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