OPTIMAX
New Vision New Life®

OPTIMAX HOLDINGS BERHAD
Registration No. 201801028697 (1290723-T)
(Incorporated in Malaysia under the Companies Act 2016)

1st and 2nd Floor,
No. 145, Jalan Radin Bagus,
Seri Petaling,
57000 Kuala Lumpur,
Wilayah Persekutuan.

Tel No : +603 9054 6186/89
Fax No. : +603 9055 4150
Email : contact@optimax.com.my
Website : www.optimax2u.com

OPTIMAX HOLDINGS BERHAD ANNUAL REPORT 2020

OPTIMAX
New Vision New Life®

ANNUAL REPORT 2020

What's Inside

CORPORATE PROFILE

OPTIMAX
New Vision New Life®

Optimax Holdings Berhad ("Optimax" or the "Company") was incorporated in Malaysia under the Companies Act 2016 as a private limited company on 9 August 2018 under the name of Optimax Holdings Sdn Bhd. Subsequently on 20 January 2020, our Company was converted into a public limited company and assumed our present name of Optimax Holdings Berhad. The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 18 August 2020.

Our material subsidiary, Optimax Eye Specialist Centre Sdn Bhd ("OESC") was incorporated in Malaysia on 5 January 1995 as a private limited company. The principal activities of OESC are provision of eye specialist services and related products and services and investment holding.

KEY HIGHLIGHTS

12 Ambulatory Care Centres

More than **190** Staff / Professional doctors

1 Specialist Hospital ("SH")

OUR SERVICES

1. Treatment of eye diseases and disorders
2. Refractive surgery
3. Consultation and dispensary services
4. Oculoplastic surgery
5. Eye examination
6. Others

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATUK DR. IR. AHMAD TAJUDDIN BIN ALI
Independent Non-Executive Director and Chairman

TAN SRI DATO' TAN BOON HOCK
Non-Independent Non-Executive Director

SANDY TAN SING YEE
Non-Independent Executive Director and Chief Executive Officer

YAP PING HONG
Independent Non-Executive Director

YAP ENG GEE
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Yap Ping Hong (Chairman)

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali

Yap Eng Gee

REMUNERATION AND NOMINATING COMMITTEE

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali (Chairman)

Yap Ping Hong

Yap Eng Gee

COMPANY SECRETARIES

Rebecca Kong Say Tsui
(MAICSA 7039304)
SSM Practising Certificate
No:202008001003

Wong Yoke Fun
(MAICSA 7027345)
SSM Practising Certificate
No:202008003051

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No.8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan
Tel : +603 2783 9191
Fax : +603 2783 9111

HEAD/ MANAGEMENT OFFICE

1st and 2nd Floor,
No. 145, Jalan Radin Bagus,
Seri Petaling, 57000 Kuala Lumpur,
Wilayah Persekutuan
Tel : +603 9054 6186/89
Fax : +603 9055 4150
Email : contact@optimax.com.my
Website : www.optimax2u .com

SPONSOR

Affin Hwang Investment Bank Berhad
Registration No. 197301000792 (14389-U)
27th Floor, Menara Boustead,
69, Jalan Raja Chulan,
50200 Kuala Lumpur,
Wilayah Persekutuan
Tel : +603 2142 3700
Fax : +603 2141 7701

STOCK EXCHANGE LISTING

ACE Market of Bursa Securities

STOCK NAME / CODE

OPTIMAX / 0222

AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower,
8, First Avenue,
Bandar Utama, 47800 Petaling Jaya,
Selangor Darul Ehsan
Tel : +603 7721 3388
Fax : +603 7721 3399

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan
Tel : +603 7890 4700
Fax : +603 7890 4670

PRINCIPAL BANKERS

Affin Bank Berhad
Public Bank Berhad

CORPORATE MILESTONE

1995

Incorporated OESC

Optimax International Limited granted OESC sole rights to use the Optimax trademark in Malaysia for 10 years from 31 March 1995

First eye specialist clinic in Taman Tun Dr Ismail to provide Photorefractive Keratectomy (PRK) procedure

2000

Started offering laser in-situ keratomileusis (LASIK) procedure

2001

Mitrajaya Holdings Berhad, a listed entity, acquired a 51% equity interest

2006

Started offering cataract surgery

Renewed trademark licence until 31 March 2015

2008

Expanded to East Malaysia by opening an eye specialist clinic in Kuching, Sarawak

2010

Optimax International Limited granted Tan Sri Dato' Tan Boon Hock and OESC the right and license to use the Optimax trademark in South East Asia

2020

OESC became the sole and exclusive party entitled to the use of the "Optimax" trademark in South East Asia

2019

The "Optimax" trademarks are assigned and transferred to OESC

2018

Established an additional two ambulatory care centres in Kluang and Segamat, Johor

2017

Carried out several acquisitions as part of our corporate rationalisation exercise and geographical expansion

Expanded to the Southern region

2016

Sena Healthcare Services Sdn Bhd acquired the 51% equity interest from Mitrajaya Holdings Berhad

2013

Started offering Small Incision Lenticule Extraction (SMILE®) procedure

2012

Established first specialist hospital in Penang

CORPORATE STRUCTURE

OPTIMAX New Vision New Life®

OPTIMAX HOLDINGS BERHAD

Registration No. 201801028697 (1290723-T)
(Incorporated in Malaysia under the Companies Act 2016)

OESC (100%)

Optimax Eye Specialist Centre Sdn Bhd
(Registration No. 199501000582 (329776-D))

OESC Ipoh (100%)

Optimax Eye Specialist Centre (Ipoh) Sdn Bhd
(Registration No. 200201029578 (597241-U))

OESC Seremban (100%)

Optimax Eye Specialist Centre (Seremban) Sdn Bhd
(Registration No. 200801014414 (815703-P))

OESC Shah Alam (100%)

Optimax Eye Specialist Centre (Shah Alam) Sdn Bhd
(Registration No. 200301021426 (623846-H))

Optixanthin (7) (90%)

Optixanthin Sdn Bhd
(Registration No. 201901022570 (1331899-X))

OESC Kajang (1) (79%)

Optimax Eye Specialist Centre (Kajang) Sdn Bhd
(Registration No. 200801003710 (804994-H))

OESC Seri Petaling (2) (70%)

Optimax Eye Specialist Centre (Seri Petaling) Sdn Bhd
(Registration No. 200101022531 (558289-K))

OESC Bandar Sunway (3) (70%)

Optimax Eye Specialist Centre (Bandar Sunway) Sdn Bhd
(Registration No. 200701036559 (794588-D))

OESC Kuching (100%)

Optimax Eye Specialist Centre (Kuching) Sdn Bhd
(Registration No. 200701039589 (797621-V))

OESC Southern (4) (70%)

Optimax Eye Specialist Centre (Southern) Sdn Bhd
(Registration No. 201701016274 (1230438-H))

Inspirasi Alamjaya (100%)

Inspirasi Alamjaya Sdn Bhd
(Registration No. 201201043810 (1028287-D))

OESC Kluang (5) (90%)

Optimax Eye Specialist Centre (Kluang) Sdn Bhd
(Registration No. 201701027461 (1241627-D))

OESC Muar (100%)

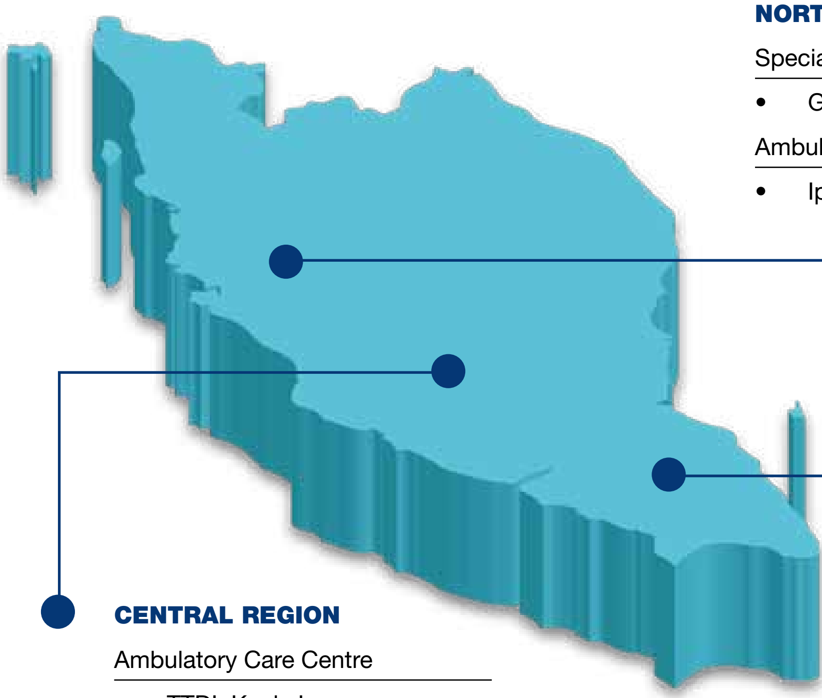
Optimax Eye Specialist Centre (Muar) Sdn Bhd
(Registration No. 200601016753 (736505-T))

OESC Segamat (6) (90%)

Optimax Eye Specialist Centre (Segamat) Sdn Bhd
(Registration No. 201701027643 (1241809-M))

Note:
(1) OESC Kajang ceased its operations since the FYE 31 December 2012.The remaining 21% equity interest in OESC Kajang is held by Dr. Yen Siew Siang.
(2) The remaining 30% equity interest in OESC Seri Petaling is held by Dr. Chang Khai Meng.
(3) The remaining 30% equity interest in OESC Bandar Sunway is held by Dr. Ngo Chek Tung.
(4) The remaining 30% equity interest in OESC Southern is held by Dr. Lam Hee Hong.
(5) The remaining 10% equity interest in OESC Kluang is held by Dr. Ng Kang Kok.
(6) The remaining 10% equity interest in OESC Segamat is held by Dr. Ngim You Siang.
(7) The remaining 10% equity interest in Optixanthin is held by Low Mong Ying, our pharmacist.

OPTIMAX AT A GLANCE



NORTHERN REGION

Specialist Hospital

- Georgetown, Penang

Ambulatory Care Centre

- Ipoh, Perak

CENTRAL REGION

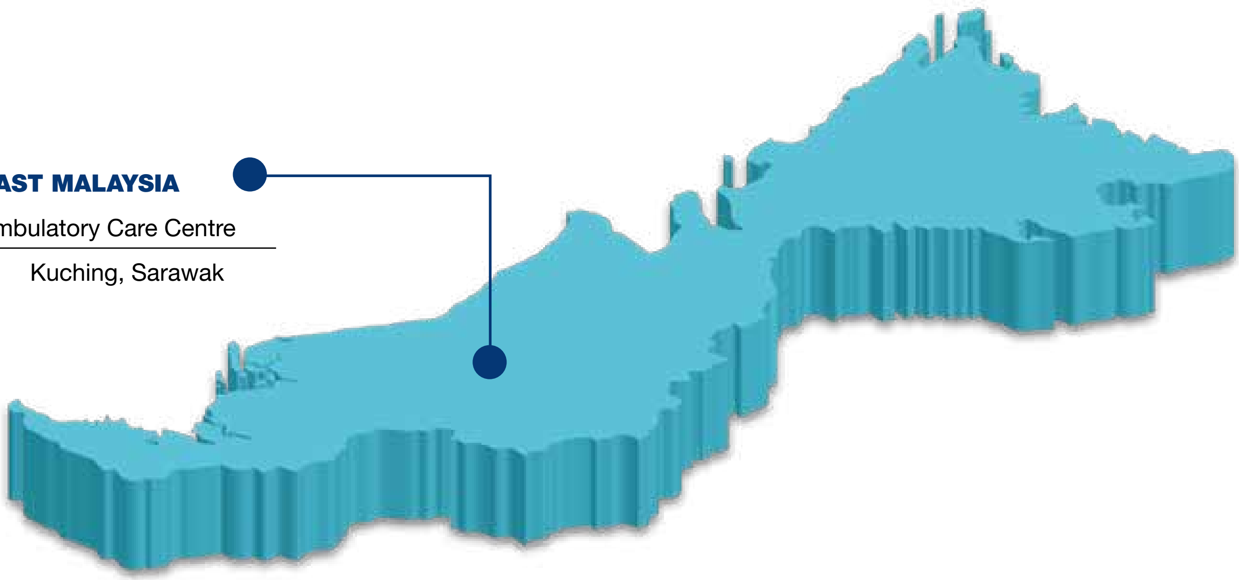
Ambulatory Care Centre

- TTDI, Kuala Lumpur
- Seri Petaling, Kuala Lumpur
- Bandar Sunway, Selangor
- Klang, Selangor
- Shah Alam, Selangor
- Seremban, Negeri Sembilan

SOUTHERN REGION

Ambulatory Care Centre

- Johor Bahru, Johor
- Muar, Johor
- Kluang, Johor
- Segamat, Johor



EAST MALAYSIA

Ambulatory Care Centre

- Kuching, Sarawak

OUR FOOTPRINT

CENTRAL REGION

TTDI -
AMBULATORY CARE CENTRE

KLANG -
AMBULATORY CARE CENTRE

BANDAR SUNWAY -
AMBULATORY CARE CENTRE

SERI PETALING -
AMBULATORY CARE CENTRE

SHAH ALAM -
AMBULATORY CARE CENTRE

Our Footprint
(cont'd)

CENTRAL REGION

**SEREMBAN -
AMBULATORY CARE CENTRE**

EAST MALAYSIA

**KUCHING -
AMBULATORY CARE CENTRE**

SOUTHERN REGION

**JOHOR BAHRU -
AMBULATORY CARE CENTRE**

**MUAR -
AMBULATORY CARE CENTRE**

**SEGAMAT -
AMBULATORY CARE CENTRE**

**KLUANG -
AMBULATORY CARE CENTRE**

Our Footprint
(cont'd)

NORTHERN REGION

GEORGE TOWN -
SPECIALIST HOSPITAL

IPOH -
AMBULATORY CARE CENTRE

CHAIRMAN'S STATEMENT

Dear Shareholders,
On behalf of the Board of Directors of Optimax, I am pleased to present to you an account of the major highlights which underscored the performance of Optimax for the financial year ended 31 December 2020 (FYE 2020).

Overview

According to the International Monetary Fund ("IMF"), more than one million lives have been lost to COVID-19 since the start of year 2020 and the toll continues to rise. The COVID-19 pandemic has a profound impact on the world's economy and its outlook on healthcare.

The IMF stated that Malaysia entered the pandemic from a strong economic position; however, the severe effect of the pandemic is estimated to have caused the worst recession Malaysia has ever seen since the Asian Financial Crisis with a 5.6% decline in real GDP in 2020.

The downturn triggered by the COVID-19 pandemic has been very different from past recessions. In previous downturns, service-oriented sectors have tended to suffer smaller growth declines. However, in the current crisis, the public health response needed to slow transmission and bring about behavioural changes, which meant that service sectors reliant on face-to-face interactions—particularly hospitality—have seen larger contractions than ever before. In order to counter these contractions, we, at Optimax have put in place stringent standard operating procedures in line with the Government's requirements to ensure that our customers' and employees' interest and safety are prioritised in our provision of eye specialist services. And we hope to weather this pandemic together with you, our shareholders and deliver a commendable performance.

TAN SRI DATUK DR. IR. AHMAD TAJUDDIN BIN ALI

Independent Non-Executive Director and Chairman

Chairman's Statement
(cont'd)

Stakeholders Trust

We are determined in our commitment to continue creating and delivering the best value for our stakeholders. Here at Optimax, we will keep on building our resilience and grow sustainably in the years to come. As a healthcare organisation operating in an increasingly volatile and competitive environment, it is imperative that we grow sustainably. With our sound fundamentals, effective corporate governance, and prudent oversight of our businesses, we believe we are well on the way to achieve our goals.

The key healthcare trends that are shaping the future of our business include the growing demand for healthcare services from the constant population growth as well as an aging population. These are the main factors for the demand for eye specialist services and in view of these factors, we have broadened our catchment areas with the approval from the Ministry of Health Malaysia ("MOH") to operate our ambulatory care centre in Seremban. This approval had spearhead our plan to have an ambulatory care centre that can serve the population of southern Selangor and Negeri Sembilan where we are able to convert our existing eye specialist centre in Seremban to an ambulatory care centre. Our expansion is important to extend our market reach as well as increase consumer convenience in a consumer-oriented industry such as ours. Generally, population growth and an aging population are the main factors for demand in eye specialist services and cataract surgery respectively.

The COVID-19 Pandemic Challenge

2020 was possibly the most challenging period in the Company's 25-year history with the COVID-19 pandemic ravaging the whole country but it was also the beginning of our journey post-IPO. Despite these challenges, we managed to perform soundly, validating the trust that our shareholders have placed in us. We remain guided by our core competencies in providing eye specialist services and expanding our market access in terms of geographical locations within Malaysia to better serve our customers.

As the COVID-19 situation was unfolding, there were a lot of uncertainties not only in Malaysia but also globally. Despite the unfavourable situation, we were successfully listed on the ACE Market of Bursa Securities which is a great milestone for Optimax and its subsidiaries (collectively referred to as the "Group"). We started with a humble initial public offering ("IPO") price of 30 sen. On our listing day, our share price closed 128% higher at 68.5 sen. We were among the top 20 most actively traded shares of the day on the ACE Market, with some 1.069 million shares traded. We are indebted to our resilient staff, as their commitment and dedication are the keys to our success. They faithfully represent what the Optimax brand is all about and how we have become a trusted name in eye care over the past two-and-a-half decades.

From Humble Beginnings

We have come a long way from our humble beginnings in 1995, today we are a listed company and we are pleased to present to you our first annual report. Since our early days, we strive to actively pioneer the innovative laser vision correction treatment in Malaysia, a technology that was considered new and advanced at that time. Today we are proud to say that we played an instrumental role in making laser vision correction widely available to the consumers.

The safety of our patients is a top priority for the Group and at the early stage of the MCO we had responded swiftly to the COVID-19 pandemic with appropriate measures by dedicating our staff to adhere to all the standard operating procedures to curb the spread of COVID-19. I can assure all our stakeholders that we are fully equipped to respond to this outbreak across all our eye specialist centre.

Our Deepest Gratitude

We had since made solid progress since our listing last year, and this has been the result of the contributions of various parties, whom I would like to acknowledge.

I would like to thank our shareholders, for your faith in the Group. Your unwavering support since our listing has been immense and we would not have reached a new high of our share price without you.

More importantly, I would like to extend my heartfelt gratitude to my fellow Board members and our staff for their continuous contribution and dedication to the Group's continued success. Our Board members have guided us with their experience and knowledge and kept us moving in the right direction since our listing. Lastly, I would like to thank all our staff again for their hard work and commitment that has helped us build and maintain our reputation. I thank you from the bottom of my heart and hope we continue to provide the best care to our patients for the years to come.

MANAGEMENT DISCUSSION AND ANALYSIS

5-YEAR FINANCIAL HIGHLIGHTS

	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:					
Revenue	29,962	36,015	49,234	62,619	58,020
Other income	869	2,933	94	87	230
Inventories and consumables	(6,126)	(8,261)	(10,553)	(12,875)	(12,090)
Staff costs	(11,768)	(12,204)	(18,266)	(23,617)	(22,791)
Depreciation expenses	(3,751)	(3,726)	(5,324)	(5,642)	(5,955)
Other expenses	(3,840)	(4,244)	(6,160)	(6,587)	(6,328)
Net loss on impairment of financial instruments	(3)	(37)	-	-	-
Results from operating activities	5,343	10,476	9,025	13,985	11,086
Finance income	-	4	20	48	124
Finance costs	(683)	(897)	(1,244)	(1,461)	(1,540)
Profit before tax	4,660	9,583	7,801	12,572	9,670
Tax expense	(1,525)	(2,203)	(2,831)	(3,833)	(3,257)
Profit after tax	**3,135**	**7,380**	**4,970**	**8,739**	**6,413**
Profit and total comprehensive income attributable to:					
Owners of the Company	3,240	7,390	4,445	7,831	5,641
Non-controlling interests	(105)	(10)	525	908	772
Profit and total comprehensive income for the financial year	**3,135**	**7,380**	**4,970**	**8,739**	**6,413**

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2020 ("FYE 2020"), the Company recorded total revenue of RM58.02 million, which represented a small decrease of 7.3% as compared to previous year corresponding period ("FYE 2019") of RM62.62 million, mainly due to the imposition of the Movement Control Order ("MCO"), under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 from 18 March 2020 until 03 May 2020. The Group's revenue was unfavourably affected particularly for the three-month financial period ended 30 June 2020 due to the measures taken to ensure the safety and health of employees and customers.

With the easing and relaxation of certain restrictions under the MCO and its extension under the Conditional MCO ("CMCO") from 04 May 2020 to 09 June 2020 and Recovery MCO ("RMCO") from 10 June 2020 to 31 December 2020, the Group saw a gradual recovery in the number of patients, including patients for refractive and cataract surgeries who were earlier advised to postpone their procedures until after the MCO.

Management Discussion and Analysis
(cont'd)

FINANCIAL PERFORMANCE (CONT'D)

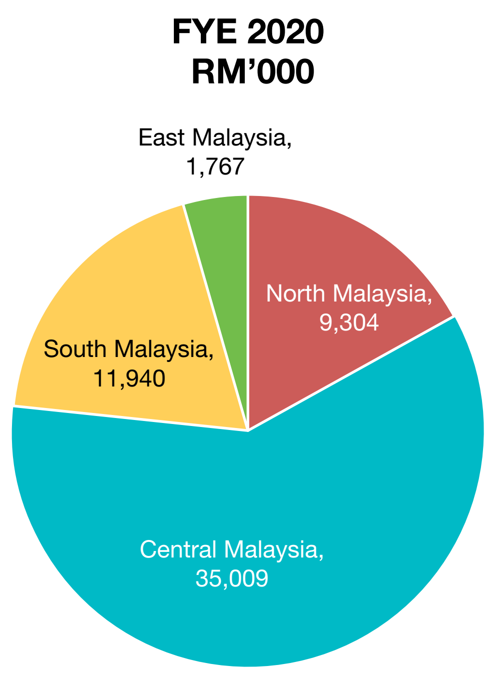
The Group recorded Profit Before Tax ("PBT") and Profit After Tax ("PAT") of RM9.67 million and RM6.41 million respectively, a decrease of 23.1% and 26.6% compared to RM12.57 million and RM8.74 million recorded in FYE 2019, respectively.

Apart from the decline in revenue particularly due to the implementation of the MCO during the year of 2020, the decline in both PBT and PAT was also impacted by costs which continued to accrue, mainly staff costs, depreciation expenses, finance costs and other expenses such as sales and marketing expenses, administration and office expenses, professional fees and insurance.

Additionally, the Company's liquidity position in terms of ratio has improved to 2.68 as of FYE 2020 from 0.90 stated for FYE 2019.

During FYE 2020, the Group donated RM200,000 to the Ministry of Health Malaysia for the purchase of ventilators, protective gear, test kits and other necessities to combat the COVID-19 outbreak. The Group also employed additional ophthalmologists and other healthcare professionals (including optometrists and nurses) in preparation for the expansion of operations for Optimax Eye Specialist Centre (Seremban) Sdn Bhd.

REVENUE REVIEW BY GEOGRAPHICAL SEGMENT:



As at 31 December 2020, the Group owned a total of twelve (12) ambulatory care centres and one (1) specialist hospital across six (6) states in Malaysia.

Management Discussion and Analysis
(cont'd)

OPERATIONS REVIEW OF POST-IPO PROCEEDS

Optimax Holdings Berhad's IPO and listing were completed on 18 August 2020.

The proposed utilisation of proceeds from the IPO of RM21.00 million is as follows:

Purpose	Intended timeframe for utilisation upon Listing	Proposed utilisation		Amount utilised as at FYE 2020		Deviation	
		RM'000	%	RM'000	%	RM'000	%
Capital expenditure	Within 12 months	10,354	49.31	284	2.74	(10,070)[1]	(97.26)
Repayment of borrowings	Within 3 months	3,520	16.76	3,569	101.39	49[2]	1.39
Working capital	Within 12 months	3,526	16.79	-	-	-[1]	-
Estimated listing expenses	Within 1 month	3,600	17.14	3,731	103.64	131[2]	3.64
TOTAL		**21,000**	**100.00**	**7,584**	**36.11**	**(9,890)**	**(56.60)**

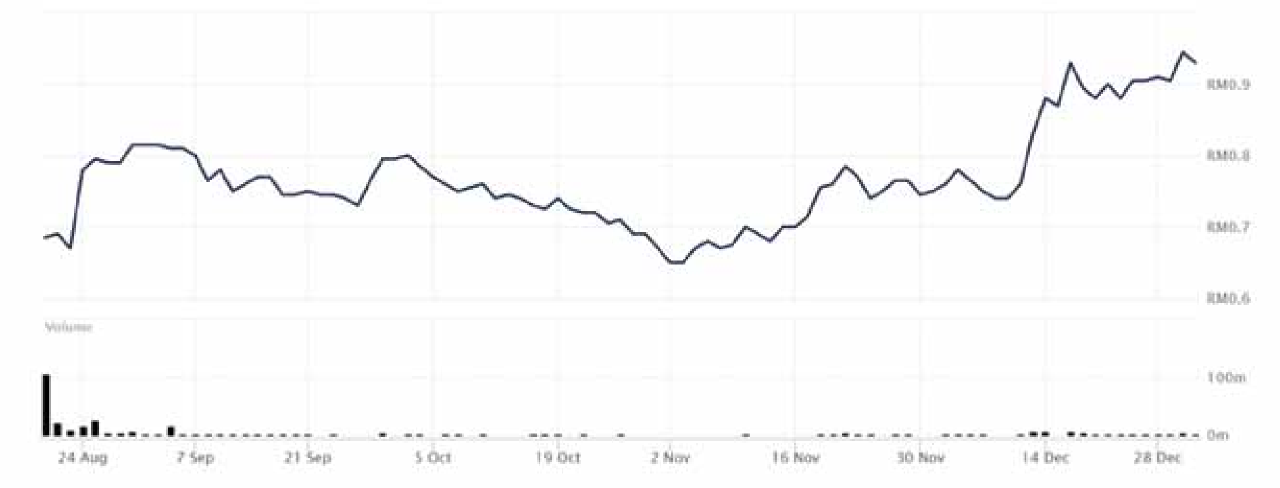
The proposed utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

(1) The allocated IPO proceeds for capital expenditure and working capital have not been fully utilised as at FYE 2020.

(2) As the actual amount utilised for repayment of borrowings and estimated listing expenses are higher than estimated, the shortfall has been funded out of the Group's internally generated funds.

We will continue to focus on our plans as set out in the Future Plans section.

SHARE PRICE PERFORMANCE



Source: Wall Street Journal

The share price of Optimax closed at RM0.93 on 31 December 2020, with a total market capitalisation of RM251 million. The year's high stood at RM0.945 while the year's low stood at RM0.65. The average daily trading volume stood at 3,375,021 units.

Management Discussion and Analysis
(cont'd)

DIVIDEND POLICY

Optimax presently does not have any fixed dividend policy in place. The actual dividend that the Board may recommend or declare in the future in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Board.

Upon recommendation by the Board, the Company will, inter alia, take into account various factors as set out below to determine the level of dividend payments:

(1) The level of cash, gearing and return on equity and retained earnings;

(2) The expected financial performance;

(3) The projected levels of capital expenditure and other investment plans;

(4) The working capital requirements; and

(5) Any contractual restrictions and/or commitments.

ANTICIPATED/ KNOWN RISKS & MITIGATING PLANS/ STRATEGIES

1. The Group's business is bound by federal, state and local laws as well as rules and regulations set by government bodies related to health and optical health, such as the MOH. In general, laws and regulations applicable to the medical industry have become more stringent with penalties and potential liabilities increasing over the years.

   To-date, the Group has not encountered any difficulty in renewing approvals, licenses, permits and certificates. All renewals of permits and certificates are dependent on the Group's compliance with the relevant regulations, which is at times contingent on the review, inspection and assessment as well as continuously evolving practices and requirements of the relevant authorities.

2. The Group's growth and success depend on our Directors, Key Senior Management and our ophthalmologists. Having a team of experienced and skilled personnel, including ophthalmologists, is critical in maintaining the quality of our services and our relationship with our customers, as we operate in the eye care industry focusing on eye specialist services. Being a private eye specialist provider, market awareness of our brand is, to a certain extent, built on and intertwined with, the reputation of our ophthalmologists and driven by the quality of the eye specialist services.

   To maintain the goodwill of our brand name, we ensure that our eye specialist doctors regularly attend training and conferences to keep up to date with the latest developments in medical technology and we have in place various quality management processes and controls, so as to ensure the quality and consistency of the services provided by our centres.

3. We are subject to the risks of medical and legal claims, regulatory actions and professional liability arising from the provision of our eye specialist services and business operations. As such, our insurance coverage and indemnities may not be adequate to cover all risks and losses associated with our business operations. The Group faces the risk of exposure to malpractice, medical or negligence claims on account of alleged misconduct or deficiencies in the services provided. We may not be able to avoid malpractice, medical negligence or misconduct exposure, including on account of error by our personnel, machine or equipment error, or the lack of pre-operative advice or post-operative care for patients.

   To mitigate these risks, our ophthalmologists are required to maintain their own individual medical indemnity insurance while the Group also maintains malpractice liability policies for the sum insured of RM5,000,000 to protect against various losses and liabilities arising from medical malpractice.

   On top of these precautions, Optimax has also obtained indemnity from each of our ophthalmologists against any and all losses, damages, and liabilities incurred or suffered by our Group or that may arise from any negligence, demands, actions, claims, lawsuits or proceedings that are threatened or pending against us arising from medical negligence of our fire insurance policies and machinery and equipment policies with coverage against, amongst others, risk of damage to or loss of our specialist hospital, ambulatory care centres, specialist clinics, machinery and equipment.

Management Discussion and Analysis
(cont'd)

BUSINESS OUTLOOK

The Government of Malaysia had on 11 January 2021 announced the re-imposition of MCO 2.0 in an effort to contain the COVID-19 outbreak in Malaysia. The MCO 2.0 was imposed on 13 January 2021 and three subsequent 14-day extensions of the MCO were announced on 20 January 2021, 2 February 2021 and 16 February 2021 respectively to extend the effective date of the MCO from 22 January 2021 until 4 February 2021, 5 February 2021 to 18 February 2021 and thereafter from 19 February 2021 to 4 March 2021. The MCO 2.0 however was eased and relaxed from 10 February 2021 onwards.

During the MCO 2.0 period, all government and private premises except those involved in essential services (which include, amongst others, communications and internet, banking and finance and healthcare and medical) were required to be closed. As the restrictions imposed under MCO 2.0 are more relaxed compared to MCO 1.0 (which was introduced on 18 March 2020), barring any further imposition of MCOs or restrictions, we expect the impact of MCO 2.0 on our Group's business activities to be less severe as compared to the impact which the Group experienced under MCO 1.0.

As a provider of eye specialist services, the Group's business falls within essential services, and thus, the Group is able to continue operations during the MCO 2.0 period. The Group will continue to monitor the situation to assess and address the impact of the COVID-19 outbreak and MCO 2.0 on its business and financial condition.

While its financial performance continues to be affected during the MCO 2.0, the Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2021 remain favourable.

FUTURE PLANS

Optimax is continuing to focus on our core competency in providing eye specialist services to expand our business as follows:

1. Future expansion in Malaysia
   - Optimax is planning to expand our network of ambulatory care centres ("ACC") in Malaysia. We will continue with our existing mode of operation to adopt two approaches in our expansion of outlets. The approach to be taken will depend on the location, population and demographics within the location, availability of skilled doctors and the type of employment or business associate arrangement to be made for the hire or sourcing of doctors as follows:
     - Through fully owned new ACC where we will hire employee doctors to be our resident doctors; or
     - Through business associate arrangements with jointly-owned new ACC where our resident doctors will have equity participation and be minority shareholders, whilst we will be the majority shareholder.
2. On-going expansion in Central Region
   - We had upgraded and converted our specialist clinic in Klang (Selangor) and Seremban (Negeri Sembilan) respectively into an ACC which will enable us to carry our surgical procedures such as refractive and cataract surgeries, thereby contributing to our future business sustainability and growth.
   - As part of our expansion plans, we also intend to purchase ophthalmological equipment and tools for our existing specialist centres for the provision of our eye specialist services. The new ophthalmological equipment and tools that we intend to purchase will be used to upgrade existing equipment, increase our services offering and/or to expand our capacity.

DIRECTORS' PROFILE

TAN SRI DATUK DR. IR. AHMAD TAJUDDIN BIN ALI

Independent Non-Executive Director and Chairman

Nationality
Malaysian

Gender
Male

Age
72

Board Meetings of Optimax Holdings Berhad held in the financial year ended 31 December 2020

Attended

4/4

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali ("Tan Sri Datuk Dr. Ir. Tajuddin") was appointed to the Board in December 2019.

Tan Sri Datuk Dr. Ir. Tajuddin is actively involved in several companies and statutory bodies in various capacities. Currently he is holding the Chairmanships of the Board of Linde Malaysia Holdings Berhad, SIRIM Berhad and Universiti Teknikal Malaysia Melaka (UTeM). He is also a member of the Board of Institut Integriti Malaysia (IIM). He is also the Joint-Chairman (Industry) of Malaysian Industry-Government Group for High Technology (MIGHT) and the Joint-Chairman (Government) of Aerospace Malaysia Innovation Centre (AMIC).

Tan Sri Datuk Dr. Ir. Tajuddin is currently a member of Northern Corridor Implementation Authority (NCIA) and a member of Advisory Council of Federation of Malaysian Manufacturers (FMM). He is also a member of the Board of Trustees of Mahathir Science Award Foundation, Yayasan UTeM and the Board of Governors of the Malay College Kuala Kangsar, his alma mater.

Tan Sri Datuk Dr. Ir. Tajuddin was previously the Director-General of Standards and Industrial Research Institute of Malaysia, the Chairman and Chief Executive of Tenaga Nasional Berhad, Chairman of the Energy Commission Malaysia, Chairman of UEM Group Berhad, UEM Sunrise Berhad, PLUS Expressways International Berhad, Zelan Berhad, Tricubes Berhad, Opus Group Berhad, Opus International Limited and Sime Engineering Services Berhad. He was previously a Director of Sime Darby Berhad and the President of the Academy of Sciences Malaysia.

Tan Sri Datuk Dr. Ir. Tajuddin has attended 4 Board meetings held during the year ended 31 December 2020 and does not hold any ordinary shares directly in the Company.

Tan Sri Datuk Dr. Ir. Tajuddin has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest with the Company.

Directors' Profile
(cont'd)

TAN SRI DATO' TAN BOON HOCK

Non-Independent
Non-Executive Director

Nationality
Malaysian

Gender
Male

Age
65

Board Meetings of Optimax Holdings Berhad held in the financial year ended 31 December 2020

Attended

4/4

Tan Sri Dato' Tan Boon Hock ("Tan Sri Dato' Tan") was appointed to the Board in August 2018. He is a major shareholder of the Company. Tan Sri Dato' Tan conferred as Tan Sri by KDYMM Seri Paduka Baginda Yang di-Pertuan Agong in 2020.

Tan Sri Dato' Tan ventured into the eye specialist healthcare industry by incorporating OESC under the name of Precious Premier (M) Sdn Bhd, offering refractive surgery services to patients. Throughout the 25 years since the incorporation of OESC, Tan Sri Dato' Tan expanded the business of OESC to other states in Malaysia and started providing other eye specialist services, including cataract surgery services.

In Tan Sri Dato' Tan's capacity as a director of companies within the Optimax Group, he has provided business and management guidance and strategic advice to the senior management of the Optimax Group over the years. He has also played a leading role in the formulation of the business direction and strategies of the Optimax Group. Under his guidance and direction, the Optimax Group has grown rapidly to become one of the major operators in the eye specialist industry in Malaysia and it is anticipated that going forward, Tan Sri Dato' Tan will continue to play a similar role in formulating the business and strategies of the Optimax Group.

Tan Sri Dato' Tan has attended 4 Board meetings held during the year ended 31 December 2020 and he is a major shareholder of the Company.

Tan Sri Dato' Tan is the father of Sandy Tan Sing Yee, the Chief Executive Officer and Non-Independent Executive Director and Tan Sing Chia, Chief Financial Officer. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders in relation to recurrent related party transactions. He does not hold any directorship in other public companies and listed issuers in Malaysia.

Directors' Profile
(cont'd)

SANDY TAN SING YEE

Non-Independent Executive Director

Nationality
Malaysian

Gender
Female

Age
34

Board Meetings of Optimax Holdings Berhad held in the financial year ended 31 December 2020

Attended

4/4

Sandy Tan Sing Yee ("Sandy") was appointed to the Board in December 2019.

Sandy started as a customer service executive in OESC in 2012. She was then re-designated as a human resources executive in 2013, where she was exposed to various type of works relating to human resources management of our Group. She was promoted to Marketing Director one year later and took charge of sales and marketing activities of the Group. Subsequently, she was appointed as our Chief Executive Officer in 2017.

Upon joining the Group, Sandy has been responsible for developing and implementing marketing strategies to elevate our Group's branding with the aim of increasing market share in the eye specialist industry. She is also responsible for developing new business opportunities, particularly in promoting our Group's business and services in the eye specialist industry. It is anticipated that going forward, she will continue to play a similar role within the Group.

Sandy has attended 4 Board meetings held during the year ended 31 December 2020 and holds 1,030,000 ordinary shares directly in the Company.

Sandy is the daughter of Tan Sri Dato' Tan Boon Hock, the Non-Independent Non-Executive Director and a major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders in relation to recurrent related party transactions. She does not hold any directorship in other public companies and listed issuers in Malaysia.

Directors' Profile
(cont'd)

YAP PING HONG

Independent
Non-Executive Director

Nationality
Malaysian

Gender
Male

Age
39

Board Meetings of Optimax Holdings Berhad held in the financial year ended 31 December 2020

Attended

4/4

Yap Ping Hong ("Ping Hong") was appointed to the Board in January 2020. He is a member of the Association of Chartered Certified Accountants ("ACCA") since 2008 and a fellow of ACCA since 2013. Ping Hong also a chartered accountant of the Malaysian Institute of Accountants (MIA) and a professional member of The Institute of Internal Auditors Malaysia (IIA Malaysia).

Ping Hong started his career with BDO Malaysia as external auditor and subsequently joined the advisory department of BDO Malaysia where he was responsible for carrying out assignment relating to receivership and liquidation. Ping Hong was an associate director of NGL Tricor Governance Sdn Bhd, where he led a team of internal auditors to provide internal audit services to public listed companies in Malaysia and Singapore.

Ping Hong is one of the co-founders and presently a director of Silver Ocean Advisory Sdn Bhd, a company providing corporate advisory and risk advisory; Ping Hong also owns Herman Yap & Associates, a firm registered with MIA, providing accounting and corporate services.

Ping Hong has attended 4 Board meetings held during the year ended 31 December 2020 and does not hold any ordinary shares directly in the Company.

Ping Hong has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest with the Company. He does not hold any directorship in other public companies and listed issuers in Malaysia.

OPTIMAX
New Vision New Life®

Directors' Profile
(cont'd)

YAP ENG GEE

Independent
Non-Executive Director

Nationality
Malaysian

Gender
Female

Age
52

Board Meetings of Optimax Holdings Berhad held in the financial year ended 31 December 2020

Attended

4/4

Yap Eng Gee ("Eng Gee") was appointed to the Board in January 2020. She is a member of the Malaysian Association of Certified Public Accountants (now known as Malaysian Institute of Certified Public Accountants (MICPA)) and a member of the Malaysian Institute of Accountants (MIA).

Eng Gee has more than 30 years of extensive experience in various spectrum of finance functions encompassing accounting, taxation, financial reporting, corporate finance and corporate development across various industries including manufacturing, property development, automotive and healthcare services in both private and public listed companies.

Senior leadership positions held by Eng Gee include as Chief Executive Officer of Stemlife Berhad, Group Chief Financial Officer of TMC Life Sciences Berhad and Chief Financial Officer of Pantai Holdings Berhad.

Eng Gee has attended 4 Board meetings held during the year ended 31 December 2020 and does not hold any ordinary shares directly in the Company.

Eng Gee has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest with the Company. She does not hold any directorship in other public companies and listed issuers in Malaysia.

KEY SENIOR MANAGEMENT

Chief Executive Officer

Sandy Tan Sing Yee

Malaysian, Female, 34

Sandy joined our Group in 2012.

Sandy started as a customer service executive in OESC in 2012. She was then re-designated as a human resources executive in 2013, where she was exposed to various type of works relating to human resources management of our Group. She was promoted to Marketing Director one year later and took charge of sales and marketing activities of the Group. Subsequently, she was appointed as our Chief Executive Officer in 2017.

Upon joining the Group, Sandy has been responsible for developing and implementing marketing strategies to elevate our Group's branding with the aim of increasing market share in the eye specialist industry. She is also responsible for developing new business opportunities, particularly in promoting our Group's business and services in the eye specialist industry. It is anticipated that going forward, she will continue to play a similar role within the Group.

Sandy holds 1,030,000 ordinary shares directly in the Company.

Chief Financial Officer

Michelle Tan Sing Chia

Malaysian, Female, 32

Michelle Tan Sing Chia ("Michelle"), joined our Group in 2018.

Prior to joining OESC, Michelle gained valuable experience for her coming role as the Chief Financial Officer of OESC by joining Rawang Specialist Center Sdn Bhd as an assistant to the Chief Operating Officer, where she was involved in establishing and setting up of the Rawang Specialist Hospital (now known as KPJ Rawang Specialist Hospital). She then left Rawang Specialist Center Sdn Bhd to assist in the family business and joined Sena Letrik (M) Sdn Bhd as an Acting Chief Financial Controller, where she was primarily responsible for handling day-to-day finance activities and financial planning of Sena Letrik group of companies.

Michelle first joined OESC as our Group Financial Controller. She was later re-designated as the Chief Financial Officer and is primarily responsible for overseeing our Group's finance and accounting, treasury functions and regulatory compliance.

Michelle holds 1,030,000 ordinary shares directly in the Company.

Key Senior Management (cont'd)

Chief Operating Officer

Susan Cheow Poh Kheng

Malaysian, Female, 40

Cheow Poh Kheng ("Susan Cheow"), joined our Group in January 2021.

Susan Cheow has more than 15 years of extensive experience in the healthcare industry where she held senior management and leadership roles at various established private hospitals in Malaysia. Prior to joining OESC, she was the Director of Allied Health at Thomson Hospital Kota Damansara, where she was responsible for more than 10 clinical support services departments. Susan Cheow has also previously held a management position in the Pharmacy Department of Assunta Hospital, Petaling Jaya, and Pantai Hospital Kuala Lumpur.

Susan Cheow joined OESC as our Chief Operating Officer. She brings with her strong healthcare rationales and meticulous approach towards administration and operations into our Group. She is instrumental in the establishment of strong governance, achievement of renowned healthcare quality accreditations and implementation of successful business strategies and process improvement plans in accordance with the goals and directions of our Group.

Susan Cheow does not hold any ordinary shares directly in the Company.

Senior Medical Director

Dr. Stephen Chung

Malaysian, Male, 62

Dr. Stephen Chung ("Dr. Stephen"), joined our Group in 1995.

Dr. Stephen first joined OESC as a consultant ophthalmologist. He underwent training with eye surgeons from Optimax UK for the understanding of then-revolutionary Photorefractive Keratectomy (PRK) refractive laser procedure. He later went on to perform the first PRK operation in OESC.

After fully dedicating his time to OESC, he took the initiative to enhance his skills by adapting and mastering the latest innovations and evolutions of laser technology in the field of ophthalmology by carrying out the femtosecond assisted laser in-situ (FemtoLASIK) procedure in 2005, and the Small Incision Lenticule Extraction (SMILE®) procedure in 2013, and expanding the specialist services that our Group could offer to existing and potential customers.

Dr. Stephen is our Senior Medical Director and substantial shareholder with over 36 years of experience in the eye care industry. He is mainly stationed at our eye specialist centre located at Taman Tun Dr. Ismail, Kuala Lumpur and further provides his services at our eye specialist centres in Kuching and Ipoh on an ad-hoc basis by performing refractive surgeries. Dr. Stephen is also primarily responsible for providing refractive surgeries training to our doctors. He is also the Chairman of our Group's Medical Committee, which is primarily responsible for introducing rules and standard operating procedures to be adopted by our specialist hospital, ambulatory care centres, and clinics and applied by our doctors.

Dr. Stephen holds 15,360,000 ordinary shares directly in the Company.

Key Senior Management
(cont'd)

Senior Medical Director

Dr. Chuah Kay Leong

Malaysian, Male, 54

Dr. Chuah Kay Leong ("Dr. Chuah") joined our Group in 2002.

Dr. Chuah first joined OESC as a Consultant Ophthalmologist, bringing with him over 10 years of experience in the eye care industry. He has since been working closely with our Group and is primarily responsible for providing technical and clinical leadership support and mentorship to the cataract surgeons and ophthalmic nurses.

He sits on our Group's Medical Committee and his primary responsibility is to introduce the rules and standard operating procedures that are applied by all our doctors and adopted by our specialist hospital, ambulatory care centres and clinics.

Dr. Chuah holds 10,085,000 ordinary shares directly in the Company.

Medical Director (Southern)

Dr. Lam Hee Hong

Malaysian, Male, 43

Dr. Lam Hee Hong ("Dr. Lam") joined our Group in January 2018.

A veteran in the eye care industry, Dr. Lam first affiliated with OESC when his clinic, Lam Eye Specialist business and assets were acquired by OESC in 2016. He officially joined our Group as an Ophthalmologist in January 2018 and upon joining the Group, he has since contributed substantially to the expansion of our Group into the Southern region by taking part in the implementation of marketing strategies to strengthen the presence of our Group there.

He was also involved in the process of setting up our branches in Segamat and Kluang. Dr. Lam is responsible for monitoring the performance of the specialist doctors within our Group by coordinating and obtaining feedback from customers and then relaying the responses and assessments to our doctors.

He sits on our Group's Medical Committee, which is primarily responsible for introducing rules and standard operating procedures to be adopted by our specialist hospital, ambulatory care centres and clinics and to be applied by our doctors.

Dr. Lam holds 105,100 ordinary shares directly in the Company.

OPTIMAX
New Vision New Life®

Key Senior Management (cont'd)

Group Accountant

Pang Woei Yaw

Malaysian, Male, 33

Pang Woei Yaw ("Pang") joined our Group in September 2018.

Pang was a corporate finance manager for Sena Diecasting Industries Sdn Bhd, where he was primarily responsible for the financing and accounting matters of the company, including preparing monthly management accounts and financial reports and identifying areas for improvement in finance operations. During his employment with Sena Diecasting Industries Sdn Bhd, he was seconded to OESC and placed in charge of reviewing the financial statements of our Group and providing related financing advisory services.

He left Sena Diecasting Industries Sdn Bhd and joined OESC as the Group Accountant. He is responsible for accounting and tax-related matters of our Group, including reviewing the financial statements and audit reports of our Group.

Pang does not hold any ordinary shares directly in the Company.

Operations Manager

Ang Chian Yen

Malaysian, Female, 32

Ang Chian Yen ("Ang") joined our Group in October 2012.

Ang began her career with the Group as an Optometrist in OESC (TTDI branch), where she was primarily responsible for performing vision tests on customers using optometric equipment and diagnostic machines.

Ang was transferred to the operations department as an Operations Executive cum Optometrist and was subsequently promoted to the position of assistant operation manager. She was then promoted to the position of operations manager, where she has been responsible for ensuring that all our branches, doctors and nurses hold and maintain the requisite licenses and certificates for the purpose of complying with the MOH's requirements as well as adhering to ISO standards with regards to clinical matters. In addition, she is also responsible for assisting our Chief Operating Officer in managing the overall operations of our Group.

Ang holds 20,200 ordinary shares directly in the Company.

CERTIFICATIONS AND RECOGNITIONS

2019

ISO 9001:2015 certification issued by Independent European Certification (M) Sdn Bhd

- Independent European Certification (M) Sdn Bhd

2018

The Pioneer Clinic in Malaysia to Offer Zeiss SMILE Laser Vision Correction and for reaching five years of successful surgeries

- Carl Zeiss Pte Ltd

2018

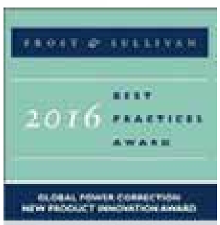
ISO 9001:2015 certification issued by Independent European Certification (M) Sdn Bhd

- Independent European Certification (M) Sdn Bhd

2016

ISO 9001:2008 certification issued by Independent European Certification (M) Sdn Bhd

- Independent European Certification (M) Sdn Bhd



SUSTAINABILITY REPORT

ABOUT THIS STATEMENT

This report presents information for the financial year ended 31 December 2020 and covers Optimax's sustainability policies and performances as well as our strategy for the future. In this report, we will discuss the environmental, social and governance factors and our efforts to improve and integrate sustainability into our operations.

ABOUT OPTIMAX HOLDINGS BERHAD

Listed on the ACE Market of Bursa Securities and operating under the "OPTIMAX" brand, the Group principally provides eye specialist services supported by a network of 13 specialist centres in Malaysia comprising 1 specialist hospital and 12 ambulatory care centres. These specialist centres may be fully or jointly-owned by the Group. For the jointly-owned centres, resident doctors will have equity participation and be minority shareholders.

The specialist centres offer a range of treatment relating to eye and vision difficulties or impairment covering refractive error, cataracts, glaucoma, macular degeneration, diabetic retinopathy and other eye diseases and disorders.

The Group's specialist hospital and ambulatory care centres are equipped with eye operation theatres, procedure rooms, general and day care wards, as well as relevant equipment for surgical procedures that can perform thorough assessments and diagnoses with appropriate care pathways for patients.

SUSTAINABILITY APPROACH

The Group is a leading provider of eye specialist services through its network of 13 specialist centres in Malaysia. This Sustainability Statement outlines our commitment towards being a sustainable organisation through the Economic, Environmental and Social ("EES") pillars of sustainability.

The Board of Directors is responsible for the delivery of sustainable value to stakeholders through the principles, policies, objectives and strategies of Optimax and its subsidiaries. Management team is tasked to assist the Board in overseeing its responsibilities. The management team help to oversee and manage the material risks and opportunities that may impact business continuity and market competitiveness, the environment and the communities that the Group operates in.

This Sustainability Statement provides a basis for us to continually improve our reporting to better meet our stakeholders' expectations by describing our performance based on key non-financial metrics while highlighting areas where our sustainability management and processes can be strengthened.

STAKEHOLDER ENGAGEMENT

We are committed to creating long-term sustainable value for the Group, stakeholders, the communities in which we operate in as well as the environment. We believe that having regular engagements with the relevant parties are essential to sustaining success.

Key Stakeholders	Areas of Concern	Modes of Engagement
Employees	• Safe and conducive working environment • Rewards and recognition for performance • Career development • Employee satisfaction	• Meetings/briefings • Performance appraisals • Training programmes • Team building • Other communications/feedback such as email

Sustainability Report
(cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholders	Areas of Concern	Modes of Engagement
Patients and Customers	• Provision of quality services • Compliant products • Customer satisfaction	• Quality control and assurance • Regular meetings/visits • Other communications/feedback such as email
Suppliers	• Provision of quality services • Compliant products • Customer satisfaction	• Quality control and assurance • Regular meetings/visits • Other communications/feedback such as email
Regulators and Government	• Regulatory compliance • Approvals and permits • Occupational safety and health • Environmental management and compliance	• Audit and verification • Inspections by local authorities • Inspections by regulators • Training programmes for employees • Meetings with employees • Meetings with management team responsible for compliance
Community	• Corporate social responsibility • Impact on community	• Participation in community programmes and initiatives • Providing jobs • Sponsorships to local communities

Economic Sustainability

The Group was founded in 1995 and have accumulated well over two decades of experience providing eye specialist services. The "OPTIMAX" brand has been developed over the years through a network of 13 specialist centres we have across the country. The number of eye surgeries we have conducted further supports our track record, which includes refractive, cataract and oculoplastic surgeries.

In a consumer-oriented industry, the Group's extended network of eye specialist centres is important to provide market reach as well as consumer convenience. We have a dedicated team of resident eye surgeons in all our specialist centres. These eye surgeons are also medical practitioners licensed by the Malaysian Medical Council as well as registered ophthalmologists under the National Specialist Register.

The Group's mode of operations is based on two approaches, and these approaches depends on the location, population, demographics within the location, availability of skilled doctors and the type of employment or business associate arrangements as follows:

- Hiring employee doctors in the Group's fully-owned ambulatory care centres to be resident doctors
- Minority equity participation by resident doctors in joined-owned ambulatory care centres

Our core services can broadly be categorised into four major groups:

- Refractive surgery comprising laser vision correction and implant vision correction
- Treatment of eye diseases and disorders including cataract surgery and other eye medical treatment
- Consultation and dispensary services comprising doctor consultation and medication
- Oculoplastic surgery providing functional and cosmetic treatment for disorders around the eye

Sustainability Report
(cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Economic Sustainability (Cont'd)

To complement the Group's core services, we also provide related services that mainly comprise eye examinations performed by in-house optometrists. These related services include sales of optical wear, consumables from surgery and medical treatment, procedures (mainly Ortho-K, which is a non-surgical method of reshaping the cornea to provide clearer vision for children and Botox), administration fees as well as laboratory tests for patients.

Besides continuing our core competency of providing eye specialist services, the Group's future plans to expand business and revenue involves expanding the network of ambulatory care centres within Malaysia by continuing with the two approaches of either fully owning these centres or jointly owning them with minority equity participation from resident doctors. The expansion of these centres in Malaysia will be to areas where the Group have no market presence.

The expansion plans also include purchasing ophthalmological equipment and tools for existing specialist centres for upgrading existing equipment, increase services offered or expand capacity.

Response to COVID-19

The Group has been reviewing the business and financial parameters due to the COVID-19 pandemic and the impact on the economy in relation to our expansion plans through monitoring the performance of each specialist centre and the Group as a whole over a six-month period following the lifting of the first Movement Control Order ("MCO") that lasted from 18 March to 3 May 2020. While we fall under essential services and was allowed to operate during the first MCO, we felt that it was prudent to make such a review.

The metrics adopted to monitor the performance were based on the two main revenue drivers, namely refractive surgery and treatment of eye diseases and disorders as well as financial performance including Profit Before Tax and net cashflow from operating activities. Should the metrics be positive, similar or exceed those for the corresponding period of the previous year, the Group would consider expanding our specialist care network with focus in locations that show promise for business sustainability and growth.

As the economic conditions remains uncertain, the Group will remain prudent in investments by monitoring the adequacy of working capital and ensuring sufficient liquidity before embarking on expansion.

Environmental Sustainability

We recognise that our business activities have an impact on the environment and also on the long-term sustainability of our business. The Group practices the management of electricity and water at our Taman Tun Dr. Ismail headquarters and all our branches. We have engaged a certified clinical waste management company to dispose of all our waste generated from our operations in a responsible manner.

The Group is in the process of replacing all our lighting with LED lighting, which consumes less electricity in addition to switching off all lights when not in use. Our product packaging is either recyclable or made from biodegradable material. We also have a proper system in managing our medicine supply and have minimum wastage while disposing of all expired medicine properly.

Social Sustainability

Workplace Matters

The Group recognises that our employees are crucial to the success of Optimax and its business. We aim to build an experienced and capable team by providing training and development programmes, including on-the-job training, to improve their skills and technical knowledge. One of the main employee benefits that the Group provides is free eye checks.

Sustainability Report
(cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Social Sustainability (Cont'd)

Workplace Matters (Cont'd)

We have constant meetings with our employees to ensure that they are updated on the Group's Code of Conduct while the management team have regular meetings. The Group provides an avenue for employees and members of the public to disclose any improper conduct through a Whistleblowing Policy as we want to ensure that we conduct all our business undertakings in an ethical, responsible and transparent manner and with the highest standards of integrity, openness and accountability. We also have an Anti-Bribery and Corruption Policy providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

We take health and safety seriously while we have medical malpractice, public liability, asset and fire insurance policies that are material to the Group's business. We have also implemented a number of measures to curb COVID-19 infections, including enforcing social distancing, the wearing of personal protection equipment and work rotation. All our specialist care centres have UV air sterilisers and are accessible for those with physical disabilities.

As part of the Group's standard operating procedures ("SOPs") for safety and quality, there are guidelines to ensure that all patients are assessed thoroughly to determine if they can undergo surgery or treatment prior to prescribing any form of procedures or treatment. Eye examinations are conducted, patients' ophthalmic history and issues as well as their general health and medical history will also be recorded. Second opinions and peer discussions may also be required. The SOPs also include patient consent to undergo a particular treatment or procedure that are obtained through the use of our official consent forms that must be explained and clarified with patients.

The Group takes seriously patients' personal information and there are SOPs for the recording, storage and management of all our patients' medical records ensuring that these are kept and stored in a confidential and secured manner.

We value cultural and gender diversity in the workplace and have a good working relationship with all our employees. As of 31 December 2020, the Group had a total of 179 employees (excluding visiting doctors and part-timers). The breakdown of our employees is as follows:

EMPLOYEE GENDER

Gender	Total
Male	37
Female	142
Total	179

EMPLOYEE GRADING

Staff Grading	Total
Manager and above	30
Executive	126
Non-Executive	19
Contract	4
Total	**179**

EMPLOYEE AGE GROUP

Age (Range)	Total
below 20	1
21-30	74
31-40	69
41-50	21
51-60	12
Above 61	2
Total	**179**

OPTOMETRISTS AND STAFF NURSES

Optometrist	Staff Nurse
43	40

Sustainability Report
(cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Community Matters

As a Group that has a network of 13 specialist centres across the country, we recognise the value of being a partner in the communities in which we operate in. We strive to do our part in being a good corporate citizen.

We responded to the call for aid by the Government with a donation on 15 April 2020 to the Ministry of Health Malaysia. On 17 June 2020, we donated Optixanthin, a food product beneficial to the eyes, through a corporate social responsibility programme in partnership with Sin Chew and the Group provided free eye screening in October 2020 in conjunction with World Sight Day.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Optimax Holdings Berhad ("the Company" or "Optimax") acknowledges the importance of the principles and practices as set out in the Malaysian Code on Corporate Governance ("MCCG") in managing Optimax Group's business towards its mission of sustainable growth. The Board strives to ensure the Group adopts the best practices of corporate governance in an effort to protect the interest of the stakeholders and enhance shareholders' value.

This statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") and should be read together with the Corporate Governance Report 2020 which is available on the Company's corporate website at https://www.optimax2u.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A. BOARD RESPONSIBILITIES

The Board is responsible for the long-term success for the Group and the value and wealth of its stakeholders. Other than setting the strategic direction and overseeing the management, they shall also ensure the implementation and monitoring of the strategic plans of the Company. All Board members bring their independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

With the diverse background and experience, the Board is able to contribute their expertise and independent judgement and to act in high standards of transparency, accountability to uphold the core values of integrity while performing their fiduciary duties. They are principally responsible for the following responsibilities of which are also stated in the Company's Board Charter:-

(i) to review, challenge and approve the Company's annual corporate plan, which includes the Group's overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan;

(ii) to oversee the conduct of the Group's businesses and to determine whether the Group's businesses are being properly managed;

(iii) to identify principal risks and ensure the implementation of appropriate internal controls and mitigation risks to effectively monitor and manage these risks;

(iv) to develop succession planning, including appointing, training, fixing the remuneration of, and where appropriate, replacing key management;

(v) to oversee the development and implementation of a shareholder communications policy for the Company; and

(vi) to review the adequacy and integrity of the [Company's/Group's] management information and internal controls systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the AMLR, securities laws and the Companies Act).

The roles and responsibilities of the Directors are clearly stated in the Board Charter appropriately segregated between those of the Chairman, Individual Directors, Executive and Non-Executive Directors, Independent Directors as well as the Chief Executive Officer.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A. BOARD RESPONSIBILITIES (Cont'd)

The following new policies have been adopted by the Board during the financial year 2020 to ensure proper governance is practiced by the Company and across the Group:-

(i) Risk Management Policy;
(ii) Anti-Bribery and Corruption Policy;
(iii) No Gift Policy; and
(iv) Whistleblowing Policy.

To ensure the Board is able to effectively supervise the operations of the Company and to discharge their duties, the following Board Committees were formed to assist the Board:-

(i) Audit and Risk Management Committee ("ARMC"); and
(ii) Remuneration and Nominating Committee ("RNC").

Each of the Board Committees is governed by its own terms of reference which are aligned with the Malaysian Code on Corporate Governance. The Chairman of the Board Committees reports to the Board after each Committee meeting on the decisions taken by the committee. The Board Charter and the respective terms of reference of the Board Committee will be reviewed periodically and is available on the Company's website, https://www.optimax2u.com.

The Board has an oversight on matters delegated to Management through the Chief Executive Officer and Management will provide updates and reports to the Board on a quarterly basis.

The positions of the Chairman and Chief Executive Officer are held by different individuals, each with clear and distinct roles which are stated in the Company's Board Charter to ensure a balance of power and authority between the two positions. The Chairman, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali leads the Board, focusing on board strategy, governance and compliance whilst the Chief Executive Officer, Sandy Tan Sing Yee oversees the day-to-day operations of the Company and implements the Company's strategies and policies.

The Board has full access to the two (2) qualified and competent company secretaries, namely Rebecca Kong Say Tsui and Wong Yoke Fun who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016. The secretarial function of the Group is outsourced to Tricor Corporate Services Sdn. Bhd. The roles and responsibilities of the Company Secretaries are also stated in the Board Charter of the Company.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A. BOARD RESPONSIBILITIES (Cont'd)

The Board and the ARMC convene their meetings every quarter while the RNC will meet at least twice a year or as and when the need arises. In order for the Board to have sufficient time to study the materials, meeting materials are circulated via email at least five (5) business days prior to the meetings. The Management is invited to attend Board and Board Committees meetings to provide explanation on the meeting agenda. Full board minutes are circulated to the Board and Board Committees respectively as soon as practicable after meeting for review and comment. The following are the Board and ARMC meetings held during the financial year ended 31 December 2020 and the directors' attendance:-

Director	Number of Meetings Attended / Held	
	Board of Directors	Audit and Risk Management Committee
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	4/4	2/2
Tan Sri Dato' Tan Boon Hock	4/4	–
Sandy Tan Sing Yee	4/4	–
Yap Ping Hong	4/4	2/2
Yap Eng Gee	4/4	2/2

In accordance with Paragraph 15.08(3) of the AMLR, the Board have attended various training programmes during financial year ended 2020 as follows:-

Director	Programme Title
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	1. Global Forum Competitiveness Council (GFCC): Now. Bridge. Reboot. 2. Art & Science for all. 3. Malaysia-Japan Collaboration on Smart Manufacturing & Inaugural Seminar. 4. Famelab National Final (Science Communication Program). 5. Forum on Anti-Bribery Management Systems (ABMS). 6. Agility in Crisis - Delivering fast and effective solutions during the pandemic & Taking Action on Gender - Success stories from the Standards Community. 7. The Power of 'Patient Capital' - Long Term Investing in a Short-Term World. 8. Webinar - AKEPT Higher Education Leadership (AHEAD). Seminar: Women Leadership in Education. 9. Celebrating The Legacy of Dr Ranjeet Bhagwan Singh - Paradigm Shift in Medical Research. 10. Building Resilient Organizations for Turbulent Times: Pathways for Driving Deep Change. 11. Webinar Series of Economics: Balancing Sustainability in the Post-Pandemic Normal. 12. Building Resilient Organizations for Turbulent Times: Adding Resilience to Your Leadership Toolkit. 13. National Competitive Forum on National Commission on Innovation and Competitiveness Frontiers.
Tan Sri Dato' Tan Boon Hock	1. Mandatory Accreditation Programme for Directors of Public Listed Companies. 2. MACC Awareness Training.
Sandy Tan Sing Yee	1. Mandatory Accreditation Programme for Directors of Public Listed Companies. 2. MACC Awareness Training.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

A. BOARD RESPONSIBILITIES (Cont'd)

Director	Programme Title
Yap Ping Hong	1. Section 17A, MACC (Amendment) ACT 2018 & Adequate Procedures. 2. Mandatory Accreditation Programme for Directors of Public Listed Companies. 3. 2021 Budget seminar.
Yap Eng Gee	1. Breaking down the 2nd economic stimulus package and other tax concerns. 2. How tax advisors add value to businesses in crisis management. 3. Inside ASEAN Examining Malaysia amid rising uncertainties. 4. Cash conservation & management. 5. Optimising operations. 6. Rethinking workforce strategy. 7. Mandatory Accreditation Programme for Directors of Public Listed Companies. 8. Risk and portfolio management in volatile market. 9. Rise of 5G: From infrastructure to consumer devices. 10. The future of automotive semiconductors.

The Company adopts Whistleblowing Policy which serves as the guidelines for managing improper conduct within the Group and provide a channel of communication to encourage the report of any misconduct so that appropriate actions can be taken to resolve these issues.

The Whistleblowing Policy will be periodically reviewed and are available on the Company's corporate website, https://optimax.listedcompany.com/cg_policy.html.

B. BOARD COMPOSITION

The Board currently consist of five (5) directors with three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Non-Independent Executive Director. Currently, there are two (2) female directors on the Board, namely Sandy Tan Sing Yee and Yap Eng Gee.

The Board composition meets the requirements of AMLR, which requires at a minimum of two (2) or one-third (1/3) of the Board, whichever is higher to be Independent Directors and the MCCG which requires at least half of the Board to consist of Independent Directors.

The Independent Directors are independent of management and are able to provide greater check and balance during boardroom deliberations and decision making.

No independent directors have served on the Board for more than nine (9) consecutive years as the Company was only listed on 18 August 2020. However, a policy on the tenure of independent directors was adopted and forms part of the Board Charter. Should the Board intend to retain the independent director whose tenure exceeds the term of nine (9) years, it shall seek for shareholders' approval. The profile of all members of the Board can be found on pages 17 to 21 in the Board of Directors' Profiles section of the Annual Report 2020.

The significance of the diversity on the Board and the senior management in regards to skills, experience, age, cultural background and gender have always been emphasized by the Board to ensure there is variety of professional opinion and where there is value that can be contributed to the growth of the Company. The RNC is responsible to develop policies on diversity, as well as to identify and recommend suitable candidates for appointment as directors or Senior Management.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

C. REMUNERATION

The RNC had developed a fair and transparent policies and procedure for determining the remuneration of Directors and Senior Management of the Group. The RNC was tasked to develop a remuneration package that is competitive and in line with current market practice to attract, retain and reward talented Directors and Senior Management, and is aligned with the Group's strategy. The remuneration package is determined by taking into account the short-term and long-term objectives and growth of the Group. The RNC consists of three (3) members, all of whom are Independent Non-Executive Directors.

The Terms of Reference ("TOR") of the RNC is available on the Company's website, https://www.optimax2u.com.

The RNC will conducts annual evaluation assessments on the effectiveness of the Board as a whole, Board Committees, individual Director and the independence of the Independent Directors at next financial year as the Company was only listed on 18 August 2020.

The details of the remuneration of the Directors of the Company and the Group on a named basis for the financial year ended 31 December 2020 are as below:-

Executive Directors (inclusive of Company and Group)	Fees (RM)	Salaries (RM)	Bonus (RM)	Allowance (RM)
Sandy Tan Sing Yee	35,000	360,000	50,000	33,000
Non-Executive Directors (Company)				
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	74,200	–	–	2,544
Tan Sri Dato' Tan Boon Hock	35,000	–	–	2,400
Yap Ping Hong	38,500	–	–	2,400
Yap Eng Gee	35,000	–	–	2,400

With regard to the disclosure of remuneration of Group's Key Senior Management, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Company's Key Senior Management Personnel who are not directors of the Company. In view of the competitive nature of human resource market in the industry the Company operates, the Company should protect the confidentiality of personal information such as employees' remuneration package.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

A. AUDIT COMMITTEE

The ARMC currently comprises three (3) Independent Non-Executive Directors and it is chaired by Yap Ping Hong. The Chairman of the ARMC and the Board are held by two (2) different individuals. The ARMC members have a wide range of skills and knowledge from business administration, accounts, finance, audit and others. In order to perform their duties professionally, the members had attended trainings, seminars, conferences and other relevant programmes to ensure that they are up-to-date on accounting and auditing standards, corporate governance practices and listing rules.

Currently, the ARMC does not have a member who was a former key audit partner of the Company. However, there is a policy in the TOR of the ARMC stated that any key audit partners are required to observe a cooling off period of at least two (2) years before being appointed as a member of the ARMC.

The TOR of the ARMC is available on the Company's website, https://www.optimax2u.com.

During the financial year, the ARMC had carried out an annual assessment on the independence and performance of the external auditors, Messrs KPMG PLT, and was satisfied that the external auditors have been independent throughout their audit engagement.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

B. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is well aware of the importance of a sound internal control and risk management framework in ensuring the operation runs smoothly and potential risks are mitigated. As such, the Company has engaged Messrs Crowe Governance Sdn Bhd, an independent internal audit firm ("Internal Auditors") to assist in establishing the Group's risk management framework and internal control system. The Internal Auditors report directly to the ARMC.

The ARMC is responsible for reviewing the risk management framework and internal control system and ensure that it aligns with the business objectives of the Group. The ARMC's roles include updating the Board on current major risks, potential risks identified, changes of risk profile and management action plans taken to manage those identified risks. Annual assessment and periodic testing on the effectiveness of the risk management framework and internal control system are conducted, and the assessment results together with recommendations for improvements are reported to the Board.

Details on the key features of the risk management and internal control system together with its adequacy and effectiveness are described in the Statement on Risk Management and Internal Control, which is included on pages 39 to 41 in the Company's 2020 Annual Report.

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

A. COMMUNICATION WITH STAKEHOLDERS

The Company is fully committed in providing continuous communication with the stakeholders and also the importance of transparency. Hence, the Board has established an effective and transparent method to keep the stakeholders informed on corporate information, policies on governance, the environment and social responsibility.

The Company has the following posted on the Company's website, https://www.optimax2u.com, with the intention of building a communication channel between the Company with the stakeholders:-

(i) Announcements submitted to Bursa Malaysia Securities Berhad

The Company have all its material announcements submitted to Bursa Malaysia Securities Berhad posted on the Company's website and stakeholders may access the announcements from its website.

(ii) Investor section which provides relevant corporate information

The Company's website consists of an Investor section dedicated to provide corporate information to the stakeholders' such as share price, general corporate information, directors' profile, corporate structure and policies approved by the Board.

(iii) General telephone number, fax number and email address.

The general line number, fax number and general enquiry email address of the Company are provided for the stakeholders to send in any enquiries to the Company directly.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

B. CONDUCT OF ANNUAL GENERAL MEETING ("AGM")

The Annual General Meeting ("AGM") of the Company serves as a principal forum for the Company and the shareholders to meet face-to-face/virtually and to discuss on matters related to the Company's growth and to seek for shareholders' approval on resolutions.

The notice and agenda of the AGM together with the proxy form are given to the shareholders at least 28 days prior to the date of the AGM. This will give the shareholders sufficient time to consider the resolutions to be tabled at the AGM and make the necessary arrangement to attend in person and submit the proxy forms to attend the AGM. The Notice of AGM was also accompanied by explanatory notes which provides further explanation on each resolution proposed to facilitate informed decision-making by the shareholders.

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE

This Statement is prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and it is advised to be read together with the Corporate Governance Report 2020 of the Company, which is available on the Company's website, https://www.optimax2u.com.

The Board is in the opinion that the Group has maintained the highest standards in Corporate Governance practices and compliances and remain fully committed to achieve the highest level of integrity and ethical standard in delivering the strategic objectives and sustainable performance of the Group over the long term.

This statement was tabled and approved at the Board of Directors' Meeting held on 28 April 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. The Board of Optimax Holdings Berhad ("Optimax") is committed to maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practise good corporate governance.

This Statement of Risk Management and Internal Control is prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements ("AMLR") and Guidance Note 11 of Bursa Malaysia Securities Berhad ("Bursa Securities").

BOARD'S RESPONSIBILITY

The Board affirms its responsibilities for the system of internal control of Optimax and its subsidiaries (collectively referred to as the "Group"), which includes the establishment of an effective control environment and appropriate internal control framework as well as review of its adequacy and integrity. This system is designed to identify and manage risk facing the business and covers financial, organisational, operational and compliance controls to safeguard shareholder investment and the Group's assets.

Due to limitations inherent in any internal control system, such a system is designed to manage, rather than to eliminate the risk of failure to achieve the Group's business objectives and corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement, losses or fraud.

In evaluating the adequacy of the Group's risk management and internal control system, the Board is assisted by the Audit and Risk Management Committee ("ARMC") which comprises of Independent Directors in discharging the roles and responsibilities guided by Malaysian Code on Corporate Governance 2017 ("MCCG") and Rules 15.11 and 15.12 of the AMLR. The ARMC meets and hold at least four (4) meetings in a year. In addition, the Chairman of the ARMC may call for additional meetings at any time at his/her discretion. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control system.

RISK MANAGEMENT FRAMEWORK AND KEY FEATURES OF INTERNAL CONTROL SYSTEM

The Group has in place a risk management framework which incorporates, amongst others, a structured process for identifying, evaluating and prioritising risks, as well as clearly defining the risk responsibilities and escalation process of significant risks. The Management has in place a process to conduct periodic follow-up updates on its risk profiles or as and when there is a significant change to the Group's business environment. The Board, through its ARMC regularly reviews the Group's risk profiles and evaluates measures taken for risk mitigation to ensure that the risks are managed within the Group's risk appetites.

Whilst the Board considers the risk management framework to be robust, the framework is still subject to annual testing and continuous improvement, taking into consideration better practices and the changing of business environment.

The key elements of the Group's internal control system include:-

i. A clear and well-defined organisational structure taking into account the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of job functions and specifications;

ii. Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;

iii. Senior Management Meetings are held when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performance against the business plans, the targets and the budgets, if any, for each operating unit;

Statement on Risk Management and Internal Control
(cont'd)

RISK MANAGEMENT FRAMEWORK AND KEY FEATURES OF INTERNAL CONTROL SYSTEM (CONT'D)

iv. Board Meetings were held at least four (4) times during the year. According to Terms of Reference of ARMC, the ARMC shall hold at least four (4) meetings in a year. As the Group was listed on 18 August 2020, ARMC Meetings were held for two (2) times during the year. The respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;

v. Quarterly financial results and year-end financial statements are reviewed by the ARMC prior to approval by the Board, focusing particularly on:-
- Changes in or implementation of major accounting policy changes;
- Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
- Compliance with accounting standards and other legal requirements;

vi. Periodic reviews by the outsourced Internal Auditor to assess the adequacy of internal controls, integrity of financial information provided and the extent of compliance with established procedures and advising management on areas of improvement;

vii. The Whistleblowing Policy is established which provides an avenue for all employees of the Group and members of the public to disclose any improper conduct and raise legitimate concerns relating to potential breaches of legislation malpractices in an objective manner without fear of reprisal;

viii. Code of Ethics and Conduct is in place whereby all the Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group;

ix. Related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises questions of management integrity are reviewed at quarterly basis;

x. Succession planning is developed, including appointing, training, fixing the remuneration of, and where appropriate, replacing key management;

xi. Major assets are insured to ensure that assets of the Group are sufficiently covered against mishap that may result in material losses to the Group;

xii. The Anti-Bribery and Corruption Policy is in place that outlines how the Group combats bribery and corruption in furtherance of the Group's commitment to lawful and ethical behavior at all times and is subject to review periodically.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consultants to assist the Board in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The internal audit function reports independently to the ARMC to provide assurance on the adequacy and effectiveness of risk management, internal control and governance systems. In carrying out its activities, the Internal Auditor has unrestricted access to the relevant records, personnel and physical properties.

The Internal Auditor also reviews the internal control system within the Group based on a risk-based Internal Audit Plan approved by the ARMC. Its audit strategy and plan are based on the risk profiles of major business units of the Group. Planned corrective actions are independently monitored for timely completion.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

BOARD ASSESSMENT

The Board is of the view that the Group's overall risk management and internal control system is operating adequately and effectively, in all material aspects, and has received the same assurance from both the Chief Executive Officer and Chief Financial Officer.

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Group has been in place throughout the financial year ended 31 December 2020 up to the date of approval of this statement. Notwithstanding this, the Board and Key Senior Management remain committed to strengthening the Group's control environment and processes. Ongoing measures and appropriate action plans will be put in place to enhance the Group's system of internal control as and when necessary.

This Statement is made in accordance with the resolution of the Board of Directors dated 28 April 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of OPTIMAX HOLDINGS BERHAD is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2020.

1. COMPOSITION

The Company's Audit and Risk Management Committee ("ARMC") comprises three (3) members, consist solely of Independent Non-Executive Directors. All of the Independent Non-Executive Directors satisfied the test of independence under the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("AMLR"). The ARMC meets the requirements of Paragraph 15.09(1)(a) and (b) of the AMLR as well as Practice 8.4 of the Malaysian Code on Corporate Governance ("MCCG").

The Chairman of ARMC, Mr Yap Ping Hong, is a member of the Malaysian Institution of Accountants ("MIA"). Hence, the Company also complies with Paragraph 15.09(1)(c)(i) of the AMLR.

The members of ARMC and their respective designation are as follows:-

Name	Designation
Yap Ping Hong	Chairman (Independent Non-Executive Director)
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	Member (Independent Non-Executive Chairman)
Yap Eng Gee	Member (Independent Non-Executive Director)

The Board, via the Remuneration and Nominating Committee ("RNC"), would assess the composition and performance of the ARMC and its members through the Board Assessment Effectiveness Evaluation.

The TOR of the ARMC set out the authorities, duties and responsibilities of the ARMC is accessible on the Company's website at https://optimax.listedcompany.com/cg_boardcharter.html.

2. ROLES AND RESPONSIBILITIES

The roles and responsibilities of the ARMC include reviewing the following functions:

Audit functions

(a) review the following and report the same to the Board:

- (i) audit plan with our external auditors;
- (ii) audit report and evaluation of our system of internal controls with our external auditors;
- (iii) adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (iv) assistance given by our employees to the external auditors;
- (v) internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;

Audit and Risk Management Committee Report (cont'd)

2. ROLES AND RESPONSIBILITIES (CONT'D)

Audit functions (Cont'd)

(a) review the following and report the same to the Board (Cont'd):

(vi) quarterly results and annual financial statements, before presenting to the Board for approval, focusing particularly on:

(a) changes in or implementation of major accounting policy changes;
(b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
(c) compliance with accounting standards and other legal requirements.

(vii) any related party transaction and conflict of interests situation that may arise including any transaction, procedure or course of conduct that raises questions of management integrity;

(viii) any resignation letter and reasons for non-suitability of external auditors; and

(ix) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

(b) recommend the nomination of a person or persons as external auditors.

Risk functions

(a) oversee and recommend the risk management policies and procedures and to ensure the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;

(b) set reporting guidelines for management to report to the ARMC on the effectiveness of managing its business risks;

(c) implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the business risks;

(d) review the risk profile of the Group and to evaluate the measures taken to mitigate its business risks; and

(e) review the adequacy of management response to issues identified in risk registers and ensuring that the risks are managed within the Group's risk appetite.

Audit and Risk Management Committee Report
(cont'd)

3. MEETINGS AND ATTENDANCE

The ARMC held two (2) meetings during the FYE 2020 after its listing on 18 August 2020. The Chief Financial Officer ("CFO") and Group Accountant ("GA") were invited to attend all the ARMC meetings to provide clarifications and information on audit issues and relevant issues pertaining to the Group's operations. The Company Secretary attended all the meetings.

The representatives of the External Auditors ("EA"), Messrs KPMG PLT and the outsourced Internal Auditors and Risk Management Consultant, Messrs Crowe Governance Sdn Bhd also attended the two (2) ARMC meetings.

During the FYE 2020, the meetings attendance records of the ARMC members are as follow:-

Name	Number of meetings attended/held during the members' term in office
Yap Ping Hong Chairman (Independent Non-Executive Director)	2/2
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali Member (Independent Non-Executive Chairman)	2/2
Yap Eng Gee Member (Independent Non-Executive Director)	2/2

Minutes of each ARMC Meeting were recorded and tabled for confirmation at the ARMC meetings.

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW

The ARMC carried out its duties in accordance to its TOR.

The summary of works and activities performed by the ARMC during FYE 2020 comprised the following:-

a. Financial Reporting

In 2020, the ARMC reviewed the second and third quarterly financial results on 27 August 2020 and 26 November 2020 respectively. The fourth quarterly financial results were reviewed on 25 February 2021, and reviewed Audited Financial Statements for FYE 2020 with our External Auditors on 28 April 2021, before recommending the Financial Results to the Board for its approval.

The CFO and GA were present at all ARMC meetings to present and explain the financial performance of the Group to members of the ARMC. The CFO also informed the ARMC that the Audited Financial Statements were prepared in compliance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

b. Re-appointment of External Auditors

The ARMC recommended to the Board for the re-appointment of Messrs KPMG PLT as the Company's EA, after the ARMC had assessed and satisfied with the EA's suitability, objectivity, independence as well as the quality of the services provided, sufficiency of audit resources and interactions with the Management based on the performance of Messrs KPMG PLT in auditing the Company's financial statements for FYE 2020.

On 30 June 2020, the shareholders of the Company approved the re-appointment of Messrs KPMG PLT as the EA of the Company for FYE 2020 at the First Annual General Meeting.

Audit and Risk Management Committee Report
(cont'd)

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW (CONT'D)

c. External Audit

The EA, Messrs KPMG PLT presented their Audit Planning Memorandum in relation to the audit of the financial statements for the FYE 2020 on 26 November 2020. The ARMC reviewed and approved the Audit Planning Memorandum which include the scope of work, audit process, key audit matters, audit concepts, engagement team, regulatory compliance and the disclosure requirements of the relevant accounting standards.

The audit engagement partner of EA also highlighted the audit approach and key audit areas. The ARMC also had a private meeting with the EA without the presence of Executive Directors and Management on 28 April 2021.

d. Internal Audit

The Group outsources its Internal Audit function to an independent internal audit firm ("Internal Auditors"), Messrs Crowe Governance Sdn Bhd. The Internal Auditors were engaged to undertake independent and objective review of the effectiveness of the governance, risk management and internal control process of the Group. The Internal Auditors report directly to the ARMC. The internal audit function provides timely and impartial advice to the ARMC and the Management as to whether the internal audit functions reviewed are:-

i. in accordance with the Group's policies and direction;
ii. in compliance with prescribed laws and regulations; and
iii. achieving the desired results effectively and efficiently.

The Internal Audit Report was presented to the ARMC on a half yearly basis for deliberation and its recommendations were communicated to the Management for corrective actions to be taken. The internal audit function also provided follow-up audit reports at subsequent ARMC meetings to report on the status of the key audit issues highlighted in the preceding ARMC meetings. All proposals presented by the Internal Auditors after review by the ARMC were tabled to the Board for its notation or approval.

The total fees billed for the Group's Internal Audit Function for FYE 2020 were RM14,400 and RM16,800, billed respectively in January and February 2021 for 2 internal audit cycle.

e. Internal Audit Function

The activities of the Internal Auditors during the financial year were as follows:-

1. Internal Audit Reports

During the financial year under review, the following key audit areas were conducted based on the annual internal Audit Plan approved by the ARMC:

i. Front office;
ii. Billing; and
iii. Credit control.

Follow-up reports were presented at subsequent ARMC meetings to report on preceding outstanding issues.

Audit and Risk Management Committee Report
(cont'd)

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW (CONT'D)

e. Internal Audit Function (Cont'd)

2. Enterprise Risk Management ("ERM") framework

The Company had on 26 November 2020 adopted an ERM framework in accordance with the standards and best practices of ISO 31000.

For FYE 2020, ARMC's meetings on 26 November 2020 had reviewed the ERM Report based on approved ERM framework which included the following:-

i) Discussed and identified new and potential risks as well as developed a key risk register; and

ii) Update the key risk register through discussions with the Management in securing a concerted effort from the Management in unanimous decision-making and managing the risks.

f. Review of Related Party Transactions

The ARMC reviewed quarterly reports on related party transactions and possible conflict of interest situations that may arise within the Group including any transactions, procedure or course of conduct that may give rise to questions on management integrity and to ensure all transactions are at arm's length basis in every quarterly meeting. The ARMC had ensured that the Company is in compliance with the AMLR and these related party transactions are not detrimental to minority shareholders. The ARMC also did not detect any issue that warrants specific disclosure.

g. Established Policies and Procedures

As we are in the era of evidence-based practice, it is crucial for the Company to establish policies and procedures to safeguard the interest of the Company, and at the same time, adopt best practices of corporate governance in relation to the AMLR and MCCG:-

- **Risk Management Policy**

  The Risk Management Policy was developed to provide a guideline on risk management within the Group and to prevent departure of relevant standards and could be designed specifically to fit the organisation's needs. This policy was presented to ARMC for deliberation and subsequently approved by the Board on 26 November 2020.

- **Anti-Bribery and Corruption Policy**

  The Anti-Bribery and Corruption Policy was established to provide guidance to the Directors, employees and business associates in observing and uploading our position on bribery and corruption as well as providing information on how to recognise and to deal with this issue. This policy was presented to the ARMC on 27 August 2020 for further deliberation and review, and was subsequently approved by the Board and is available at https://optimax.listedcompany.com/cg_policy.html.

- **No Gift Policy**

  The Group has adopted a "No Gift" Policy whereby, subject only to certain narrow exceptions, employees and directors (executive and non-executive), family members or agents acting for or on behalf of the Group are prohibited from, directly or indirectly, receiving or providing gifts. This policy was presented to the ARMC on 27 August 2020 for further deliberation and review, and was subsequently approved by the Board and is available at https://optimax.listedcompany.com/cg_policy.html.

Audit and Risk Management Committee Report (cont'd)

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW (CONT'D)

g. Established Policies and Procedures (Cont'd)

- **Whistleblowing Policy**

  This Policy was established to provide an avenue for all employees of Group and the members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations. This policy was presented to the ARMC on 27 August 2020 for further deliberation and review, and was subsequently approved by the Board and is available at https://optimax.listedcompany.com/cg_policy.html.

h. Review of the reports for the inclusion in this Annual Report

The ARMC has reviewed and recommended the Corporate Governance Statements, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis Statement, and the Sustainability Report to the Board for approval, for inclusion in the 2020 Annual Report.

This report was reviewed by the ARMC and approved by the Board on 28 April 2021.

ADDITIONAL DISCLOSURE REQUIREMENTS

1. UTILISATION OF PROCEEDS

The Company carried out its Initial Public Offering ("IPO") exercise in 2020 and was listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 August 2020. Pursuant to the said listing, the Company had successfully raised gross proceeds of RM21.0 million from the issuance of 70,000,000 ordinary shares in the Company at an issue price of RM0.30 per share on 14 August 2020. As at 31 December 2020, the Company has utilised approximately RM8.663 million of the total IPO gross proceeds, details of which are as described in the following table:-

Purpose	Intended timeframe for utilisation upon listing	Proposed utilisation RM'000	Amount utilised as at FYE 2020 RM'000	Percentage utilised %
Capital expenditure	Within 12 months	10,354	284	2.74
Repayment of borrowings	Within 3 months	3,520	3,569	101.39
Working capital	Within 12 months	3,526	–	–
Estimated listing expenses	Within 1 month	3,600	3,731	103.64
Total		**21,000**	**7,584**	**36.11**

2. AUDIT AND NON-AUDIT FEES

During the year under review, the amount of audit and non-audit fees payable by the Group were RM203,000 and RM215,000 respectively.

The non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm by the Company during the financial year ended 31 December 2020 were RM215,000. The non-audit fees were mainly for the service rendered for Reporting Accountant for listing exercise.

3. MATERIAL CONTRACTS

During the FY2020, there was no material contract entered into by the Company or its subsidiaries involving Directors and major shareholders.

4. MATERIAL CONTRACTS RELATING TO LOANS

During the FY2020, there was no material contract relating to loans entered into by the Company or its subsidiaries involving Directors and major shareholders.

5. RECURRENT RELATED PARTY TRANSACTIONS

The Company will be seeking for new shareholders' mandate for recurrent related party transactions at the coming annual general meeting to be convened on 29 June 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in respect of the Audited Financial Statements

The Board of Directors ("the Board") is responsible for ensuring that the financial statements are properly drawn up in accordance with the Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 ("Act") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance and cash flows for the financial year ended on that date.

Throughout the preparation of the financial statements for the FYE 2020, the Board has:-

i) Applied appropriate accounting policies consistently;
ii) Made judgments and estimations that were reasonable and prudent; and
iii) Ensured compliance with applicable approved financial reporting standards in Malaysia and the financial statements were prepared on a going concern basis.

The Board is responsible for ensuring that the Group keeps proper and adequate accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure compliance with the provisions of the Act.

The Board is also responsible to take reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

This statement is prepared pursuant to Paragraph 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year attributable to:		
Owners of the Company	5,641	(232)
Non-controlling interests	772	–
	6,413	(232)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDEND

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS

Directors of the Company who served during the financial year until the date of this report are:

Tan Sri Dato' Tan Boon Hock
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali
Tan Sing Yee
Yap Eng Gee (Appointed on 22 January 2020)
Yap Ping Hong (Appointed on 22 January 2020)

Directors' report
(cont'd)

DIRECTORS (CONTINUED)

Directors of the Company's subsidiaries (excluding Directors who are also Directors of the Company) who served during the financial year until the date of this report are:

Dr. Chuah Kay Leong
Dr. Chang Khai Meng
Dr. Chung Soon Hee
Dr. Hasani Bin Andar
Dr. Lam Hee Hong
Dr. Ngim You Siang
Dr. Ngo Chek Tung
Dr. Nor Zainura Binti Zainal
Dr. Yen Siew Siang
Tan Sing Chia

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

		Number of ordinary shares		
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Interests in the Company:				
Direct interests				
Tan Sri Dato' Tan Boon Hock	1	85,859,999[(2)]	–	85,860,000
Tan Sing Yee	–	1,030,000	–	1,030,000
Indirect interests				
Tan Sri Dato' Tan Boon Hock[(1)]	–	80,246,000[(3)]	–	80,246,000

(1) *Deemed interests by virtue of his interests in Sena Healthcare Services Sdn. Bhd. (formerly known as Optimax Healthcare Services Sdn. Bhd.) pursuant to Section 8(4) of the Companies Act 2016 ("Act") and interests of his spouse and children (except for Tan Sing Yee who is a Director of the Company) by virtue of Section 59(11)(c) of the Act.*
(2) *Includes 85,859,999 shares resulting from restructuring exercise as disclosed in Note 26 to the financial statements.*
(3) *Includes 78,860,000 shares resulting from restructuring exercise as disclosed in Note 26 to the financial statements.*

Directors' report
(cont'd)

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

By virtue of his interests of more than 20% in the shares of the Company, Tan Sri Dato' Tan Boon Hock is also deemed interested in the shares of all subsidiaries during the financial year to the extent that the Company has an interest.

Details of his deemed interests in non-wholly owned subsidiaries are as follows:

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Held through Optimax Eye Specialist Centre Sdn. Bhd. (1):				
Optimax Eye Specialist Centre (Bandar Sunway) Sdn. Bhd.	560,000	–	–	560,000
Optimax Eye Specialist Centre (Kajang) Sdn. Bhd.	158,000	–	–	158,000
Optimax Eye Specialist Centre (Seri Petaling) Sdn. Bhd.	35,000	–	–	35,000
Optixanthin Sdn. Bhd.	90	–	–	90
Optimax Eye Specialist Centre (Southern) Sdn. Bhd.	70	–	–	70
Held through Optimax Eye Specialist Centre (Southern) Sdn. Bhd. (1):				
Optimax Eye Specialist Centre (Muar) Sdn. Bhd.	70,000	–	–	70,000
Optimax Eye Specialist Centre (Kluang) Sdn. Bhd.	63,000	–	–	63,000
Optimax Eye Specialist Centre (Segamat) Sdn. Bhd.	63,000	–	–	63,000
Inspirasi Alamjaya Sdn. Bhd.	2	–	–	2

(1) *Companies with shares held through Optimax Eye Specialist Centre Sdn. Bhd. or Optimax Eye Specialist Centre (Southern) Sdn. Bhd. which in turn is a direct subsidiary of Optimax Holdings Berhad.*

The other Directors holding office at 31 December 2020 did not have any interest in the 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, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of a related corporation) by reason of a contract made by the Company or related corporations 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 the related party transactions as disclosed in Note 25 to the financial statements.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued the following shares:

a) 199,999,999 ordinary shares for a total consideration of RM19,500,000 for the restructuring exercise as disclosed in Note 26 to the financial statements; and

b) 70,000,000 ordinary shares ("Public Issue") in conjunction with the Company's initial public offering on the ACE Market of Bursa Malaysia Securities Berhad at RM0.30 per ordinary share ("Initial Public Offering").

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, there is no indemnity and insurance purchased for Directors, officers and auditors of the Company.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' report on the audit of the financial statements of the Company's subsidiaries did not contain any qualification.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Directors' report
(cont'd)

OTHER STATUTORY INFORMATION (CONTINUED)

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

i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

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

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

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS

Significant events are disclosed in Note 28 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events are disclosed in Note 29 to the financial statements.

Directors' report
(cont'd)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 17 to the financial statements.

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

....
Tan Sing Yee
Director

....
Tan Sri Dato' Tan Boon Hock
Director

Kuala Lumpur

Date: 28 April 2021

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2020

	Note	Group 2020 RM'000	Group 2019[1] RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Property, plant and equipment	3	42,985	39,060	–	–
Right-of-use assets	4	9,958	10,062	–	–
Investments in subsidiaries	5	–	–	19,500	–
Deferred tax assets	6	462	290	–	–
Trade and other receivables	7	–	–	2,423	–
Total non-current assets		53,405	49,412	21,923	–
Inventories	8	2,220	1,810	–	–
Trade and other receivables	7	1,454	2,354	1,749	–
Current tax assets		112	152	–	–
Prepayments		1,001	1,668	–	–
Investment in financial assets	9	15,129	–	15,124	–
Cash and cash equivalents	10	10,914	8,519	66	2
Total current assets		30,830	14,503	16,939	2
Total assets		84,235	63,915	38,862	2
Equity					
Share capital	11	39,071	*	39,071	*
Invested equity	11	–	2,700	–	–
Reserves		8,799	19,958	(259)	(27)
Total equity attributable to owners of the Company		47,870	22,658	38,812	(27)
Non-controlling interests		2,351	1,579	–	–
Total equity		50,221	24,237	38,812	(27)

Statements of Financial Position
as at 31 December 2020

(cont'd)

		Group		Company	
	Note	2020 RM'000	2019[1] RM'000	2020 RM'000	2019 RM'000
Liabilities					
Loans and borrowings	12	14,214	16,113	–	–
Lease liabilities		7,008	6,898	–	–
Deferred tax liabilities	6	1,280	628	–	–
Total non-current liabilities		22,502	23,639	–	–
Loans and borrowings	12	3,441	4,082	–	–
Lease liabilities		1,750	1,710	–	–
Trade and other payables	13	5,785	9,327	50	29
Current tax liabilities		536	920	–	–
Total current liabilities		11,512	16,039	50	29
Total liabilities		34,014	39,678	50	29
Total equity and liabilities		84,235	63,915	38,862	2

* Denotes RM1

(1) *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

The notes on pages 66 to 114 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019[1] RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue	14	58,020	62,619	–	–
Other income		230	87	34	–
Inventories and consumables		(12,090)	(12,875)	–	–
Staff costs	15	(22,791)	(23,617)	(230)	–
Depreciation expenses		(5,955)	(5,642)	–	–
Other expenses		(6,328)	(6,587)	(159)	(11)
Results from operating activities		11,086	13,985	(355)	(11)
Finance income		124	48	123	–
Finance costs	16	(1,540)	(1,461)	–	–
Profit/(Loss) before tax	17	9,670	12,572	(232)	(11)
Tax expense	18	(3,257)	(3,833)	–	–
Profit/(Loss) and total comprehensive income/(expense) for the financial year		6,413	8,739	(232)	(11)
Profit/(Loss) and total comprehensive income/(expense) attributable to:					
Owners of the Company		5,641	7,831	(232)	(11)
Non-controlling interests		772	908	–	–
Profit/(Loss) and total comprehensive income/(expense) for the financial year		6,413	8,739	(232)	(11)
Basic earnings per ordinary share (sen)	19	2.46	3.92		

[1] *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

The notes on pages 66 to 114 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2020

		Attributable to owners of the Company						
		Non-distributable			Distributable			
	Note	Share capital RM'000	Invested equity RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 January 2019[(1)]		*	2,700	(686)	18,780	20,794	1,204	21,998
Changes in ownership interests in a subsidiary	27	–	–	–	33	33	(123)	(90)
Dividends to non-controlling interests		–	–	–	–	–	(410)	(410)
Dividends to owners of the Company	20	–	–	–	(6,000)	(6,000)	–	(6,000)
Profit and total comprehensive income for the financial year		–	–	–	7,831	7,831	908	8,739
At 31 December 2019/1 January 2020[(1)]		*	2,700	(686)	20,644	22,658	1,579	24,237
Effect of restructuring[(2)]	26	19,500	(2,700)	(16,800)	–	–	–	–
New shares issued by the Company for the Public Issue		21,000	–	–	–	21,000	–	21,000
New shares issuance expenses for the Public Issue		(1,429)	–	–	–	(1,429)	–	(1,429)
Profit and total comprehensive income for the financial year		–	–	–	5,641	5,641	772	6,413
At 31 December 2020		39,071	–	(17,486)	26,285	47,870	2,351	50,221
		Note 11						

* Denotes RM1

(1) *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

(2) *The effect of restructuring arose from the Restructuring exercise as explained in Note 26.*

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2020

	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
At 1 January 2019	*	(16)	(16)
Loss and total comprehensive expense for the financial year	–	(11)	(11)
At 31 December 2019/1 January 2020	*	(27)	(27)
Effect of restructuring[(1)]	19,500	–	19,500
New shares issued by the Company for the Public Issue	21,000	–	21,000
New shares issuance expenses for the Public Issue	(1,429)	–	(1,429)
Loss and total comprehensive expense for the financial year	–	(232)	(232)
At 31 December 2020	39,071	(259)	38,812
	Note 11		

* Denotes RM1

[(1)] *The effect of restructuring arose from the Restructuring exercise as explained in Note 26.*

The notes on pages 66 to 114 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2020

		Group		Company	
	Note	**2020 RM'000**	**2019(1) RM'000**	**2020 RM'000**	**2019 RM'000**
Cash flows from operating activities					
Profit/(Loss) before tax		9,670	12,572	(232)	(11)
Adjustments for:					
Finance income	17	(124)	(48)	(123)	–
Finance costs	16	1,540	1,461	–	–
Depreciation of property, plant and equipment	3	4,141	3,902	–	–
Depreciation of right-of-use assets	4	1,814	1,740	–	–
Gain on derecognition of right-of-use assets	17	–	(23)	–	–
Fair value gain on investment in financial assets	17	(36)	–	(34)	–
Property, plant and equipment written off	17	4	1	–	–
Initial public offering expenses	17	603	651	–	–
Operating profit/(loss) before changes in working capital		17,612	20,256	(389)	(11)
Changes in working capital:					
Inventories		(410)	52	–	–
Trade and other receivables		900	8	(1,430)	–
Prepayments		136	(553)	–	–
Trade and other payables		(1,561)	791	21	13
Cash generated from/(used in) operations		16,677	20,554	(1,798)	2
Interest received		31	48	–	–
Interest paid		(631)	(509)	–	–
Tax refund		127	821	–	–
Tax paid		(3,248)	(3,258)	–	–
Net cash from/(used in) operating activities		12,956	17,656	(1,798)	2

Statements of Cash Flows

for the financial year ended 31 December 2020

(cont'd)

	Note	Group 2020 RM'000	Group 2019[1] RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from investing activities					
Acquisition of non-controlling interests	27	–	(90)	–	–
Acquisition of property, plant and equipment		(4,558)	(3,714)	–	–
Deposits paid for acquisition of property, plant and equipment		–	(975)	–	–
Increase in investment in financial assets		(15,000)	–	(15,000)	–
Change in pledged deposits		(22)	(329)	–	–
Advances provided to subsidiaries		–	–	(5,286)	–
Repayment of advances from subsidiaries		–	–	1,148	–
Net cash used in investing activities		(19,580)	(5,108)	(19,138)	–
Cash flows from financing activities					
Dividends paid to owners of the Company	20	–	(6,000)	–	–
Dividends paid to non-controlling interests		–	(410)	–	–
Interest paid		(909)	(952)	–	–
Repayment of hire purchase liabilities		(2,110)	(1,633)	–	–
Repayment of term loans		(3,591)	(779)	–	–
Proceeds from issuance of new shares		21,000	–	21,000	–
Payment of listings expenses		(2,037)	(384)	–	–
Payment of lease liabilities		(1,560)	(1,530)	–	–
Net cash from/(used in) financing activities		10,793	(11,688)	21,000	–
Net increase in cash and cash equivalents		4,169	860	64	2
Cash and cash equivalents at 1 January		5,674	4,814	2	*
Cash and cash equivalents at 31 December		9,843	5,674	66	2

* Denotes RM1

(1) *As explained in Note 26 Restructuring exercise, the comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented.*

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash and cash equivalents	10	10,914	8,519	66	2
Bank overdraft	12	–	(1,796)	–	–
		10,914	6,723	66	2
Pledged deposits	10	(1,071)	(1,049)	–	–
		9,843	5,674	66	2

Statements of Cash Flows
for the financial year ended 31 December 2020
(cont'd)

(ii) Cash outflows for leases as a lessee

	Note	Group 2020 RM'000	Group 2019 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	17	122	157
Payment relating to leases of low-value assets	17	15	11
Interest paid in relation to lease liabilities	16	601	461
Included in net cash from financing activities:			
Payment of lease liabilities		1,560	1,530
Total cash outflows for leases		2,298	2,159

(iii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment as follows:

	Group 2020 RM'000	Group 2019 RM'000
Paid in cash	3,944	3,120
In the form of hire purchase	3,289[1]	1,111
Balances remained unpaid at financial year end	837	2,074
	8,070	6,305

(1) *Mainly due to a hire purchase arrangement entered into by the Group to finance an operation equipment amounting to RM1,950,000 in the current financial year, in which a deposit of RM975,000 was paid in the previous financial year. The deposit of RM975,000 was initially financed using the Group's bank overdraft facility, which has subsequently been repaid and replaced by the hire purchase arrangement.*

During the financial year, the Group paid the remaining outstanding amounts of RM406,000 and RM208,000 which are in relation to plant and equipment acquired in the financial year ended 31 December 2019 and 31 December 2018 respectively. In financial year ended 31 December 2019, the Group paid the remaining outstanding amount of RM594,000 which is in relation to plant and equipment acquired in the financial year ended 31 December 2018.

The Group also entered into hire purchase arrangement to finance the plant and equipment acquired in the previous financial year of RM1,668,000 (2019: RM1,035,000).

Statements of Cash Flows

for the financial year ended 31 December 2020

(cont'd)

(iv) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.1.2019 RM'000	Payments RM'000	Acquisition of new lease RM'000	Derecognition of lease RM'000	Remeasure-ments RM'000	At 31.12.2019 RM'000
Group						
Term loans	13,202	(779)	–	–	–	12,423
Hire purchase liabilities	5,463	(1,633)	2,146	–	–	5,976
Lease liabilities	7,117	(1,530)	1,611	(261)	1,671	8,608
	25,782	(3,942)	3,757	(261)	1,671	27,007

	At 1.1.2020 RM'000	Payments RM'000	Acquisition of new lease RM'000	Remeasure-ments RM'000	At 31.12.2020 RM'000
Group					
Term loans	12,423	(3,591)	–	–	8,832
Hire purchase liabilities	5,976	(2,110)	4,957	–	8,823
Lease liabilities	8,608	(1,560)	–	1,710	8,758
	27,007	(7,261)	4,957	1,710	26,413

The notes on pages 66 to 114 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Optimax Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
1st and 2nd Floor
No. 145, Jalan Radin Bagus
Seri Petaling
57000 Kuala Lumpur, Wilayah Persekutuan

Registered office
Unit 30-01, Level 30, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2020 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 28 April 2021.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments,* MFRS 139, *Financial Instruments: Recognition and Measurement,* MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

Notes to the financial statements
(cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128*, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group has early adopted *Covid-19-Related Rent Concessions – Amendment to MFRS 16* issued by MASB on 5 June 2020 in response to the coronavirus disease. The amendment is effective for annual periods beginning on or after 1 June 2020.

The Group and the Company plan to apply the relevant abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021.

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 and amendments to MFRS 141 which are not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group and the Company.

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

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

Notes to the financial statements
(cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- *Note 4 – extension options and incremental borrowing rate in relation to leases*

  The Group assesses at the lease commencement whether it is reasonably certain to exercise the extension options. The Group also applies judgement and assumptions in determining the incremental borrowing rate of respective leases.

- *Note 6 – recognition of deferred tax assets*

  Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

2. SIGNIFICANT ACCOUNTING POLICIES

The Group has early adopted *Covid-19-Related Rent Concessions – Amendment to MFRS 16* issued on 5 June 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the Covid-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Notes to the financial statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

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

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Notes to the financial statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial asset not measured at amortised costs or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial asset (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(h)(i)).

Financial liabilities

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Notes to the financial statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

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

(d) Property, plant and equipment

(i) Recognition and measurement

Freehold land is measured at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Furniture, fittings and office equipment	3 - 10 years
• Operation equipment	5 - 8 years
• Renovation	5 - 10 years
• Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the financial statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

Covid-19-related rent concessions

The Group has applied *Covid-19-Related Rent Concessions – Amendment to MFRS 16*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in-first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalents consist of balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables is always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

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 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
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(i) Financial assets (continued)

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Notes to the financial statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue and other income (continued)

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when the expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(q) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(r) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the financial statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Furniture, fittings and office equipment RM'000	Operation equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
Cost								
At 1 January 2019	14,636	6,215	4,140	45,638	5,660	1,112	214	77,615
Additions	–	–	366	3,740	176	–	2,023	6,305
Reclassification	–	–	–	–	105	–	(105)	–
Written off	–	–	–	(1)	–	–	–	(1)
At 31 December 2019/1 January 2020	14,636	6,215	4,506	49,377	5,941	1,112	2,132	83,919
Additions	–	–	596	6,445	917	–	112	8,070
Reclassification	–	–	236	20	1,876	–	(2,132)	–
Written off	–	–	(7)	(7)	–	–	–	(14)
At 31 December 2020	14,636	6,215	5,331	55,835	8,734	1,112	112	91,975
Accumulated depreciation								
At 1 January 2019	–	156	3,293	33,613	3,540	355	–	40,957
Depreciation for the financial year	–	140	232	2,871	470	189	–	3,902
At 31 December 2019/1 January 2020	–	296	3,525	36,484	4,010	544	–	44,859
Depreciation for the financial year	–	140	250	3,058	514	179	–	4,141
Written off	–	–	(3)	(7)	–	–	–	(10)
At 31 December 2020	–	436	3,772	39,535	4,524	723	–	48,990
Carrying amounts								
At 1 January 2019	14,636	6,059	847	12,025	2,120	757	214	36,658
At 31 December 2019/1 January 2020	14,636	5,919	981	12,893	1,931	568	2,132	39,060
At 31 December 2020	14,636	5,779	1,559	16,300	4,210	389	112	42,985

Notes to the financial statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Assets under hire purchase

Carrying amounts of plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2020 RM'000	2019 RM'000
Furniture, fittings and office equipment	156	212
Operation equipment	9,580	6,282
Motor vehicles	192	286
	9,928	6,780

3.2 Security

Included in property, plant and equipment of the Group are certain property, plant and equipment with carrying amount of RM16,958,000 (2019: RM20,555,000) which were pledged to a financial institution to secure term loan facility granted to the Group as disclosed in Note 12.

4. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Operation equipment RM'000	Total RM'000
Group				
At 1 January 2019	1,818	6,940	–	8,758
Additions	–	995	616	1,611
Remeasurements	–	1,671	–	1,671
Derecognition	–	(238)	–	(238)
Depreciation	(20)	(1,593)	(127)	(1,740)
At 31 December 2019/1 January 2020	1,798	7,775	489	10,062
Remeasurements	–	1,710	–	1,710
Depreciation	(20)	(1,623)	(171)	(1,814)
At 31 December 2020	1,778	7,862	318	9,958

The Group's leasehold land has remaining lease terms of 89 years since the date of acquisition.

The Group also leases a number of buildings for its clinics and operation equipment for its business operation that typically run between 1 to 5 years. The Group has an option to renew the lease for buildings after that date.

Notes to the financial statements
(cont'd)

4. RIGHT-OF-USE ASSETS (CONTINUED)

4.1 Extension options

Some of the buildings contain extension options exercisable by the Group between 1 to 6 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options in the leases of buildings have been included in the determination of lease liabilities at the lease commencement date.

4.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Security

In previous financial year, the leasehold land with net carrying amount of RM1,798,000 was pledged to a financial institution to secure term loan facility granted to the Group as disclosed in Note 12. The security was discharged during the financial year with the repayment of the term loan facility.

4.4 Rent concessions

The Group negotiated rent concessions with its lessors for some of its building leases as a result of the severe impact of the Covid-19 pandemic during the financial year. The Group applied the practical expedient for Covid-19 related rent concessions consistently to eligible rent concessions relating to its building leases. The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for Covid-19 related rent concessions is RM76,000 (2019: RM Nil).

5. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM'000
Cost of investment	19,500

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Direct subsidiary				
Optimax Eye Specialist Centre Sdn. Bhd. ("OESC")	Malaysia	Eye specialist services and related products and services and investment holding	100	100
Indirect subsidiaries				
Held through Optimax Eye Specialist Centre Sdn. Bhd.:				
Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd. ("OESC Shah Alam")	Malaysia	Eye specialist services and related products and services	100	100
Optimax Eye Specialist Centre (Seremban) Sdn. Bhd. ("OESC Seremban")	Malaysia	Eye specialist services and related products and services	100	100
Optimax Eye Specialist Centre (Kajang) Sdn. Bhd. ("OESC Kajang")	Malaysia	Dormant	79	79
Optimax Eye Specialist Centre (Kuching) Sdn. Bhd. ("OESC Kuching")	Malaysia	Eye specialist services and related products and services	100	100
Optimax Eye Specialist Centre (Bandar Sunway) Sdn. Bhd. ("OESC Bandar Sunway")	Malaysia	Eye specialist services and related products and services	70	70
Optimax Eye Specialist Centre (Ipoh) Sdn. Bhd. ("OESC Ipoh")	Malaysia	Eye specialist services and related products and services	100	100
Optimax Eye Specialist Centre (Seri Petaling) Sdn. Bhd. ("OESC Seri Petaling")	Malaysia	Eye specialist services and related products and services	70	70

Notes to the financial statements
(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Indirect subsidiaries (continued)				
Held through Optimax Eye Specialist Centre Sdn. Bhd. (continued):				
Optimax Eye Specialist Centre (Southern) Sdn. Bhd. ("OESC Southern")	Malaysia	Investment holding	70	70
Optixanthin Sdn. Bhd. ("Optixanthin")	Malaysia	Marketing of food product	90	90
Held through Optimax Eye Specialist Centre (Southern) Sdn. Bhd.:				
Optimax Eye Specialist Centre (Muar) Sdn. Bhd. ("OESC Muar")	Malaysia	Eye specialist services and related products and services	70	70
Optimax Eye Specialist Centre (Kluang) Sdn. Bhd. ("OESC Kluang")	Malaysia	Eye specialist services and related products and services	63	63
Optimax Eye Specialist Centre (Segamat) Sdn. Bhd. ("OESC Segamat")	Malaysia	Eye specialist services and related products and services	63	63
Inspirasi Alamjaya Sdn. Bhd. ("Inspirasi Alamjaya")	Malaysia	Eye specialist services and related products and services	70	70

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

5.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2020	OESC Muar RM'000	OESC Bandar Sunway RM'000	OESC Southern RM'000	Inspirasi Alamjaya RM'000	OESC Kluang RM'000	OESC Segamat RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	30%	30%	30%	30%	37%	37%		
Carrying amount of NCI	725	1,005	(318)	287	294	325	33	2,351
Profit/(Loss) allocated to NCI	59	358	(2)	68	99	159	31	772
Summarised financial information before intra-group elimination								
As at 31 December								
Non-current assets	1,319	642	280	2,434	1,600	986		
Current assets	1,786	3,732	9	965	1,005	1,123		
Non-current liabilities	(242)	(257)	–	(1,587)	(1,220)	(577)		
Current liabilities	(447)	(768)	(1,349)	(854)	(590)	(654)		
Net assets/(liabilities)	2,416	3,349	(1,060)	958	795	878		
Financial year ended 31 December								
Revenue	3,415	4,844	–	3,403	2,808	3,346		
Profit/(Loss) for the financial year	196	1,193	(8)	228	268	429		
Total comprehensive income/(expense) for the financial year	196	1,193	(8)	228	268	429		
Cash flows from/(used in) operating activities	491	798	(28)	698	444	772		
Cash flows used in investing activities	(59)	(3)	–	(394)	(1)	(6)		
Cash flows used in financing activities	(117)	(47)	–	(236)	(320)	(310)		
Net increase/(decrease) in cash and cash equivalents	315	748	(28)	68	123	456		

Notes to the financial statements
(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

5.1 Non-controlling interests in subsidiaries (continued)

	2019							
	OESC Muar RM'000	OESC Bandar Sunway RM'000	OESC Southern RM'000	Inspirasi Alamjaya RM'000	OESC Kluang RM'000	OESC Segamat RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	30%	30%	30%	30%	37%	37%		
Carrying amount of NCI	666	647	(316)	219	195	166	2	1,579
Profit/(Loss) allocated to NCI	96	234	(38)	81	235	159	141	908
Summarised financial information before intra-group elimination								
As at 31 December								
Non-current assets	1,570	696	280	1,245	1,669	1,023		
Current assets	1,357	2,912	37	953	725	638		
Non-current liabilities	(342)	(301)	–	(704)	(1,294)	(661)		
Current liabilities	(366)	(1,152)	(1,369)	(764)	(574)	(551)		
Net assets/(liabilities)	2,219	2,155	(1,052)	730	526	449		
Financial year ended 31 December								
Revenue	3,679	5,859	–	3,449	2,770	3,075		
Profit/(Loss) for the financial year	318	780	(131)	270	634	429		
Total comprehensive income/(expense) for the financial year	318	780	(131)	270	634	429		
Cash flows from operating activities	1,130	1,148	730	876	764	443		
Cash flows used in investing activities	(79)	(112)	–	(179)	(6)	(7)		
Cash flows used in financing activities	(1,193)	(155)	(749)	(371)	(277)	(301)		
Net (decrease)/increase in cash and cash equivalents	(142)	881	(19)	326	481	135		
Dividends paid to NCI	–	–	(200)	–	–	–		

Notes to the financial statements
(cont'd)

6. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Group						
Property, plant and equipment	–	–	(1,211)	(655)	(1,211)	(655)
Right-of-use assets	–	–	(1,963)	(1,753)	(1,963)	(1,753)
Lease liabilities	2,102	1,833	–	–	2,102	1,833
Provisions	–	1	–	–	–	1
Unutilised tax losses	254	236	–	–	254	236
Tax assets/(liabilities)	2,356	2,070	(3,174)	(2,408)	(818)	(338)
Set-off	(1,894)	(1,780)	1,894	1,780	–	–
Net tax assets/(liabilities)	462	290	(1,280)	(628)	(818)	(338)

Deferred tax assets and liabilities are offset above when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Movement in temporary differences during the financial year

	At 1.1.2019 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.12.2019/ 1.1.2020 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.12.2020 RM'000
Group					
Property, plant and equipment	(806)	151	(655)	(556)	(1,211)
Right-of-use assets	(1,470)	(283)	(1,753)	(210)	(1,963)
Lease liabilities	1,508	325	1,833	269	2,102
Provisions	–	1	1	(1)	–
Unutilised tax losses	308	(72)	236	18	254
Total	(460)	122	(338)	(480)	(818)

Significant judgements and assumptions in relation to deferred tax assets

The Group assesses at the end of the reporting date by applying significant judgement whether there are any future taxable profits will be available against which the deferred tax assets can be utilised. The management considers all facts and circumstances including the subsidiaries' past financial information, future projections and future business plan to help them to determine the amount of deferred tax assets that can be recognised.

Notes to the financial statements
(cont'd)

6. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020 RM'000	**2019 RM'000**
Property, plant and equipment	(4)	44
Right-of-use assets	–	(962)
Lease liabilities	–	973
Unabsorbed capital allowances	7	549
Unutilised tax losses	1,118	652
	1,121	1,256
Deferred tax assets not recognised at 24%	269	301

Deferred tax assets have not been recognised in respect of these items in the end of the reporting period of certain subsidiaries because it was not probable that taxable profit will be available against which the Group can utilise the benefits there from.

In the Finance Bill 2018, it was announced that effective from Year of Assessment ("YA") 2019 onwards, unutilised tax losses from a YA can be carried forward up to 7 consecutive YAs.

Unutilised tax losses of RM320,000, RM332,000 and RM466,000 expire in YA 2025, YA 2026 and YA 2027 respectively under the current tax legislation of Malaysia.

7. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Non-current					
Non-trade					
Amount due from a subsidiary	7.1	–	–	2,423	–
Current					
Trade					
Trade receivables	7.2	541	518	–	–
Non-trade					
Other receivables	7.3	303	241	–	–
Deposits	7.4	610	1,595	1	–
Amount due from subsidiaries	7.5	–	–	1,748	–
		913	1,836	1,749	–
		1,454	2,354	1,749	–
		1,454	2,354	4,172	–

Notes to the financial statements
(cont'd)

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

7.1 The non-current portion of non-trade amount due from a subsidiary is unsecured, subject to interest at 3.37% per annum and not repayable within the next twelve months.

7.2 Included in trade receivables of the Group is an amount totalling RM3,000 (2019: RM Nil) owing from the companies in which a Director has financial interest. The amount owing from the companies in which a Director has financial interest is unsecured, interest free and subject to normal trade terms.

7.3 In previous financial year, included in other receivables of the Group was an amount totalling RM175,000 owing from the companies in which a Director has financial interest. The amount owing from the companies in which a Director has financial interest was unsecured, interest free and repayable on demand. The amount was fully repaid during the financial year.

7.4 Included in the deposits of the Group are amounts totalling RM131,000 (2019: RM131,000) and RM35,000 (2019: RM35,000) paid to companies in which a Director has financial interest and to a Director.

In previous financial year, included in the deposits of the Group was an amounts totalling of RM975,000 relating to the deposit paid for the acquisition of property, plant and equipment.

7.5 The current portion of non-trade amount due from subsidiaries is unsecured, interest free and repayable on demand, except for advances amounting to RM1,715,000 (2019: RM Nil) which are subject to interest at 3.37% per annum.

8. INVENTORIES

	Group	
	2020 RM'000	**2019 RM'000**
At cost:		
Raw materials	78	–
Medicine and disposable consumables	2,142	1,810
	2,220	1,810
Recognised in profit or loss	11,212	12,226

9. INVESTMENT IN FINANCIAL ASSETS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Investment in money market funds - fair value through profit or loss	15,129	–	15,124	–

Notes to the financial statements
(cont'd)

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	9,843	7,470	66	2
Deposits placed with a licensed bank	1,071	1,049	–	–
	10,914	8,519	66	2

Included in the deposits placed with a licensed bank of the Group is RM1,071,000 (2019: RM1,049,000) pledged for a bank overdraft facility granted to the Group.

11. SHARE CAPITAL, INVESTED EQUITY AND OTHER RESERVES

(a) Share capital

	Group and Company			
	Amount 2020 RM'000	Number of shares 2020 '000	Amount 2019 RM'000	Number of shares 2019 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	*	*	*	*
Effect of restructuring (Note 26)	19,500	200,000	–	–
New shares issued for the Public Issue	21,000	70,000	–	–
New shares issuance expenses for the Public Issue	(1,429)	–	–	–
At 31 December	39,071	270,000	*	*

	2020 RM'000	2019 RM'000
Share capital in legal form	40,500	*
Less: New shares issuance expenses for the Public Issue	(1,429)	–
Share capital in the statements of financial position	39,071	*

* Denotes RM1, consisting 1 ordinary share

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The new ordinary shares issued during the financial year rank equally in all respects with the existing shares of the Company.

Notes to the financial statements
(cont'd)

11. SHARE CAPITAL, INVESTED EQUITY AND OTHER RESERVES (CONTINUED)

(b) Invested equity

	Group 2020 RM'000	Group 2019 RM'000
Invested equity	–	2,700

Invested equity comprised the share capital of OESC. The amount has been reversed against the restructuring reserve as disclosed in Note 26.

(c) Other reserves

(i) Business combination reserve

The business combination reserve comprises the difference between the consideration paid and net assets acquired in the acquisition of two subsidiaries namely OESC Ipoh and OESC Seri Petaling from a common control shareholder during the financial year ended 31 December 2017.

(ii) Restructuring reserve

In the event where a new company is formed to facilitate a restructuring exercise, in which the new company itself is not a business, book value accounting is applied. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts as if the restructuring had occurred before the start of the earliest period presented. The other components of equity of the acquired entities are added to the same components within Group equity.

The restructuring reserve comprises the difference between cost of investment recorded by the Company and the share capital of OESC arising from the restructuring exercise as disclosed in Note 26.

12. LOANS AND BORROWINGS

	Note	Group 2020 RM'000	Group 2019 RM'000
Non-current			
Term loans – secured	12.1	8,360	11,885
Hire purchase liabilities	12.2	5,854	4,228
		14,214	16,113
Current			
Term loans – secured	12.1	472	538
Hire purchase liabilities	12.2	2,969	1,748
Bank overdraft – secured	12.3	–	1,796
		3,441	4,082
		17,655	20,195

Notes to the financial statements
(cont'd)

12. LOANS AND BORROWINGS (CONTINUED)

12.1 Term loans

The term loans consisting of:

(a) The Term Loan I bears interest at rate of 3.37% (2019: 4.12%) per annum with monthly repayment instalments. The term loan is secured and supported by:
- certain property, plant and equipment as disclosed in Note 3; and
- corporate and personal guarantee by certain shareholders of the Company.

The outstanding balance of Term Loan I as at the financial year end is RM8,832,000 (2019: RM8,885,000).

(b) In previous financial year, the Term Loan II beared interest at rate of 4.02% per annum with monthly repayment instalments. The term loan was secured and supported by:
- certain property, plant and equipment as disclosed in Note 3;
- the leasehold land classified as right-of-use assets as disclosed in Note 4; and
- corporate and personal guarantee by certain shareholders of the Company.

The term loan was fully paid during the financial year. The outstanding balance of Term Loan II as at the financial year ended 31 December 2019 was RM3,538,000.

12.2 Hire purchase liabilities

Hire purchase liabilities are payable as follow:

	Future minimum lease payments 2020 RM'000	Interest 2020 RM'000	Present value of minimum lease payments 2020 RM'000	Future minimum lease payments 2019 RM'000	Interest 2019 RM'000	Present value of minimum lease payments 2019 RM'000
Group						
Less than one year	3,383	414	2,969	2,067	319	1,748
Between one to five years	6,254	400	5,854	4,556	328	4,228
	9,637	814	8,823	6,623	647	5,976

12.3 Bank overdraft

The bank overdraft bears interest at rate of 7.45% (2019: 7.70%) per annum and secured by:
- corporate guarantee by a company in which a Director has financial interest;
- personal guarantee provided by a shareholder of the Company;
- guarantee by government agency; and
- pledged deposits placed with a licensed bank as disclosed in Note 10.

The outstanding balance of bank overdraft as at the financial year end is RM Nil (2019: RM1,796,000).

Notes to the financial statements
(cont'd)

13. TRADE AND OTHER PAYABLES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current					
Trade					
Trade payables		1,409	2,007	–	–
Non-trade					
Other payables	13.1	2,111	3,266	–	19
Deposits		429	388	–	–
Accruals and provisions		1,836	3,666	50	3
Amount due to a shareholder	13.2	–	–	–	7
		4,376	7,320	50	29
		5,785	9,327	50	29

13.1 Included in other payables of the Group is an amount totalling RM837,000 (2019: RM2,282,000) relating to acquisition of property, plant and equipment.

Included in other payables of the Group is an amount totalling RM2,000 (2019: RM17,000) owing to the companies in which a Director has financial interest. The amount owing to the companies in which a Director has financial interest is unsecured, interest free and repayable within 30 days.

13.2 The non-trade amount due to a shareholder was unsecured, interest free and repayable on demand.

14. REVENUE

Disaggregation of revenue from contracts with customers

	Group 2020 RM'000	Group 2019 RM'000
Medicine and others	4,253	3,281
Medical services	53,767	59,338
	58,020	62,619

Revenue recognised is predominantly from operations in Malaysia and is recognised at a point in time.

Notes to the financial statements
(cont'd)

14. REVENUE (CONTINUED)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Medicine and others	Revenue is recognised at a point in time when or as the control of the medicine and others is transferred to the customer. The amount of revenue recognised for medicine and others is adjusted for discounts and rebates given.	Payment for the sales of medicine and others shall be made within 30 days.
Medical services	Revenue is recognised at a point in time as medical services are provided. The amount of revenue recognised for medical services is adjusted for discounts and rebates given.	Payment for the services rendered shall be made within 30 days.

There were no variable elements in consideration, obligation for returns or refunds nor warranty in the provision of the goods and services by the Group.

15. STAFF COSTS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Director fees	242	47	218	–
Wages, salaries and others (including key management personnel's remuneration)	20,327	21,279	12	–
Contributions to Employees Provident Fund	2,222	2,291	–	–
	22,791	23,617	230	–

Staff costs include key management personnel and is disclosed in Note 25 (D).

16. FINANCE COSTS

	Group	
	2020 RM'000	**2019 RM'000**
Interest expenses arising from:		
- term loans	431	578
- hire purchase liabilities	478	374
- bank overdraft	30	34
- lease liabilities	601	461
- others	–	14
	1,540	1,461

Notes to the financial statements
(cont'd)

17. PROFIT/(LOSS) BEFORE TAX

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):					
Auditors' remuneration					
- Audit fees					
KPMG PLT					
- Statutory audit		203	138	40	2
- Others		–	75	–	–
- Non-audit fees					
KPMG PLT		210	285	20	–
Local affiliates of KPMG PLT		5	–	–	–
Material expenses/(income)					
Depreciation expenses					
- property, plant and equipment		4,141	3,902	–	–
- right-of-use assets		1,814	1,740	–	–
Donation		208	–	–	–
Initial public offering expenses		603	651	–	–
Property, plant and equipment written off		4	1	–	–
Fair value gain on investment in financial assets		(36)	–	(34)	–
Finance income					
- amount due from subsidiaries		–	–	(33)	–
- investment in financial assets		(93)	–	(90)	–
- cash and cash equivalents		(31)	(48)	–	–
Management fees receivable		(40)	–	–	–
Expenses/(Income) arising from leases					
Expenses relating to short-term leases	(i)	122	157	–	–
Expenses relating to leases of low-value assets	(ii)	15	11	–	–
Gain on derecognition of right-of-use assets		–	(23)	–	–
Covid-19 related rent concessions		(76)	–	–	–

(i) The Group leases operation equipment, office space and a motor vehicle with contract terms of less than 1 year. These leases are short-term in nature and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(ii) The Group leases various office equipment with contract terms of 3 years. These leases are low-value in nature and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the financial statements
(cont'd)

18. TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Recognised in profit or loss				
Current tax expense				
Current year provision	2,830	3,699	–	–
(Over)/Under provision in prior year	(53)	256	–	–
	2,777	3,955	–	–
Deferred tax expense				
Origination of temporary differences	81	357	–	–
Under/(Over) provision in prior year	399	(479)	–	–
	480	(122)	–	–
	3,257	3,833	–	–
Reconciliation of tax expense				
Profit/(Loss) before tax	9,670	12,572	(232)	(11)
Income tax calculated using Malaysian tax rate of 24% (2019: 24%)	2,321	3,017	(56)	(3)
Non-deductible expenses	653	921	94	3
Net effect of unrecognised deferred tax assets	(32)	118	–	–
Others	(31)	–	(38)	–
(Over)/Under provision in prior year				
- current tax	(53)	256	–	–
- deferred tax	399	(479)	–	–
	3,257	3,833	–	–

19. BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Profit for the financial year attributable to owners of the Company	5,641	7,831

	Group	
	2020[(1)] '000	**2019[(2)] '000**
Weighted average number of ordinary shares at 31 December	229,167	200,000

	Group	
	2020	**2019**
Basic earnings per ordinary share (sen)	2.46	3.92

(1) *Based on the weighted average number of issued share capital of 200,000,000 ordinary shares after the completion of the restructuring exercise but before the Public Issue and 270,000,000 ordinary shares after the completion of the Public Issue.*

(2) *Based on the issued share capital of 200,000,000 ordinary shares after the completion of the restructuring exercise but before the Public Issue.*

There is no dilution in earnings per ordinary share as there is no potential diluted ordinary share.

20. DIVIDENDS

Dividends recognised by the Group:

	Sen per share	**Total RM'000**	**Date of payment**
2019			
Interim 2019 ordinary	222.2	6,000	31 July 2019

The Directors do not recommend any final dividend to be paid for the financial year under review.

Notes to the financial statements
(cont'd)

21. OPERATING SEGMENTS

The Group does not have the reportable segments, as the services are managed indistinctly because they require the similar technology and marketing strategies. The internal management reports consist of performance from respective entities and classified as North, Central, South and East Malaysia. The Group's Chief Executive Officer reviews internal management reports at least on a quarterly basis. The following summary describes the geographical segments results:

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Group	
	Revenue RM'000	**Non-current assets RM'000**
Geographical information		
2020		
North Malaysia	9,304	20,981
Central Malaysia	35,009	24,852
South Malaysia	11,940	6,339
East Malaysia	1,767	771
	58,020	52,943
2019		
North Malaysia	10,342	21,744
Central Malaysia	37,423	20,995
South Malaysia	11,924	5,508
East Malaysia	2,930	875
	62,619	49,122

Major customers

There were no major customers with revenue equal or more than 10% of the Group's total revenue for the financial years ended 31 December 2020 and 31 December 2019.

22. FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss ("FVTPL")
- Designated upon initial recognition ("DUIR")
(b) Amortised cost ("AC")

	Carrying amount RM'000	FVTPL - DUIR RM'000	AC RM'000
2020			
Financial assets			
Group			
Trade and other receivables	1,454	–	1,454
Investment in financial assets	15,129	15,129	–
Cash and cash equivalents	10,914	–	10,914
	27,497	15,129	12,368
Company			
Trade and other receivables	4,172	–	4,172
Investment in financial assets	15,124	15,124	–
Cash and cash equivalents	66	–	66
	19,362	15,124	4,238
Financial liabilities			
Group			
Trade and other payables	(5,785)	–	(5,785)
Loans and borrowings	(17,655)	–	(17,655)
	(23,440)	–	(23,440)
Company			
Trade and other payables	(50)	–	(50)

Notes to the financial statements
(cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.1 Categories of financial instruments (continued)

	Carrying amount RM'000	FVTPL - DUIR RM'000	AC RM'000
2019			
Financial assets			
Group			
Trade and other receivables #	1,379	–	1,379
Cash and cash equivalents	8,519	–	8,519
	9,898	–	9,898
Company			
Cash and cash equivalents	2	–	2
Financial liabilities			
Group			
Trade and other payables	(9,327)	–	(9,327)
Loans and borrowings	(20,195)	–	(20,195)
	(29,522)	–	(29,522)
Company			
Trade and other payables	(29)	–	(29)

Excluding deposit relating to the acquisition of property, plant and equipment of RM975,000.

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net (losses)/gains arising on:				
Financial assets at fair value through profit or loss:				
- Designated upon initial recognition	129	–	124	–
Financial assets at amortised cost	31	48	33	–
Financial liabilities at amortised cost	(939)	(1,000)	–	–
	(779)	(952)	157	–

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

The Group does not separate its trade receivables by segment. The Group does not have any major concentration of credit risk related to any individual debtor or counterparty.

Recognition and measurement of impairment loss

All financial assets measured at amortised cost are first assessed for credit impaired trade receivables.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions to recover long overdue balances.

Default rates are critically evaluated based on the expectations of the responsible management team regarding the collectability of the trade receivables.

Notes to the financial statements
(cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The trade receivables were deemed to have low risk of default.

The following table provides information about the exposure to credit risk for trade receivables which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2020			
Current (not past due)	468	–	468
1 – 30 days past due	30	–	30
31 – 120 days past due	37	–	37
More than 120 days past due	6	–	6
	541	–	541
2019			
Current (not past due)	485	–	485
1 – 30 days past due	20	–	20
31 – 120 days past due	9	–	9
More than 120 days past due	4	–	4
	518	–	518

Trade receivables that are past due have not been impaired as payments have been substantially received from these debtors subsequent to period end.

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from deposits paid for office buildings rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses as the Group is of the view that the loss allowance is not material and hence, it is not provided for.

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with banks and financial institutions. The Group and the Company monitor the credit ratings of these banks and financial institutions on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the Group's and the Company's statements of financial position.

Recognition and measurement of impairment loss

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers subsidiaries' advances to be credit impaired when:

- The subsidiaries are unlikely to repay their advances to the Company in full;
- The subsidiaries' advances are overdue for more than 365 days; or
- The subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

Notes to the financial statements
(cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Inter-company advances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk for the subsidiary's advances.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Company			
2020			
Low credit risk	4,171	–	4,171

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses as the Company is of the view that the loss allowance is not material and hence, it is not provided for.

22.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings and lease liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Within 1 year RM'000	1 – 5 years RM'000	More than 5 years RM'000
Group						
2020						
Financial liabilities						
Trade and other payables	5,785	–	5,785	5,785	–	–
Term loans	8,832	3.37	11,249	768	3,839	6,642
Hire purchase liabilities	8,823	2.30 – 3.76	9,637	3,383	6,254	–
Lease liabilities	8,758	5.72 – 6.50	10,509	2,170	5,826	2,513
	32,198		37,180	12,106	15,919	9,155

Notes to the financial statements
(cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Within 1 year RM'000	1 – 5 years RM'000	More than 5 years RM'000
Group						
2019						
Financial liabilities						
Trade and other payables	9,327	–	9,327	9,327	–	–
Term loans	12,423	4.02 – 4.12	17,374	1,046	4,183	12,145
Hire purchase liabilities	5,976	2.30 – 3.76	6,623	2,067	4,556	–
Lease liabilities	8,608	6.50	10,533	2,176	5,450	2,907
Bank overdraft	1,796	7.70	1,796	1,796	–	–
	38,130		45,653	16,412	14,189	15,052
Company						
2020						
Financial liabilities						
Trade and other payables	(50)	–	(50)	(50)	–	–
2019						
Financial liabilities						
Trade and other payables	(29)	–	(29)	(29)	–	–

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

22.6.1 Currency risk

The Group and the Company are not exposed to any significant foreign currency risks.

22.6.2 Interest rate risk

The Group's primary interest rate risks relate to deposits placed with a licensed bank, term loans, bank overdraft, hire purchase liabilities and lease liabilities.

The Group's deposits placed with a licensed bank, hire purchase liabilities and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate term loans and bank overdraft are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Notes to the financial statements
(cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

22.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed rate instruments					
Financial assets					
- Deposits placed with a licensed bank	10	1,071	1,049	–	–
Financial liabilities					
- Hire purchase liabilities	12	(8,823)	(5,976)	–	–
- Lease liabilities		(8,758)	(8,608)	–	–
		(17,581)	(14,584)	–	–
		(16,510)	(13,535)	–	–
Floating rate instruments					
Financial assets					
- Advances to subsidiaries	7	–	–	4,138	–
Financial liabilities					
- Term loans	12	(8,832)	(12,423)	–	–
- Bank overdraft	12	–	(1,796)	–	–
		(8,832)	(14,219)	–	–
		(8,832)	(14,219)	4,138	–

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

22.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Profit or loss	
	2020	**2019**
	RM'000	**RM'000**
Group		
Floating rate instruments	67	108
Company		
Floating rate instruments	(31)	–

Notes to the financial statements
(cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2020										
Financial assets										
Investment in financial assets	15,129	–	–	15,129	–	–	–	–	15,129	15,129
Financial liabilities										
Hire purchase liabilities	–	–	–	–	–	–	(9,147)	(9,147)	(9,147)	(8,823)
Term loans	–	–	–	–	–	–	(9,377)	(9,377)	(9,377)	(8,832)
	–	–	–	–	–	–	(18,524)	(18,524)	(18,524)	(17,655)
2019										
Financial liabilities										
Hire purchase liabilities	–	–	–	–	–	–	(5,628)	(5,628)	(5,628)	(5,976)
Term loans	–	–	–	–	–	–	(13,816)	(13,816)	(13,816)	(12,423)
	–	–	–	–	–	–	(19,444)	(19,444)	(19,444)	(18,399)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Company										
2020										
Financial assets										
Investment in financial assets	15,124	–	–	15,124	–	–	–	–	15,124	15,124
Advances to subsidiaries	–	–	–	–	–	–	4,138	4,138	4,138	4,138
	15,124	–	–	15,124	–	–	4,138	4,138	19,262	19,262

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Advances to subsidiaries, term loans and hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Notes to the financial statements
(cont'd)

23. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The debt-to-equity ratios at 31 December 2020 and at 31 December 2019 were as follows:

	Note	Group 2020 RM'000	Group 2019 RM'000
Total borrowings	12	17,655	20,195
Lease liabilities		8,758	8,608
Less: Cash and cash equivalents	10	(10,914)	(8,519)
Less: Investment in financial assets	9	(15,129)	–
Net debt		370	20,284
Total equity		50,221	24,237
Debt-to-equity ratio		0.01	0.84

There is no changes in the Group's approach to capital management during the financial year.

24. CAPITAL AND OTHER COMMITMENTS

	Group 2020 RM'000	Group 2019 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Authorised and contracted for	4,063	5,644

Notes to the financial statements
(cont'd)

25. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors and certain members of senior management of the Group.

The Group has related party relationship with a Director, companies in which a Director has financial interest, subsidiaries and key management personnel.

Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Transactions				
A. A Director				
Lease payments	264	263	–	–
Sales of inventories	(49)	–	–	–
B. Companies in which a Director has financial interest				
Casual wages	–	25	–	–
Lease payments	534	433	–	–
Purchases of inventories	23	5	–	–
Short-term lease expense	–	34	–	–
Sales of inventories	(19)	(3)	–	–
Service fees receivable	(23)	(201)	–	–
C. Subsidiaries				
Advances provided	–	–	(5,286)	–
Finance income	–	–	(33)	–

Notes to the financial statements
(cont'd)

25. RELATED PARTIES (C0NTINUED)

Significant related party transactions (continued)

These transactions have been entered into the normal course of business and have been established under negotiated terms. The gross balances outstanding for related parties are disclosed in Note 7 and Note 13 to the financial statements, other than lease liabilities balances as disclosed below.

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
D. Key management personnel				
Directors				
Fees	218	–	218	–
Remuneration	506	1,486	12	–
	724	1,486	230	–
Other key management personnel				
Fees	24	47	–	–
Remuneration	5,995	6,083	–	–
	6,019	6,130	–	–

Other key management personnel comprise persons other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Balances				
A. A Director				
Lease liabilities	1,588	1,186	–	–
B. Companies in which a Director has financial interest				
Lease liabilities	2,426	2,231	–	–

Notes to the financial statements
(cont'd)

26. RESTRUCTURING EXERCISE

In conjunction with, and as integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following restructuring exercise:

Acquisition of shares in respect of Optimax Eye Specialist Centre Sdn. Bhd. ("OESC")

On 8 January 2020, the Company entered into Share Sale Agreement with the shareholders of OESC to acquire the entire issued share capital of OESC for a purchase consideration of RM19,500,000 which was wholly satisfied by the issuance of 199,999,999 new ordinary shares at an issue price of approximately RM0.0975 per share by the Company. The acquisition was completed on 15 June 2020.

The following summarises the recognised amounts of assets acquired and liabilities assumed.

	Group RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	36,658
Right-of-use assets	8,758
Deferred tax assets	351
Inventories	1,862
Trade and other receivables	1,387
Prepayments	884
Current tax assets	755
Cash and cash equivalents	5,534
Deferred tax liabilities	(811)
Loans and borrowings	(18,665)
Lease liabilities	(7,117)
Trade and other payables	(7,593)
Current tax liabilities	(5)
Total identifiable net assets	21,998

For the purpose of accounting for the restructuring exercise, the Group has applied book value accounting on the basis that the restructuring exercise does not constitute a business combination to which acquisition accounting can be applied. Under book value accounting, the difference between cost of investment recorded by the Company and the share capital of OESC is accounted for as restructuring reserve as follows:

	RM'000
New shares issued by the Company as consideration for the acquisition of OESC	19,500
Reversal of issued and paid-up share capital of OESC	(2,700)
Restructuring reserve	16,800

Notes to the financial statements
(cont'd)

27. CHANGES IN OWNERSHIP INTERESTS IN A SUBSIDIARY

Financial year ended 31 December 2019

On 30 September 2019, the Group acquired the remaining interest in OESC Kuching for RM90,000 in cash, increasing its ownership from 70% to 100%. The carrying amount of OESC Kuching's net assets in the Group's financial statements on the date of the acquisition was RM409,333. The Group recognised a decrease in non-controlling interests of RM122,800 and an increase in retained earnings of RM32,800. This resulted in a net cash outflow of RM90,000.

28. SIGNIFICANT EVENTS

In conjunction with, and as an integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:

28.1 Restructuring exercise

On 8 January 2020, the Company entered into Share Sale Agreement with the shareholders of OESC to acquire the entire issued share capital of OESC for a purchase consideration of RM19,500,000 which was wholly satisfied by the issuance of 199,999,999 new ordinary shares at an issue price of approximately RM0.0975 per share by the Company.

Details of the restructuring exercise is disclosed in Note 26.

28.2 Initial Public Offering

The Initial Public Offering comprised the Public Issue of 70,000,000 new ordinary shares by the Company at RM0.30 per ordinary share allocated in the following manner:

(i) 13,500,000 new shares available for application by the Malaysian Public;
(ii) 4,000,000 new shares available for application by the eligible directors and employees under the pink form allocations;
(iii) 27,000,000 new shares by way of private placement to identified Bumiputera investors approved by Ministry of International Trade and Industry, Malaysia; and
(iv) 25,500,000 new shares by way of private placement to selected investors.

<u>Listing on Bursa Malaysia Securities Berhad</u>

The Company's entire enlarged issued and paid-up share capital of RM39,071,000 comprising 270,000,000 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 August 2020.

29. SUBSEQUENT EVENTS

(i) On 18 February 2021, the Group incorporated an indirect subsidiary, Optimax Eye Specialist Centre (Bahau) Sdn. Bhd. ("OESC Bahau"), which is 100% owned by OESC Southern, a 70% held subsidiary of the Group. The share capital of OESC Bahau is RM2.

(ii) On 30 March 2021, the Group incorporated an indirect subsidiary, Optimax International Sdn. Bhd. ("Optimax International"), which is 90% owned by OESC, a wholly-owned subsidiary of the Company. The share capital of Optimax International is RM100.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 57 to 114 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

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

....
Tan Sing Yee
Director

....
Tan Sri Dato' Tan Boon Hock
Director

Kuala Lumpur

Date: 28 April 2021

STATUTORY DECLARATION

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

I, Tan Sing Chia, the officer primarily responsible for the financial management of Optimax Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 57 to 114 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Sing Chia, NRIC: 880814-43-5280, at Kuala Lumpur in the Federal Territory on 28 April 2021.

....
Tan Sing Chia

Before me:

Samugam Vassoo
No. W632
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

to the members of OPTIMAX HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Optimax Holdings Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 114.

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 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

<table>
<tr><th colspan="2">Revenue recognition</th></tr>
<tr><td colspan="2">Refer to Note 2(l)(i) – Significant accounting policy: Revenue and Note 14 – Revenue.</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group's revenue is derived from the provision of medical services and sales of medicine and others. The Group generally recognises revenue when the medical services are provided and controls of the medicine and others are transferred to the customers.

We identified the recognition of revenue, specifically on revenue recognised during the period end as a key audit matter due to risk that revenue maybe overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has a direct impact on the results of the Group.</td><td>Our audit procedures, among others, included the following:

• We tested the design and implementation as well as operating effectiveness of the Group's controls relevant to recognition of revenue;

• We compared, on a sample basis, sales transactions recorded before and after the financial year end date with supporting documents including customers' appointment records and cash receipts subsequent to the financial year end to assess whether the revenue has been recognised in the appropriate financial year;</td></tr>
</table>

Independent Auditors' Report

to the members of OPTIMAX HOLDINGS BERHAD
(cont'd)

Key Audit Matters (continued)

Revenue recognition (continued)	
Refer to Note 2(l)(i) – Significant accounting policy: Revenue and Note 14 – Revenue.	
The key audit matter	**How the matter was addressed in our audit**
	• We tested trade receivables balances as at financial year end, on a sample basis, to supporting documents including customers' appointment records and cash receipts subsequent to the financial year end; • We identified the journal entries posted subsequent to financial year end which relates to the reversal of revenue, enquired the reasons for such entries and compared the details of the entries with supporting documents including sales invoices and credit notes; • We inspected the manual journal entries raised during the financial year relating to revenue, which were outside the normal course of business and enquired the reasons for such entries and compared the details of the entries with supporting documentation.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 Directors' Report, Chairman's Statement, Management Discussion and Analysis, Sustainability Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon) which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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 has no realistic alternative but to do so.

Independent Auditors' Report

to the members of OPTIMAX HOLDINGS BERHAD
(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- 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.

- 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 gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent Auditors' Report

to the members of OPTIMAX HOLDINGS BERHAD
(cont'd)

Other Matter

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Vengadesh A/L Jogarajah
Approval Number: 03337/12/2021 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 28 April 2021

LIST OF PROPERTIES

No.	Title No.	Description	Audited Net Book Value as at 31 December 2020 (RM)
1.	Geran no. 17372, Lot no. 2457, Seksyen 6, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang.	Postal address: No. 223, Jalan Masjid Negeri, 11600 Penang Tenure : Freehold Description of property: Land with 2-storey detached bungalow and a 1-storey annex Existing use: Eye Specialist Hospital Land area/Built-up area (approximate): 31,772 square feet / 6,734.98 square feet Approximate age of building: 9 years	Freehold land is at RM14.636 million Building is at RM2.322 million
2.	H.S.(D) 116127, PT 13903, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan	Postal address: No. 145, Jalan Radin Bagus, Seri Petaling, 57000 Kuala Lumpur Tenure : Leasehold of 99 years expiring on 26 April 2108 Description of property: Land with 3-storey terrace shop office Existing use: Ambulatory care on the Ground Floor and offices on Second and Third Floors Land area/Built-up area (approximate): 2,400 square feet / 7,360 square feet Approximate age of building: 10 years	Leasehold land is at RM1.778 million Building is at RM3.457 million

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares :
Issued Share Capital : RM39,071,000
Class of shares : Ordinary shares
Voting rights : One (1) vote per one (1) ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 7 MAY 2021

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	13	0.412	75	0.000
100 - 1,000	678	21.490	491,225	0.182
1,001 - 10,000	1,693	53.661	8,040,900	2.978
10,001 - 100,000	657	20.824	20,736,300	7.680
100,001 - 13,499,999 (*)	111	3.518	74,468,500	27.581
13,500,000 and above (**)	3	0.095	166,263,000	61.579
TOTAL:	**3,155**	**100**	**270,000,000**	**100**

Remark: * *Less than 5% of issued shares*
*** 5% and above of issued shares*

SUBSTANTIAL SHAREHOLDERS AS AT 7 MAY 2021

Name of Substantial Shareholders	No. of Holdings	%
Sena Healthcare Services Sdn. Bhd.	78,860,000	29.207
Tan Sri Dato' Tan Boon Hock	72,043,000	26.683
Chung Soon Hee	15,360,000	5.689

DIRECTORS' INTERESTS IN SHARES AS AT 7 MAY 2021

Name of Substantial Shareholders	No. of Holdings	%
Sandy Tan Sing Yee	1,030,000	0.381
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Bin Ali	0	0.000
Tan Sri Dato' Tan Boon Hock	72,043,000	26.683
Yap Eng Gee	0	0.000
Yap Ping Hong	0	0.000

Analysis of Shareholdings
(cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 7 MAY 2021

NO.	NAME	HOLDINGS	%
1	SENA HEALTHCARE SERVICES SDN. BHD.	78,860,000	29.207
2	TAN SRI DATO' TAN BOON HOCK	72,043,000	26.683
3	CHUNG SOON HEE	15,360,000	5.689
4	CHUAH KAY LEONG	10,085,000	3.735
5	SOONG CHEE KEONG	10,000,000	3.704
6	SEAH LEY HONG	5,864,500	2.172
7	GA SKYLIGHT BERHAD	5,000,000	1.852
8	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	4,447,100	1.647
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PRINCIPAL SMALL CAP OPPORTUNITIES FUND (240218)	2,581,600	0.956
10	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND	1,955,700	0.724
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL MALAYSIA TITANS FUND	1,915,100	0.709
12	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND	1,884,400	0.698
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG SUE KHE (E-BPT/EDU)	1,431,300	0.530
14	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL MALAYSIA TITANS PLUS FUND	1,370,100	0.507
15	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	1,242,200	0.460
16	TAN SING CHIA	1,030,000	0.381
17	TAN SING YEE	1,030,000	0.381
18	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND	977,500	0.362
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	950,000	0.352
20	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	850,000	0.315
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN SIU	747,100	0.277

Analysis of Shareholdings
(cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 7 MAY 2021 (CONTINUED)

NO.	NAME	HOLDINGS	%
22	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PRINCIPAL MALAYSIA OPPORTUNITIES FUND (980050)	746,300	0.276
23	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TUCK LEE	725,000	0.269
24	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON KEAT	719,000	0.266
25	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	702,000	0.260
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON	669,900	0.248
27	LEE MAY LIN	510,000	0.189
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE KUAN (MY3341)	500,000	0.185
29	YOUNG SWEE TING	500,000	0.185
30	YAP FEI YUN	479,600	0.178
	TOTAL	**225,176,400**	**83.399**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting ("2nd AGM") of OPTIMAX HOLDINGS BERHAD ("the Company") will be held as a fully virtual meeting via live streaming and online remote voting from the Broadcast Venue at Level 43A, MYEG Tower, Empire City, No.8 Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 June 2021 at 10.30 a.m. for the following purposes:

AGENDA

A. Ordinary Business

1. To receive the Audited Financial Statements together with the Reports of the Directors and Auditors thereon for the financial year ended 31 December 2020. [Please refer to Note (a)] — ***Please refer to the Explanatory Notes to the Agenda***

2. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Company's Constitution and being eligible, have offered themselves for re-election:

   (a) Tan Sri Dato' Tan Boon Hock; and — ***Ordinary Resolution 1***
   (b) Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Bin Ali. — ***Ordinary Resolution 2***

3. To approve the payment of Non-Executive Directors' fees of up to RM313,200 for the financial year ending 31 December 2021 to be divided amongst the Directors of the Company in such manner as the Directors may determine. — ***Ordinary Resolution 3***

4. To approve the payment of Directors' benefits of up to RM17,052 payable to the Non-Executive Directors for the period from 30 June 2021 up to the next AGM of the Company. [Please refer to Note (b)] — ***Ordinary Resolution 4***

5. To re-appoint KPMG PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors to determine their remuneration. — ***Ordinary Resolution 5***

B. Special business

To consider and if thought fit, to pass the following resolutions:

6. **Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016** — ***Ordinary Resolution 6***

   "THAT, subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant governmental /regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issue shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
   [Please refer to Note (c)]

Notice of Annual General Meeting
(cont'd)

7. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** ***Ordinary Resolution 7***

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("the Group") to enter into all arrangements and/or transactions involving the interests of the Directors, major shareholders and/or persons connected with the Directors and/or major shareholders of the Group ("Related Parties"), to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 1 June 2021 provided that such recurrent related party transactions are carried out in the ordinary course of business; necessary for the day-to-day operations of the Group; on normal commercial terms which are consistent with the Group's normal business practices and policies; on terms not more favourable to the Related Parties than those generally available to the public; and not to the detriment of the minority shareholders of the Company;

AND THAT such approval shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."
[Please refer to Note (d)]

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

By Order of the Board

WONG YOKE FUN (SSM PC No.: 202008003051) (MAICSA NO.7027345)
REBECCA KONG SAY TSUI (SSM PC No.: 202008001003) (MAICSA NO.7039304)
Company Secretaries

Kuala Lumpur
1 June 2021

Notice of Annual General Meeting
(cont'd)

NOTES:

1. As a precautionary measure in view of the COVID-19 pandemic, the 2nd AGM will be held as a fully virtual meeting via live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities via https://web.vote2u.app. Please follow the procedures provided in the Administrative Guide for Annual General Meeting in order to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue of the 2nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Please take note that members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 2nd AGM in person at the Broadcast Venue on the day of the 2nd AGM, instead are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely via https://web.vote2u.app.

3. Only a depositor whose name appears in the Record of Depositors of the Company as at 21 June 2021 shall be regarded as a member entitled to attend, speak and vote, and to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 2nd AGM.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.

5. Where a member appoints more than one (1) proxy to attend the 2nd AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.

7. The original duly executed Form of Proxy must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

8. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the 2nd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2nd AGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice 2nd AGM will be put to vote by way of poll.

Notice of Annual General Meeting
(cont'd)

EXPLANATORY NOTES:

a. Audited financial statements for the financial year ended 31 December 2020

This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act 2016, the audited financial statements do not require a formal approval of the members and hence, this item will not be put forward for voting.

b. Ordinary Resolution 4 – Directors' remuneration (excluding Directors' fees)

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Non-Executive Directors of public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable comprises of meeting attendance allowances and other claimable benefits. In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from 30 June 2021 until the next AGM of the Company. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

c. Ordinary Resolution 6 – Authority to Directors to issue shares

The Company wishes to obtain a mandate on the authority to issue shares pursuant to Section 75 of the Companies Act 2016 at the 2nd AGM of the Company to issue shares any time to such persons provided that the aggregate number of shares to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. (hereinafter referred to as the "General Mandate").

The General Mandate will enable the Directors of the Company to issue shares in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and / or acquisitions.

d. Ordinary Resolution 7 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions

The proposed ordinary resolution, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate").

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Details of persons who are standing for election/re-election as Directors

   i) No individual is seeking election as a Director at the 2nd AGM of the Company.
   ii) The profiles of the two Directors, Tan Sri Dato' Tan Boon Hock; and Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Bin Ali, who are standing for re-election at the 2nd AGM of the Company are disclosed in the Directors' profile on pages 17 to 18.

2. General mandate for issue of securities

   Kindly refer to the Explanatory Notes on Special Business – Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under explanatory Note (c) of the notes to the Notice of the 2nd AGM.

(This page is intentionally to be left blank)

OPTIMAX

New Vision New Life®

OPTIMAX HOLDINGS BERHAD

Registration No. 201801028697 (1290723-T)

(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We ______________________________ Tel: ______________

[Full name in block, NRIC/Passport/Company No.]

of ______________________________

____

being member(s) of **OPTIMAX HOLDINGS BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address/ email address/ contact no.			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address/ email address/ contact no.			

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Second Annual General Meeting ("2nd AGM") of the Company to be held as a fully virtual meeting via live streaming and online remote voting from the Broadcast Venue at Level 43A, MYEG Tower, Empire City, No.8 Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 June 2021 at 10.30 a.m. and at any adjournment thereof, and to vote as indicated below:

Ordinary Business	**Resolution**	**For**	**Against**
To re-elect Tan Sri Dato' Tan Boon Hock as Director	Ordinary Resolution 1		
To re-elect Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Bin Ali as Director	Ordinary Resolution 2		
To approve the Non-Executive Directors' fees	Ordinary Resolution 3		
To approve the Directors' benefits	Ordinary Resolution 4		
To re-appointment of KPMG PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.	Ordinary Resolution 5		
Special Business			
To approve the authority for Directors to issue shares	Ordinary Resolution 6		
To approve Shareholders' Mandate for Recurrent Related Party Transactions	Ordinary Resolution 7		

Please indicate with an "X" in the space 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.

Signed this __________ day of ____________, 2021

____

Signature*

Member

* *Manner of execution:*

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. As a precautionary measure in view of the COVID-19 pandemic, the 2nd AGM will be held as a fully virtual meeting via live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided via https://web.vote2u.app. Please follow the procedures provided in the Administrative Guide for Annual General Meeting in order to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue of the 2nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Please take note that members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 2nd AGM in person at the Broadcast Venue on the day of the 2nd AGM, instead are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely via the RPV provided by via https://web.vote2u.app.

3. Only a depositor whose name appears in the Record of Depositors of the Company as at 21 June 2021 shall be regarded as a member entitled to attend, speak and vote, and to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 2nd AGM.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.

5. Where a member appoints more than one (1) proxy to attend the 2nd AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.

7. The original duly executed Proxy Form must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

8. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the 2nd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2nd AGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice 2nd AGM will be put to vote by way of poll.

1st Fold Here

AFFIX
STAMP

The Share Registrar

OPTIMAX HOLDINGS BERHAD
Registration No.: 201801028697 (1290723-T)

c/o BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony,
No.5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan

2nd Fold Here

Fold This Flap For Sealing