

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board acknowledges the importance of the principles and practices as set out in the Malaysian Code on Corporate Governance (“MCCG”) in managing our Group’s business towards its mission of sustainable growth. The Board strives to ensure our 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 Securities (“AMLR”) and should be read together with the Corporate Governance Report 2021 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 creation to 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 members of the Board bring their independent judgement to assess the 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 and 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 our 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 2016).

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

The following policies have been adopted by the Board 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

A. BOARD RESPONSIBILITIES (CONT'D)

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”);
- (ii) Remuneration and Nominating Committee (“RNC”); and
- (iii) Employee Share Option Scheme Committee (“ESOSC”)

Each of the Board Committees is governed by its own terms of reference which are aligned with the MCCG. 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, Dato’ Seri Dr. Chen Chaw Min 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 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.

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 the meetings for review and comment. The following are the Board and ARMC meetings held during the financial year ended 31 December 2021 and the Directors’ attendance:-

Director	Number of Meetings Attended / Held		
	Board	ARMC	RNC
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali <i>(resigned on 28 February 2022)</i>	7/7	5/5	2/2
Tan Sri Dato’ (Dr.) Tan Boon Hock	7/7	–	–
Sandy Tan Sing Yee	7/7	–	–
Yap Ping Hong	7/7	5/5	2/2
Yap Eng Gee	7/7	5/5	2/2
Dato’ Seri Dr. Chen Chaw Min <i>(appointed on 1 December 2021)</i>	–	–	–
Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim <i>(appointed on 1 December 2021)</i>	–	–	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

A. BOARD RESPONSIBILITIES (CONT'D)

In accordance with Rule 15.08(3) of the AMLR, the Board members have attended various training programmes during financial year ended 2021 as follows:-

Director	Programme Title
Dato' Seri Dr. Chen Chaw Min	<ol style="list-style-type: none"> 1. Mandatory Accreditation Program (MAP) 2. Fraud Risk Management Workshop
Tan Sri Dato' (Dr.) Tan Boon Hock	<ol style="list-style-type: none"> 1. Asia and ASEAN economic & FX outlook 2. Shaping a better future in a post covid world 3. Transfer Pricing
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	<ol style="list-style-type: none"> 1. Seminar on 2022 Budget Highlights
Sandy Tan Sing Yee	<ol style="list-style-type: none"> 1. Asia and ASEAN economic & FX outlook 2. Shaping a better future in a post covid world 3. Transfer Pricing
Yap Ping Hong	<ol style="list-style-type: none"> 1. Legal Updates – Guidelines on Digital Assets 2. Enterprise Value Creation 3. Cybersecurity – New and Emerging Threats 4. Risk Awareness Workshop 5. Seminar on Companies Act 2016 – Practical Guide for Company Secretaries 6. ESG in Financial Reporting Impact to Johor Corporates 2022 Budget Seminar
Yap Eng Gee	<ol style="list-style-type: none"> 1. Risk, strategy and governance - How integrated thinking can support boards in creating long-term value 2. Managing Human Rights: Why is it important to corporations? 3. Sustainable Finance making better financial decision 4. Board and Audit Committee Priorities 2021 5. Implementing Amendments in the Malaysian Code on Corporate Governance 6. Global BLC webinar - Building back better: A board's-eye view 7. The New Reality of Cyber Hygiene 8. ESG, Islamic Finance and The Accountancy Profession: The Way Forward 9. Setting the ESG Agenda to Achieve Sustainable Long-term Value 10. Transfer Pricing War Stories 11. Strategic Management Program 12. US Forced Labor Legislation: Impact on Corporate Malaysia 13. Rethinking supply chains in Asia Pacific 14. Sustainability Challenge Accelerator - Understanding the Rise of Sustainability Fintech 15. Measurement of Value Creation 16. Value Creation Strategies

The Company adopts Whistleblowing Policy which serves as the guidelines for managing improper conduct within the Group and provides 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

B. BOARD COMPOSITION

The Board currently consist of six (6) directors with three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) 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 Directors 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 18 to 23 in the Board of Directors' Profiles section of the Annual Report 2021.

The significance of the diversity of the Board and the senior management in regard to skills, experience, age, cultural background and gender have always been emphasised 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.

C. REMUNERATION

The RNC has developed fair and transparent policies and procedures for determining the remuneration of Directors and senior management of the Group. The RNC is tasked to develop a remuneration package that is competitive and in line with the 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, with a majority being 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 had conducted annual evaluation assessments on the effectiveness of the Board as a whole, Board Committees, individual Director and the independence of the Independent Directors.

The details of the remuneration of the Directors of the Company and the Group on a named basis for the FYE 2021 are as below:-

Executive Directors (inclusive of Company and Group)	Fees (RM)	Salaries (RM)	Bonus (RM)	Allowance (RM)
Tan Sri Dato' (Dr.) Tan Boon Hock	60,000	–	–	4,800
Sandy Tan Sing Yee	60,000	396,000	30,000	35,500
Non-Executive Directors (Company)				
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali (resigned on 28 February 2022)	127,200	–	–	5,088
Yap Ping Hong	66,000	–	–	4,800
Yap Eng Gee	60,000	–	–	4,800
Dato' Seri Dr. Chen Chaw Min (appointed on 1 December 2021)	5,000	–	–	–
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (appointed on 1 December 2021)	5,000	–	–	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****C. REMUNERATION (CONT'D)**

With regard to the disclosure of remuneration of our 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 a majority of 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 three (3) 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.

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 43 to 45 in the Company's 2021 Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 posted the following 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 Securities

The Company has all its material announcements submitted to Bursa Securities 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.

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 be informed on 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 form 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 Securities and it is advised to be read together with the Corporate Governance Report 2021 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 20 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the 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 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 Rule 15.26(b) of the AMLR and Guidance Note 11 of Bursa Securities.

BOARD'S RESPONSIBILITY

The Board affirms its responsibilities for the system of internal control of our 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 ARMC which comprises of Independent Directors in discharging the roles and responsibilities guided by 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 TOR of ARMC, the ARMC shall hold at least four (4) meetings in a year. ARMC meetings were held for five (5) 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 2021, 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 FYE 2021 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 20 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“Board”) of Optimax Holdings Berhad (“Optimax” or the “Company”) is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2021 (“FYE 2021”).

1. COMPOSITION

The Company’s Audit and Risk Management Committee (“ARMC”) comprises three (3) members, consist exclusively of Non-Executive Directors with a majority being independent. All of the Independent Non-Executive Directors satisfied the test of independence under the ACE Market Listing Requirements of Bursa Securities (“AMLR”). The ARMC meets the requirements of Rule 15.09(1)(a) and (b) of the AMLR.

The Chairman of ARMC, Mr Yap Ping Hong, is a member of the Malaysian Institute of Accountants (“MIA”). Hence, the Company complies with Rule 15.09(1)(c)(i) of the AMLR.

The members of ARMC and their respective designations are as follows:

Name	Designation
Yap Ping Hong	Chairman (Independent Non-Executive Director)
Yap Eng Gee	Member (Independent Non-Executive Director)
Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim <i>(appointed on 28 February 2022)</i>	Member (Non-Independent Non-Executive Director)
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali <i>(resigned on 28 February 2022)</i>	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 terms of reference (“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;
 - (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.

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)
- (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) oversees and recommends 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) sets reporting guidelines for management to report to the ARMC on the effectiveness of managing its business risks;
- (c) implements and maintains a sound risk management framework which identifies, assesses, manages and monitors the business risks;
- (d) reviews the risk profile of the Group and to evaluate the measures taken to mitigate its business risks; and
- (e) reviews the adequacy of management response to issues identified in risk registers and ensuring that the risks are managed within the Group's risk appetite.

3. MEETINGS AND ATTENDANCE

The ARMC held five (5) meetings during the FYE 2021. 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 three (3) ARMC meetings.

During the FYE 2021, 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)	5/5
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali ⁽¹⁾ Member (Independent Non-Executive Chairman)	5/5
Yap Eng Gee Member (Independent Non-Executive Director)	5/5
Tan Sri Dato' Seri Mohamad Noor bin Abdul Rahim ⁽¹⁾ (Non-Independent Non-Executive Director)	–

Note:

⁽¹⁾ Resigned on 28 February 2022 and replaced by Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim.

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW

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

The summary of works and activities performed by the ARMC during FYE 2021 comprised the following:

a. Financial Reporting

The ARMC reviewed the first (1st), second (2nd), third (3rd) and fourth (4th) quarterly financial results on 25 May 2021, 25 August 2021, 24 November 2021 and 24 February 2022 respectively. The ARMC reviewed the Audited Financial Statements for FYE 2021 with our External Auditors on 20 April 2022, before recommending the Financial Results to the Board for its approval.

The CFO and GA were present at all five (5) ARMC meetings to present and explain the financial performance of the Group to the 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 2021.

On 29 June 2021, the shareholders of the Company approved the re-appointment of Messrs KPMG PLT as the EA of the Company for FYE 2021 at the Second (2nd) Annual General Meeting.

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 2021 on 25 August 2021. The ARMC reviewed and approved the Audit Planning Memorandum which included 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 24 February 2022.

d. Internal Audit

The Group outsourced 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 2021 were RM50,000, billed respectively in June and October 2021 for two (2) internal audit cycle.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(CONT'D)**4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW (CONT'D)****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;
- iii. Credit control;
- iv. Procurement and payment processing; and
- v. Fixed Assets Management and Inventory Management.

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

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.

f. Review of Related Party Transactions

The ARMC reviewed the quarterly reports on related party transactions and possible conflict of interest situations that may arise within the Group including any transactions, procedures or course of conduct that may give rise to questions on management integrity and to ensure all transactions are carried out at an arm's length basis in every ARMC meeting where review of quarterly financial results was part of the agenda. 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 has not detected 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 upholding 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.

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)

- **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.

- **Whistleblowing Policy**

This Policy was established to provide an avenue for all employees of our 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 and Statement on Risk Management and Internal Control to the Board for approval, for inclusion in the 2021 Annual Report.

This report was reviewed by the ARMC and approved by the Board on 20 April 2022.

ADDITIONAL DISCLOSURE REQUIREMENTS

1. UTILISATION OF PROCEEDS

The Company undertook its initial public offering (“IPO”) exercise in 2020 and was listed on the ACE Market of Bursa Securities on 18 August 2020. Pursuant to the said IPO, 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 2021, the Company had utilised approximately RM18.724 million of the total gross proceeds, details of which are as described in the following table: -

Purpose	Intended timeframe for utilisation from listing	Proposed utilisation RM'000	Amount utilised as at the 31 December 2021 RM'000	Percentage utilised %
Capital expenditure	Within 24 months	10,354	8,078	78.02
Repayment of borrowings	Within 3 months	3,520	3,520	100.00
Working capital	Within 12 months	3,526	3,526	100.00
Estimated listing expenses	Within 1 month	3,600	3,600	100.00
Total		21,000	18,724	89.16

Our Group has announced that the timeframe for the utilisation of proceeds allocated for capital expenditure will be extended for another 12 months. Accordingly, the timeframe for the utilisation of proceeds allocated for capital expenditure will be for a period of up to 24 months from 18 August 2020, being the date of the listing of and quotation for our Company’s entire enlarged issued capital on the ACE Market of Bursa Securities.

2. AUDIT AND NON-AUDIT FEES

During the financial year under review, the amount of audit and non-audit fees paid or payable by the Group were RM224,000 and RM25,000 respectively.

The non-audit fees of RM25,000 paid or payable to the external auditors, or a firm or corporation affiliated to the auditors’ firm by the Group during the financial year ended 31 December 2021 were mainly for their services rendered in relation to agreed upon procedures on interim financial statements.

3. MATERIAL CONTRACTS

During the FYE 2021, 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 FYE 2021, 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 the renewal of the shareholders’ mandate and new shareholders’ mandate for the recurrent related party transactions at the upcoming 3rd Annual General Meeting to be convened on 23 June 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the Audited Financial Statements

The Board of Directors ("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 Company and of the Group as at 31 December 2021 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 2021, 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 Company and of the Group 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 Company and of the Group to prevent and detect fraud and other irregularities.

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



Financial Statements

FINANCIAL STATEMENTS

- 54** Directors' Report
- 60** Statements of Financial Position
- 62** Statements of Profit or Loss and Other Comprehensive Income
- 63** Consolidated Statement of Changes In Equity
- 64** Statement of Changes In Equity
- 65** Statements of Cash Flows
- 69** Notes to the Financial Statements
- 122** Statement by Directors and Statutory Declaration
- 123** Independent Auditors' Report

DIRECTORS' REPORT

for the financial year ended 31 December 2021

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 2021.

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 for the financial year attributable to:		
Owners of the Company	12,298	4,332
Non-controlling interests	803	–
	13,101	4,332

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

Since the end of the previous financial year, the Company paid a first interim tax-exempted dividend of 1.90 sen per ordinary share totalling to RM5,130,000 on 24 December 2021 in respect of the financial year ended 31 December 2021.

The Directors had on 24 February 2022, declared a second interim tax-exempted dividend of 1.90 sen per ordinary share totalling to RM5,130,000.

The financial statement for the current financial year do not reflect this declared second interim tax-exempted dividend. The dividend will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2022.

DIRECTORS

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

Tan Sri Dato' (Dr.) Tan Boon Hock

Tan Sing Yee

Yap Eng Gee

Yap Ping Hong

Dato' Seri (Dr.) Chen Chaw Min (Appointed on 1 December 2021)

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (Appointed on 1 December 2021)

Tan Sri Datuk (Dr.) Ir. Ahmad Tajuddin bin Ali (Resigned on 28 February 2022)

DIRECTORS' REPORT
(CONT'D)

DIRECTORS (CONT'D)

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
 Dr. Lai Kwong Choy (Appointed on 30 March 2021; Resigned on 7 December 2021)

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:

	At	Number of ordinary shares		At
	1.1.2021	Bought	Sold	31.12.2021
Interests in the Company:				
Direct interests				
Tan Sri Dato' (Dr.) Tan Boon Hock	85,860,000	–	(13,817,000)	72,043,000
Tan Sing Yee	1,030,000	–	–	1,030,000
Indirect interests				
Tan Sri Dato' (Dr.) Tan Boon Hock ⁽¹⁾	80,246,000	–	–	80,246,000
	At	Number of warrants		At
	30.12.2021 ⁽²⁾	Bought	Sold	31.12.2021
Interests in the Company:				
Direct interests				
Tan Sri Dato' (Dr.) Tan Boon Hock	18,010,750	–	–	18,010,750
Tan Sing Yee	257,500	–	–	257,500
Indirect interests				
Tan Sri Dato' (Dr.) Tan Boon Hock ⁽¹⁾	20,319,000	–	–	20,319,000

⁽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(1)(c) of the Act.

⁽²⁾ Date of issuance

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of his interests of more than 20% in the shares of the Company, Tan Sri Dato' (Dr.) 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:

	At 1.1.2021/ Date of incorporation	Number of ordinary shares		At 31.12.2021
		Bought	Sold	
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
Optimax International Sdn. Bhd. ⁽²⁾	90	10	–	100
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
Optimax Eye Specialist Centre (Bahau) Sdn. Bhd. ⁽³⁾	1	–	–	1
Optimax Eye Specialist Centre (Sutera) Sdn. Bhd. ⁽⁴⁾	70	–	–	70

⁽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.

⁽²⁾ Optimax International Sdn. Bhd. was incorporated on 30 March 2021.

⁽³⁾ Optimax Eye Specialist Centre (Bahau) Sdn. Bhd. was incorporated on 18 February 2021.

⁽⁴⁾ Optimax Eye Specialist Centre (Sutera) Sdn. Bhd. was incorporated on 9 September 2021.

The other Directors holding office at 31 December 2021 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

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.

WARRANTS

As at end of the financial year, the Company has the following outstanding warrants:

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding as at 31.12.2021
Warrant A	RM1.20	29.12.2026	67,499,994

Warrant A were issued on 30 December 2021 pursuant to the bonus issue of 67,499,994 free warrants in the Company on the basis of one (1) Warrant for every four (4) existing ordinary shares in the Company. The warrants entitle the holders to subscribe for new ordinary share in the Company on the basis of one new ordinary share for every warrant held at an exercise price of RM1.20 per ordinary share within 5 years from the date of issue of the warrants. The exercise price of the warrants is subject to adjustment from time to time in accordance with the conditions stipulated in the Deed Poll.

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.

DIRECTORS' REPORT (CONT'D)

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) all known bad debts have been 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.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, 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 2021 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 27 to the financial statements.

SUBSEQUENT EVENT

Subsequent event is disclosed in Note 28 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 Sri Dato' (Dr.) Tan Boon Hock
Director

Tan Sing Yee
Director

Kuala Lumpur

Date: 20 April 2022

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Property, plant and equipment	3	49,266	42,985	–	–
Right-of-use assets	4	9,462	9,958	–	–
Investments in subsidiaries	5	–	–	19,500	19,500
Deferred tax assets	6	369	462	–	–
Trade and other receivables	7	–	–	10,248	2,423
Total non-current assets		59,097	53,405	29,748	21,923
<hr/>					
Inventories	8	3,070	2,220	–	–
Trade and other receivables	7	4,563	1,454	2,822	1,749
Current tax assets		433	112	–	–
Prepayments		1,206	1,001	–	–
Investment in financial assets	9	4,632	15,129	4,632	15,124
Cash and cash equivalents	10	19,614	10,914	922	66
Total current assets		33,518	30,830	8,376	16,939
Total assets		92,615	84,235	38,124	38,862
<hr/>					
Equity					
Share capital	11	39,071	39,071	39,071	39,071
Reserves		15,967	8,799	(1,057)	(259)
Total equity attributable to owners of the Company		55,038	47,870	38,014	38,812
Non-controlling interests		2,704	2,351	–	–
Total equity		57,742	50,221	38,014	38,812

STATEMENTS OF FINANCIAL POSITION
(CONT'D)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Liabilities					
Loans and borrowings	12	12,188	14,214	-	-
Lease liabilities		6,760	7,008	-	-
Deferred tax liabilities	6	1,957	1,280	-	-
Total non-current liabilities		20,905	22,502	-	-

Loans and borrowings	12	3,620	3,441	-	-
Lease liabilities		1,515	1,750	-	-
Trade and other payables	13	7,788	5,785	110	50
Current tax liabilities		1,045	536	-	-
Total current liabilities		13,968	11,512	110	50
Total liabilities		34,873	34,014	110	50

Total equity and liabilities		92,615	84,235	38,124	38,862

The notes on pages 69 to 121 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	14	88,898	58,020	5,130	–
Other income		169	230	51	34
Inventories and consumables		(19,473)	(12,090)	–	–
Staff costs	15	(34,722)	(22,791)	(411)	(230)
Depreciation expenses		(6,580)	(5,955)	–	–
Other expenses		(8,634)	(6,328)	(818)	(159)
Results from operating activities		19,658	11,086	3,952	(355)
Finance income		191	124	380	123
Finance costs	16	(1,258)	(1,540)	–	–
Profit/(Loss) before tax	17	18,591	9,670	4,332	(232)
Tax expense	18	(5,490)	(3,257)	–	–
Profit/(Loss) and total comprehensive income/ (expense) for the financial year		13,101	6,413	4,332	(232)
Profit/(Loss) and total comprehensive income/ (expense) attributable to:					
Owners of the Company		12,298	5,641	4,332	(232)
Non-controlling interests		803	772	–	–
Profit/(Loss) and total comprehensive income/ (expense) for the financial year		13,101	6,413	4,332	(232)
Earnings per ordinary share (sen)	19				
Basic earnings per ordinary share (sen)		4.55	2.46		
Diluted earnings per ordinary share (sen)		3.64	1.90		

The notes on pages 69 to 121 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2021

	← Attributable to owners of the Company →		← Non-distributable →		← Distributable →		Total equity RM'000
	Share capital RM'000	Invested equity RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
Group							
At 1 January 2020 ⁽¹⁾	*	2,700	(686)	20,644	22,658	1,579	24,237
Effect of restructuring ⁽²⁾	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 2020/1 January 2021	39,071	-	(17,486)	26,285	47,870	2,351	50,221
Dividends to non-controlling interests	-	-	-	-	-	(450)	(450)
Dividends to owners of the Company	-	-	-	(5,130)	(5,130)	-	(5,130)
Profit and total comprehensive income for the financial year	-	-	-	12,298	12,298	803	13,101
At 31 December 2021	39,071	-	(17,486)	33,453	55,038	2,704	57,742

* 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.

← Note 11 →

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2021

	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Company			
At 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 2020/1 January 2021	39,071	(259)	38,812
Dividends to owners of the Company	–	(5,130)	(5,130)
Profit and total comprehensive income for the financial year	–	4,332	4,332
At 31 December 2021	39,071	(1,057)	38,014

Note 11

* Denotes RM1

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

STATEMENTS OF
CASH FLOWS

for the financial year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		18,591	9,670	4,332	(232)
<i>Adjustments for:</i>					
Finance income	17	(191)	(124)	(380)	(123)
Finance costs	16	1,258	1,540	-	-
Depreciation of property, plant and equipment	3	4,880	4,141	-	-
Depreciation of right-of-use assets	4	1,700	1,814	-	-
Gain on derecognition of right-of-use assets	17	(67)	-	-	-
Dividend income	17	-	-	(5,130)	-
Fair value gain on investment in financial assets	17	(52)	(36)	(52)	(34)
Bad debt written off	17	4	-	-	-
Property, plant and equipment written off	17	6	4	-	-
Initial public offering expenses	17	-	603	-	-
Operating profit/(loss) before changes in working capital		26,129	17,612	(1,230)	(389)
Changes in working capital:					
Inventories		(850)	(410)	-	-
Trade and other receivables		(3,113)	900	67	(1,430)
Prepayments		(205)	136	-	-
Trade and other payables		2,740	(1,561)	60	21
Cash generated from/ (used in) operations		24,701	16,677	(1,103)	(1,798)
Dividends received		-	-	5,130	-
Interest received		45	31	165	-
Interest paid		(522)	(631)	-	-
Tax refund		-	127	-	-
Tax paid		(4,532)	(3,248)	-	-
Net cash from/(used in) operating activities		19,692	12,956	4,192	(1,798)

STATEMENTS OF CASH FLOWS
(CONT'D)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(11,084)	(4,558)	-	-
Proceeds from disposal of property, plant and equipment		112	-	-	-
Net redemption from/(Increase in) investment in financial assets		10,695	(15,000)	10,690	(15,000)
Change in pledged deposits		(18)	(22)	-	-
Advances provided to subsidiaries		-	-	(13,579)	(5,286)
Repayment of advances from subsidiaries		-	-	4,683	1,148
Net cash (used in)/from investing activities		(295)	(19,580)	1,794	(19,138)
Cash flows from financing activities					
Dividends paid to owners of the Company	20	(5,130)	-	(5,130)	-
Dividends paid to non-controlling interests		(450)	-	-	-
Interest paid		(736)	(909)	-	-
Repayment of hire purchase liabilities		(3,319)	(2,110)	-	-
Repayment of term loans		(515)	(3,591)	-	-
Proceeds from hire purchase liabilities		1,055	-	-	-
Proceeds from issuance of new shares		-	21,000	-	21,000
Payment of listings expenses		-	(2,037)	-	-
Payment of lease liabilities		(1,620)	(1,560)	-	-
Net cash (used in)/from financing activities		(10,715)	10,793	(5,130)	21,000
Net increase in cash and cash equivalents		8,682	4,169	856	64
Cash and cash equivalents at 1 January		9,843	5,674	66	2
Cash and cash equivalents at 31 December		18,525	9,843	922	66

STATEMENTS OF CASH FLOWS
(CONT'D)**(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		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and cash equivalents	10	19,614	10,914	922	66
Pledged deposits	10	(1,089)	(1,071)	–	–
		18,525	9,843	922	66

(ii) Cash outflows for leases as a lessee

	Note	Group	
		2021 RM'000	2020 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	17	647	122
Payment relating to leases of low-value assets	17	17	15
Interest paid in relation to lease liabilities	16	520	601
Included in net cash from financing activities:			
Payment of lease liabilities		1,620	1,560
Total cash outflows for leases		2,804	2,298

(iii) Acquisition of property, plant and equipment

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

	Note	Group	
		2021 RM'000	2020 RM'000
Paid in cash		10,952	3,944
In the form of hire purchase		227	3,289 ⁽¹⁾
Balances remained unpaid at financial year end		100	837
		11,279	8,070

⁽¹⁾ The Group entered into hire purchase arrangement to finance an operation equipment amounting to RM1,950,000 in the financial year ended 31 December 2020 in which deposits of RM975,000 was paid in the financial year ended 31 December 2019.

During the financial year, the Group paid the remaining outstanding amounts in relation to property, plant and equipment acquired in the previous financial year of RM132,000 (2020: RM614,000).

The Group also entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year of RM1,760,000 (2020: RM1,168,000) in which RM705,000 (2020: RM1,668,000) relates to the balances that remained unpaid at the previous financial year end. The remaining RM1,055,000 (2020: RM Nil) was initially funded out of the Group's internally generated funds in the previous financial year.

STATEMENTS OF CASH FLOWS
(CONT'D)

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

	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

	At 1.1.2021 RM'000	Payments RM'000	Acquisition of new lease RM'000	Derecognition RM'000	Remeasure- ments RM'000	At 31.12.2021 RM'000
Group						
Term loans	8,832	(515)	–	–	–	8,317
Hire purchase liabilities ⁽¹⁾	8,823	(3,319)	1,987	–	–	7,491
Lease liabilities	8,758	(1,620)	1,508	(1,103)	732	8,275
	26,413	(5,454)	3,495	(1,103)	732	24,083

⁽¹⁾ The Group entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year of RM1,760,000 in which RM705,000 relates to the balances that remained unpaid at the previous financial year end. The remaining RM1,055,000 was initially funded out of the Group's internally generated funds in the previous financial year.

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 2021 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 2021 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 20 April 2022.

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, amendments and interpretations 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 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 (CONT'D)

(a) Statement of compliance (Cont'd)

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- 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*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 6 April 2021 in response to the coronavirus disease pandemic. The amendment is effective for annual periods beginning on or after 1 April 2021.

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

- 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 and amendments to MFRS 17 which are 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 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 (CONT'D)****(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 6 April 2021. 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. There is no material impact from the early adoption of Amendment to MFRS 16.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(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 (CONT'D)****(a) Basis of consolidation (Cont'd)****(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 (CONT'D)

(c) Financial instruments (Cont'd)

(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 (CONT'D)****(c) Financial instruments (Cont'd)****(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

(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 (CONT'D)****(e) Leases (Cont'd)****(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (Cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(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.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the right to receive payment is established.

(iii) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(o) Earnings per ordinary share

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

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employee.

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorised for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(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

Group	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
At 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 2020/1 January 2021	14,636	6,215	5,331	55,835	8,734	1,112	112	91,975
Additions	1,090	2,180	1,078	4,413	1,930	588	-	11,279
Disposals	-	-	(2)	-	-	-	(112)	(114)
Written off	-	-	(162)	(8)	(140)	-	-	(310)
At 31 December 2021	15,726	8,395	6,245	60,240	10,524	1,700	-	102,830
At 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 2020/1 January 2021	-	436	3,772	39,535	4,524	723	-	48,990
Depreciation for the financial year	-	155	396	3,282	795	252	-	4,880
Disposals	-	-	(2)	-	-	-	-	(2)
Written off	-	-	(160)	(3)	(141)	-	-	(304)
At 31 December 2021	-	591	4,006	42,814	5,178	975	-	53,564
At 1 January 2020	14,636	5,919	981	12,893	1,931	568	2,132	39,060
At 31 December 2020/1 January 2021	14,636	5,779	1,559	16,300	4,210	389	112	42,985
At 31 December 2021	15,726	7,804	2,239	17,426	5,346	725	-	49,266

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

3.1 Assets under hire purchase

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

	Group	
	2021 RM'000	2020 RM'000
Furniture, fittings and office equipment	–	156
Operation equipment	9,181	9,580
Motor vehicles	295	192
	9,476	9,928

3.2 Security

Included in property, plant and equipment of the Group are certain property, plant and equipment with carrying amount of RM16,906,000 (2020: 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 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 January 2021	1,778	7,862	318	9,958
Additions	–	1,508	–	1,508
Derecognitions	–	(1,036)	–	(1,036)
Remeasurements	–	732	–	732
Depreciation	(20)	(1,545)	(135)	(1,700)
At 31 December 2021	1,758	7,521	183	9,462

The Group's leasehold land has remaining lease terms of 88 years (2020: 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 2 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 (CONT'D)

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 Rent concessions

In previous financial year, 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. 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 previous financial year to reflect changes in lease payments arising from rent concessions to which the Group had applied the practical expedient for Covid-19 related rent concessions was RM76,000.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Cost of investment	19,500	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	
			2021 %	2020 %
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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2021 %	2020 %
Indirect subsidiaries (Cont'd)				
Held through Optimax Eye Specialist Centre Sdn. Bhd.: (Cont'd)				
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
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
Optimax International Sdn. Bhd. ("Optimax International")	Malaysia	Dormant	100	–
Optimax Ventures Sdn. Bhd. ("Optimax Ventures")	Malaysia	Dormant	100	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2021 %	2020 %
Indirect subsidiaries (Cont'd)				
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
Optimax Eye Specialist Centre (Bahau) Sdn. Bhd. ("OESC Bahau")	Malaysia	Dormant	70	–
Optimax Eye Specialist Centre (Sutera) Sdn. Bhd. ("OESC Sutera")	Malaysia	Dormant	70	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

5.1 Non-controlling interests in subsidiaries

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

	2021						Total RM'000
	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	
NCI percentage of ownership interest and voting interest	30%	30%	30%	30%	37%	37%	
Carrying amount of NCI	815	865	(320)	425	397	447	75
Profit/(Loss) allocated to NCI	90	310	(2)	138	103	122	42

Summarised financial information
before intra-group elimination

As at 31 December	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
Non-current assets	1,105	550	280	3,228	584	789		789
Current assets	2,497	3,101	1	1,051	1,251	1,484		1,484
Non-current liabilities	(141)	(84)	-	(1,521)	(204)	(283)		(283)
Current liabilities	(746)	(684)	(1,349)	(1,340)	(560)	(783)		(783)
Net assets/(liabilities)	2,715	2,883	(1,068)	1,418	1,071	1,207		1,207
Financial year ended 31 December								
Revenue	4,034	4,802	-	5,752	3,052	3,506		3,506
Profit/(Loss) for the financial year	299	1,034	(8)	461	277	329		329
Total comprehensive income/ (expense) for the financial year	299	1,034	(8)	461	277	329		329
Cash flows from/(used in) operating activities	855	1,602	(8)	1,634	109	684		684
Cash flows used in investing activities	(51)	(171)	-	(1,103)	(40)	(40)		(40)
Cash flows used in financing activities	(112)	(661)	-	(486)	(324)	(333)		(333)
Net increase/(decrease) in cash and cash equivalents	692	770	(8)	45	(255)	311		311

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

5.1 Non-controlling interests in subsidiaries (Cont'd)

	2020						Total RM'000
	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	
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
Profit/(Loss) allocated to NCI	59	358	(2)	68	99	159	31
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)

6. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group						
Property, plant and equipment	–	–	(2,063)	(1,211)	(2,063)	(1,211)
Right-of-use assets	–	–	(1,609)	(1,963)	(1,609)	(1,963)
Lease liabilities	1,737	2,102	–	–	1,737	2,102
Unutilised tax losses	347	254	–	–	347	254
Tax assets/(liabilities)	2,084	2,356	(3,672)	(3,174)	(1,588)	(818)
Set-off	(1,715)	(1,894)	1,715	1,894	–	–
Net tax assets/(liabilities)	369	462	(1,957)	(1,280)	(1,588)	(818)

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	Recognised	At	Recognised	At
	1.1.2020 RM'000	in profit or loss (Note 18) RM'000	31.12.2020/ 1.1.2021 RM'000	in profit or loss (Note 18) RM'000	31.12.2021 RM'000
Group					
Property, plant and equipment	(655)	(556)	(1,211)	(852)	(2,063)
Right-of-use assets	(1,753)	(210)	(1,963)	354	(1,609)
Lease liabilities	1,833	269	2,102	(365)	1,737
Provisions	1	(1)	–	–	–
Unutilised tax losses	236	18	254	93	347
Total	(338)	(480)	(818)	(770)	(1,588)

Significant judgements and assumptions in relation to deferred tax assets

The Group assesses at the end of the reporting period 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 (CONT'D)

Unrecognised deferred tax assets

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

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipment	–	(6)
Right-of-use assets	(1,111)	–
Lease liabilities	1,121	–
Unabsorbed capital allowances	–	9
Unutilised tax losses	804	810
	814	813
Deferred tax assets not recognised at 24%	195	195

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 prior year, in accordance with the provision of Finance Act 2018 requirement, the unutilised tax losses are available for utilisation in the next seven (7) years, for which, any excess at the end of the seventh (7th) year, will be disregarded. As of 31 December 2021, in accordance with the provision of Finance Act 2021 requirement, the time period for carrying forward unutilised tax losses is extended to ten (10) years, for which, any excess at the end of the tenth (10th) year, will be disregarded.

The expiry of the unutilised tax losses is as follows:

	Group	
	2021 RM'000	2020 RM'000
Year of assessment 2025	–	269
Year of assessment 2026	–	383
Year of assessment 2027	–	158
Year of assessment 2028	269	–
Year of assessment 2029	226	–
Year of assessment 2030	285	–
Year of assessment 2031	24	–
	804	810

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Non-trade					
Amount due from subsidiaries	7.1	–	–	10,248	2,423
Current					
Trade					
Trade receivables	7.2	3,432	541	–	–
Non-trade					
Other receivables		438	303	–	–
Deposits	7.3	693	610	1	1
Amount due from subsidiaries	7.4	–	–	2,821	1,748
		1,131	913	2,822	1,749
		4,563	1,454	2,822	1,749
		4,563	1,454	13,070	4,172

- 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 RM273,000 (2020: RM3,000) owing from the companies in which a Director has financial interest. The amount owing from the companies in which a Director has financial interest is unsecured, interest free and subject to normal trade terms.
- 7.3 Included in the deposits of the Group are amounts totalling RM117,000 (2020: RM131,000) and RM35,000 (2020: RM35,000) paid to companies in which a Director has financial interest and to a Director.
- 7.4 The current portion of non-trade amount due from subsidiaries is unsecured, interest free and repayable on demand, except for advances amounting to RM2,786,000 (2020: RM1,715,000) which are subject to interest at 3.37% per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Raw materials	94	78
Medicine and disposable consumables	2,976	2,142
	3,070	2,220
Recognised in profit or loss	16,231	11,212

9. INVESTMENT IN FINANCIAL ASSETS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investment in money market funds - fair value through profit or loss	4,632	15,129	4,632	15,124

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	18,525	9,843	922	66
Deposits placed with a licensed bank	1,089	1,071	-	-
	19,614	10,914	922	66

Included in the deposits placed with a licensed bank of the Group is RM1,089,000 (2020: RM1,071,000) pledged for a bank overdraft facility granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. SHARE CAPITAL, INVESTED EQUITY AND OTHER RESERVES

(a) Share capital

	Group and Company		Number of shares 2020 '000
	Amount 2021 RM'000	Number of shares 2021 '000	
Issued and fully paid shares with no par value classified as equity instruments:			
Ordinary shares			
At 1 January	39,071	270,000	*
Effect of restructuring (Note 26)	–	–	19,500
New shares issued for the Public Issue	–	–	70,000
New shares issuance expenses for the Public Issue	–	–	(1,429)
At 31 December	39,071	270,000	270,000
			2020 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.

(b) Invested equity

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**11. SHARE CAPITAL, INVESTED EQUITY AND OTHER RESERVES (CONT'D)****(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.

(d) Warrants

On 30 December 2021, the Company issued the bonus issue of up to 67,499,994 warrants ("Warrant A") in the Company on the basis of one (1) Warrant for every four (4) existing ordinary shares in the Company held at an exercise price of RM1.20 per warrant, which were approved by the shareholders of the Company on 24 November 2021.

The salient features of the Warrant A are as follows:

- (i) The issue date of the Warrant A is 30 December 2021 and the expiry date is 29 December 2026. Any warrants which have not then been exercised during the exercise period will lapse and cease to be valid for any purpose;
- (ii) Each Warrant A entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.20 per Warrant A;
- (iii) The Warrant A may be exercisable at any time within five (5) years commencing from and including the date of issuance of Warrant A and ending 5 p.m. (Malaysian time) on the expiry date. The expiry date is a date which falls on the day before the fifth (5th) anniversary of the date of issuance of the Warrant A and if such date is not a market day, then on the preceding market day;
- (iv) The exercise price and the number of Warrant A is subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll; and
- (v) All new ordinary shares to be issued pursuant to the exercise of the Warrant A will rank equally in all respects with existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares concerned.

As at 31 December 2021, no exercise of Warrant A has taken place. The remaining unexercised number of Warrant A amounted to 67,499,994.

Subsequent to year end till the date of the report, 1,000 of Warrant A were exercised at an exercise price of RM1.20 per Warrant A.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. LOANS AND BORROWINGS

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current			
Term loan – secured	12.1	7,867	8,360
Hire purchase liabilities	12.2	4,321	5,854
		12,188	14,214
Current			
Term loan – secured	12.1	450	472
Hire purchase liabilities	12.2	3,170	2,969
		3,620	3,441
		15,808	17,655

12.1 Term loan

The term loan consisting of:

- (a) The Term Loan bears interest at rate of 3.37% (2020: 3.37%) 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 as at the financial year end is RM8,317,000 (2020: RM8,832,000).

12.2 Hire purchase liabilities

Hire purchase liabilities are payable as follow:

	Future minimum lease payments 2021 RM'000	Interest 2021 RM'000	Present value of minimum lease payments 2021 RM'000	Future minimum lease payments 2020 RM'000	Interest 2020 RM'000	Present value of minimum lease payments 2020 RM'000
Group						
Less than one year	3,530	360	3,170	3,383	414	2,969
Between one to five years	4,581	260	4,321	6,254	400	5,854
	8,111	620	7,491	9,637	814	8,823

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Trade					
Trade payables		2,451	1,409	–	–
Non-trade					
Other payables	13.1	1,675	2,111	33	–
Deposits		704	429	–	–
Accruals and provisions		2,958	1,836	77	50
		5,337	4,376	110	50
		7,788	5,785	110	50

13.1 Included in other payables of the Group is an amount totalling RM100,000 (2020: RM837,000) relating to acquisition of property, plant and equipment.

In the previous financial year, included in other payables of the Group was an amount totalling RM2,000 owing to the companies in which a Director has financial interest. The amount owing to the companies in which a Director has financial interest was unsecured, interest free and repayable within 30 days.

14. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers	88,898	58,020	–	–
Dividend income	–	–	5,130	–
Total revenue	88,898	58,020	5,130	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

14. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

	2021 RM'000	Group 2020 RM'000
Medicine and others	4,878	4,253
Medical services	84,020	53,767
	88,898	58,020

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

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.

During the financial year, the Group participated in the provision of vaccination services under the National Covid-19 Immunisation Programme ("PICK") and MYMEDIC@WILAYAH Programme ("Mobile Vaccination Programme"). The revenue generated is classified under medical services as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

15. STAFF COSTS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Director fees		397	242	383	218
Wages, salaries and others (including key management personnel's remuneration)	15.1	31,416	20,327	28	12
Contributions to Employees Provident Fund		2,909	2,222	-	-
		34,722	22,791	411	230

15.1 Included in wages, salaries and others of the Group is wages in relation of the hire of locum staff such as temporary doctors, nurses and medical assistants to facilitate provision of vaccination services to the public under PICK and Mobile Vaccination Programme.

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

16. FINANCE COSTS

	Group	
	2021 RM'000	2020 RM'000
Interest expenses arising from:		
- term loans	253	431
- hire purchase liabilities	483	478
- bank overdraft	2	30
- lease liabilities	520	601
	1,258	1,540

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

18. TAX EXPENSE

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in profit or loss					
Current tax expense					
Current year provision		4,577	2,830	-	-
Under/(Over) provision in prior year		143	(53)	-	-
		4,720	2,777	-	-
Deferred tax expense					
Origination of temporary differences		576	81	-	-
Under provision in prior year		194	399	-	-
		770	480	-	-
		5,490	3,257	-	-
Reconciliation of tax expense					
Profit/(Loss) before tax		18,591	9,670	4,332	(232)
Income tax calculated using Malaysian tax rate of 24% (2020: 24%)		4,462	2,321	1,040	(56)
Non-deductible expenses		794	653	294	94
Net effect of unrecognised deferred tax assets		-	(32)	-	-
Tax exempt income	18.1	-	-	(1,231)	-
Others		(103)	(31)	(103)	(38)
Under/(Over) provision in prior year					
- current tax		143	(53)	-	-
- deferred tax		194	399	-	-
		5,490	3,257	-	-

18.1 The tax exempt income is in relation to tax effect of the dividend income received from a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. EARNINGS PER ORDINARY SHARE

The calculation of 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:

	2021 RM'000	Group 2020 RM'000
Profit for the financial year attributable to owners of the Company	12,298	5,641
	2021 '000	Group 2020 '000
Basic earnings per ordinary share attributable to owners of the Company		
Based on weighted average number of ordinary shares	270,000	229,167 ⁽ⁱ⁾
Effect on conversion of the bonus warrant ⁽ⁱⁱ⁾	1	1
Adjusted weighted average number of ordinary shares	270,001	229,168
Basic earnings per ordinary share (sen)	4.55	2.46
Diluted earnings per ordinary share attributable to owners of the Company		
Based on weighted average number of ordinary shares	270,000	229,167 ⁽ⁱ⁾
Effect on conversion of the bonus warrant ⁽ⁱⁱ⁾	1	1
Effect of dilution arising from conversion of all bonus warrants ⁽ⁱⁱⁱ⁾	67,499	67,499
Adjusted weighted average number of ordinary shares	337,500	296,667
Diluted earnings per ordinary share (sen)	3.64	1.90

⁽ⁱ⁾ Based on the weighted average number of issued share capital of 200,000,000 ordinary shares after the restructuring but before the IPO and 270,000,000 ordinary shares after the completion of the IPO.

⁽ⁱⁱ⁾ Effect of conversion of 1,000 bonus warrants which have been exercised as of the date of the report subsequent to financial year end.

⁽ⁱⁱⁱ⁾ Effect of dilution includes the remaining bonus issue of warrants which have been issued on 30 December 2021 taking into consideration the 1,000 bonus warrants exercised as disclosed in (ii) above.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**20. DIVIDENDS**

Dividends recognised by the Group:

	Sen per share	Total RM'000	Date of payment
2021			
First interim 2021 ordinary	1.90	5,130	24 December 2021
Second interim 2021 ordinary	1.90	5,130	28 March 2022
		10,260	

The financial statement for the current financial year do not reflect this declared second interim tax-exempted dividend. The dividend will be accounted in equity for as an appropriation of retained earnings for the financial year ending 31 December 2022.

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.

	Revenue RM'000	Group Non-current assets RM'000
Geographical information		
2021		
North Malaysia	13,734	20,452
Central Malaysia	58,240	30,795
South Malaysia	15,187	6,817
East Malaysia	1,737	664
	88,898	58,728
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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. OPERATING SEGMENTS (CONT'D)

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 2021 and 31 December 2020.

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
2021			
Financial assets			
Group			
Trade and other receivables	4,563	-	4,563
Investment in financial assets	4,632	4,632	-
Cash and cash equivalents	19,614	-	19,614
	28,809	4,632	24,177
Company			
Trade and other receivables	13,070	-	13,070
Investment in financial assets	4,632	4,632	-
Cash and cash equivalents	922	-	922
	18,624	4,632	13,992
Financial liabilities			
Group			
Trade and other payables	(7,788)	-	(7,788)
Loans and borrowings	(15,808)	-	(15,808)
	(23,596)	-	(23,596)
Company			
Trade and other payables	(110)	-	(110)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.1 Categories of financial instruments (Cont'd)

	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)

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net (losses)/gains arising on:				
Financial assets at fair value through profit or loss:				
- Designated upon initial recognition	198	129	198	124
Financial assets at amortised cost	41	31	234	33
Financial liabilities at amortised cost	(738)	(939)	-	-
	(499)	(779)	432	157

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

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.

As at 31 December 2021, the 2 major customers which contribute aggregate, 77% (2020: Nil) of the Group's trade receivables.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

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			
2021			
Current (not past due)	1,978	–	1,978
1 – 30 days past due	1	–	1
31 – 120 days past due	1,435	–	1,435
More than 120 days past due	18	–	18
	<hr/> 3,432	–	<hr/> 3,432
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
	<hr/> 541	–	<hr/> 541

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

As at 31 December 2021, the Group has written off trade receivables of RM4,000 (2020: RM Nil).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (Cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**22. FINANCIAL INSTRUMENTS (CONT'D)****22.4 Credit risk (Cont'd)****Inter-company advances (Cont'd)***Recognition and measurement of impairment loss (Cont'd)*

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

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

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Company			
2021			
Low credit risk	13,069	–	13,069
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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.5 Liquidity risk (Cont'd)

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						
2021						
Financial liabilities						
Trade and other payables	7,788	–	7,788	7,788	–	–
Term loans	8,317	3.37	10,482	768	3,839	5,875
Hire purchase liabilities	7,491	2.11 – 3.76	8,111	3,530	4,581	–
Lease liabilities	8,275	5.47 – 6.50	9,963	1,955	5,716	2,292
	31,871		36,344	14,041	14,136	8,167
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
Company						
2021						
Financial liabilities						
Trade and other payables	(110)	–	(110)	(110)	–	–
2020						
Financial liabilities						
Trade and other payables	(50)	–	(50)	(50)	–	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

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.

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:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed rate instruments					
Financial assets					
- Deposits placed with a licensed bank	10	1,089	1,071	-	-

Financial liabilities					
- Hire purchase liabilities	12	(7,491)	(8,823)	-	-
- Lease liabilities		(8,275)	(8,758)	-	-
		(15,766)	(17,581)	-	-

		(14,677)	(16,510)	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.6 Market risk (Cont'd)

22.6.2 Interest rate risk (Cont'd)

Exposure to interest rate risk (Cont'd)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Floating rate instruments					
Financial assets					
- Advances to subsidiaries	7	-	-	13,034	4,138
Financial liabilities					
- Term loan	12	(8,317)	(8,832)	-	-
		(8,317)	(8,832)	13,034	4,138

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	
	2021 RM'000	2020 RM'000
Group		
Floating rate instruments	63	67
Company		
Floating rate instruments	(99)	(31)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

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.

Group	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	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2021								
Financial assets								
Investment in financial assets	4,632	-	-	4,632	-	-	4,632	4,632
Financial liabilities								
Hire purchase liabilities	-	-	-	-	-	(7,807)	(7,807)	(7,491)
Term loans	-	-	-	-	-	(8,925)	(8,925)	(8,317)
	-	-	-	-	-	(16,732)	(16,732)	(15,808)
2020								
Financial assets								
Investment in financial assets	15,129	-	-	15,129	-	-	15,129	15,129
Financial liabilities								
Hire purchase liabilities	-	-	-	-	-	(9,147)	(9,147)	(8,823)
Term loans	-	-	-	-	-	(9,377)	(9,377)	(8,832)
	-	-	-	-	-	(18,524)	(18,524)	(17,655)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.7 Fair value information (Cont'd)

	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	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Company 2021								
Financial assets								
Investment in financial assets	4,632	-	-	-	-	-	4,632	4,632
Advances to subsidiaries	-	-	-	-	13,034	13,034	13,034	13,034
	4,632	-	-	-	13,034	13,034	17,666	17,666
Company 2020								
Financial assets								
Investment in financial assets	15,124	-	-	-	-	-	15,124	15,124
Advances to subsidiaries	-	-	-	-	-	4,138	4,138	4,138
	15,124	-	-	-	-	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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.7 Fair value information (Cont'd)

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.

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 2021 and at 31 December 2020 were as follows:

	Note	Group	
		2021 RM'000	2020 RM'000
Total borrowings	12	15,808	17,655
Lease liabilities		8,275	8,758
Less: Cash and cash equivalents	10	(19,614)	(10,914)
Less: Investment in financial assets	9	(4,632)	(15,129)
Net (equity)/debt		(163)	370
Total equity		57,742	50,221
Debt-to-equity ratio		Nil	0.01

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

24. CAPITAL AND OTHER COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure commitments		
Property, plant and equipment		
<i>Authorised and contracted for</i>	7,556	4,063

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Transactions				
A. A Director				
Lease payments	203	264	-	-
Sales of inventories	-	(49)	-	-
B. Companies in which a Director has financial interest				
Lease payments	439	534	-	-
Purchases of inventories	2	23	-	-
Service fees payable	25	-	-	-
Sales of inventories	(378)	(19)	-	-
Service fees receivable	(81)	(23)	-	-
C. Subsidiaries				
Advances provided	-	-	(13,579)	(5,286)
Repayment of advances from subsidiaries	-	-	4,683	1,148
Dividend income	-	-	(5,130)	-
Finance income	-	-	(234)	(33)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

25. RELATED PARTIES (CONT'D)

Significant related party transactions (Cont'd)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
D. Key management personnel				
Directors				
Fees	383	218	383	218
Remuneration	537	506	24	12
	920	724	407	230
Other key management personnel				
Fees	24	24	-	-
Remuneration	6,514	5,995	-	-
	6,538	6,019	-	-

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Balances				
A. A Director				
Lease liabilities	640	1,588	-	-
B. Companies in which a Director has financial interest				
Lease liabilities	1,931	2,426	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**26. RESTRUCTURING EXERCISE**

In previous financial year, 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. SIGNIFICANT 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. On 6 December 2021, the Group acquired the remaining interest in Optimax International for RM10 in cash. The increase in shareholding in Optimax International has no significant effects to the financial performance and profit of the Group.
- (iii) On 9 September 2021, the Group incorporated an indirect subsidiary, Optimax Ventures Sdn. Bhd. ("Optimax Ventures"), which is 100% owned by OESC, a wholly-owned subsidiary of the Company. The share capital of Optimax Ventures is RM2.
- (iv) On 9 September 2021, the Group incorporated an indirect subsidiary, Optimax Eye Specialist Centre (Sutera) Sdn. Bhd. ("OESC Sutera"), which is 100% owned by OESC Southern, a 70% held subsidiary of the Group. The share capital of OESC Sutera is RM100.
- (v) During the financial year, the Group announced the following proposals ("Proposals") which was approved during the extraordinary general meeting ("EGM") of the Group on 24 November 2021:
 - (a) Proposed bonus issue of up to 67,499,994 warrants in the Company ("Warrant(s)") on the basis of one (1) Warrant for every four (4) existing ordinary shares in the Company held ("Bonus Issue of Warrants"); and
 - (b) Proposed establishment of an employees' share option scheme ("ESOS") involving up to 20% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible executive directors and employees of the Company and its non-dormant subsidiaries.

On 30 December 2021, the Company issued the Bonus Issue of Warrants in the Company held at an exercise price of RM1.20 per warrant. On 6 January 2022, the Bonus Issue of Warrants has been completed following the listing of and quotation for 67,499,994 Warrants on the ACE Market of Bursa Securities on 6 January 2022.

28. SUBSEQUENT EVENT

On 14 February 2022, the Company announced the proposed bonus issue of up to 404,999,992 ordinary shares in Optimax ("Optimax Share(s)" or "Share(s)") ("Bonus Share(s)") on the basis of 1 Bonus Share for every 1 Optimax Share held on an entitlement date to be determined later ("Proposed Bonus Issue"). The Company is currently preparing the application to seek Bursa Securities' approval for the implementation of the Proposed Bonus Issue.

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 60 to 121 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 2021 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 Sri Dato' (Dr.) Tan Boon Hock
Director

Tan Sing Yee
Director

Kuala Lumpur

Date: 20 April 2022

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 60 to 121 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 20 April 2022.

Tan Sing Chia

Before me:

Rajeev Saigal A/L Ramlabaya Saigal
W 681
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 2021 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 60 to 121.

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 2021, 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.

Revenue recognition	
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
<p>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.</p> <p>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.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> 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, vaccination reports and cash receipts subsequent to the financial year end to assess whether the revenue has been recognised in the appropriate financial year;

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Revenue recognition (Cont'd)	
Refer to Note 2(l)(i) – Significant accounting policy: Revenue and Note 14 – Revenue. (Cont'd)	
The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> We tested trade receivables balances as at financial year end, on a sample basis, to supporting documents including customers' appointment records, vaccination reports 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; and 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 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

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: 03337/12/2023 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 20 April 2022

LIST OF PROPERTIES

No.	Title No.	Description	Audited Net Book Value as at 31 December 2021 (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: 10 years	Freehold land is at RM14.636 million Building is at RM2.271 million
2.	Pajakan Negeri no. 54105, Lot no. 46472, 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: 11 years	Leasehold land is at RM1.756 million Building is at RM3.369 million
3.	Geran no. 226739 Lot no. 23861, Bandar Seremban, Daerah Seremban, Negeri Sembilan,	Postal address: No. 142, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Tenure : Freehold Description of property: Land with 3-storey terrace shop office Existing use: Ambulatory Care Centre Land area/Built-up area (approximate): 333 square feet / 8,464 square feet Approximate age of building: 0.5 year	Freehold land is at RM0.732 million Building is at RM1.455 million

LIST OF PROPERTIES
(CONT'D)

No.	Title No.	Description	Audited Net Book Value as at 31 December 2021 (RM)
4.	Geran no. 226738 Lot no. 23862, Bandar Seremban, Daerah Seremban, Negeri Sembilan.	Postal address: No. 141, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Tenure : Freehold Description of property: Land with 3-storey terrace shop office Existing use: Ambulatory Care Centre Land area/Built-up area (approximate): 148 square feet / 4,239 square feet Approximate age of building: 0.5 year	Freehold land is at RM0.358 million Building is at RM0.710 million

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	: 270,001,000
Issued Share Capital	: RM40,501,200
Class of shares	: Ordinary shares
Voting rights	: One (1) vote per one (1) ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 8 APRIL 2022

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	18	0.5086	200	0.0001
100 - 1,000	674	19.0450	477,800	0.1770
1,001 - 10,000	1,959	55.3546	9,604,400	3.5571
10,001 - 100,000	771	21.7858	24,409,800	9.0406
100,001 - 13,500,049 (*)	114	3.2212	69,245,800	25.6465
13,500,050 and above (**)	3	0.0848	166,263,000	61.5787
TOTAL:	3,539	100	270,001,000	100

Remark: * - Less than 5% of issued holdings
** - 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS AS AT 8 APRIL 2022

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Sena Healthcare Services Sdn. Bhd.	78,860,000	29.21	–	–
Tan Sri Dato' (Dr.) Tan Boon Hock	72,043,000	26.68	81,276,000 ¹	30.10
Puan Sri Datin Lim Sho Hoo	356,000	0.13	152,963,000 ²	56.65
Chung Soon Hee	15,360,000	5.69	–	–

Notes:

- Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sena Healthcare Services Sdn. Bhd. and held through his spouse and children.
- Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sena Healthcare Services Sdn. Bhd. and held through her spouse and children.

DIRECTORS' SHAREHOLDERS AS AT 8 APRIL 2022

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Seri Dr. Chen Chaw Min	–	–	–	–
Tan Sri Dato' (Dr.) Tan Boon Hock	72,043,000	26.68	81,276,000 ¹	30.10
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	–	–	–	–
Sandy Tan Sing Yee	1,030,000	0.38	–	–
Yap Ping Hong	–	–	–	–
Yap Eng Gee	–	–	–	–

Notes:

- Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sena Healthcare Services Sdn. Bhd. and held through his spouse and children.

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

LIST OF TOP 30 LARGEST SHAREHOLDERS AS AT 8 APRIL 2022

NO.	NAME	HOLDINGS	%
1	SENA HEALTHCARE SERVICES SDN. BHD.	78,860,000	29.21
2	TAN SRI DATO' (DR.) TAN BOON HOCK	72,043,000	26.68
3	CHUNG SOON HEE	15,360,000	5.69
4	CHUAH KAY LEONG	10,085,000	3.74
5	SOONG CHEE KEONG	9,211,000	3.41
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	5,730,400	2.12
7	GA SKYLIGHT BERHAD	5,000,000	1.85
8	SEAH LEY HONG	4,299,100	1.59
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG SUE KHE (E-BPT/EDU)	1,656,500	0.61
10	LUO, XIANMO	1,200,000	0.44
11	LEE MAY LIN	1,080,000	0.40
12	TAN SING CHIA	1,030,000	0.38
13	TAN SING YEE	1,030,000	0.38
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA DIVERSIFIED FUND (50157 TR01)	1,007,200	0.37
15	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SAVINGS FUND	937,100	0.35
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN SIU	907,100	0.34
17	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA BALANCED FUND	880,400	0.33
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TUCK LEE	800,000	0.30
19	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	785,700	0.29
20	AMANAHRAYA TRUSTEES BERHAD PUBLIC MUTUAL PRS ISLAMIC CONSERVATIVE FUND	727,000	0.27
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON KEAT	719,000	0.27
22	AMANAHRAYA TRUSTEES BERHAD PB DIVIDEND BUILDER EQUITY FUND	707,400	0.26
23	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	702,000	0.26

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

LIST OF TOP 30 LARGEST SHAREHOLDERS AS AT 8 APRIL 2022 (CONT'D)

NO.	NAME	HOLDINGS	%
24	WONG ZHENG KAI	691,000	0.26
25	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	660,000	0.24
26	KUA SWEE LEONG	650,000	0.24
27	GA SKYLIGHT BERHAD	630,000	0.23
28	TANG MING YNG	534,100	0.20
29	YOUNG SWEE TING	506,000	0.19
30	YAP FEI YUN	481,300	0.18
	TOTAL	218,910,300	81.08

ANALYSIS OF WARRANT HOLDINGS

Total number of outstanding warrants : 67,498,994
 Class of shares : Warrant -A
 Exercise price per warrant : RM1.20 each

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 8 APRIL 2022

Size of Holdings	No. of warrant holders	%	No. of Warrants	%
1 - 99	355	12.8950	16,252	0.0241
100 - 1,000	1,065	38.6850	515,542	0.7638
1,001 - 10,000	1,003	36.4330	3,332,100	4.9365
10,001 - 100,000	277	10.0618	8,446,300	12.5132
100,001 - 3,374,948 (*)	50	1.8162	13,623,050	20.1826
3,374,949 AND ABOVE (**)	3	0.1090	41,565,750	61.5798
TOTAL:	2,753	100	67,498,994	100

Remark: * - Less than 5% of total outstanding warrants
 ** - 5% and above of total outstanding warrants

The interests of the Directors in the warrant in the Company and its related corporations based on the Company's Register of Directors' warrant holdings are as follows:-

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Seri Dr. Chen Chaw Min	-	-	-	-
Tan Sri Dato' (Dr.) Tan Boon Hock	18,010,750	26.68	20,319,000 ¹	30.10
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	-	-	-	-
Sandy Tan Sing Yee	257,500	0.38	-	-
Yap Ping Hong	-	-	-	-
Yap Eng Gee	-	-	-	-

Notes:

1. Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sena Healthcare Services Sdn. Bhd. and held through his spouse and children.

ANALYSIS OF WARRANT HOLDINGS
(CONT'D)

LIST OF TOP 30 LARGEST WARRANT HOLDERS AS AT 8 APRIL 2022

NO.	NAME	HOLDINGS	%
1	SENA HEALTHCARE SERVICES SDN. BHD.	19,715,000	29.21
2	TAN SRI DATO' (DR.) TAN BOON HOCK	18,010,750	26.68
3	CHUNG SOON HEE	3,840,000	5.69
4	CHUAH KAY LEONG	2,521,250	3.74
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TUCK LEE	780,200	1.16
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	686,875	1.02
7	SEAH LEY HONG	681,150	1.01
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEW TEK HOON (E-BMM)	608,550	0.90
9	LEE AH BENG	455,600	0.67
10	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	450,000	0.67
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEW CHIN YAN	407,000	0.60
12	SOONG CHEE KEONG	405,300	0.60
13	YAK MENG HOCK	351,250	0.52
14	LEE MAY LIN	270,000	0.40
15	TAN SING CHIA	257,500	0.38
16	TAN SING YEE	257,500	0.38
17	CHEAH BOON YOONG	229,750	0.34
18	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA DIVERSIFIED FUND (50157 TR01)	229,375	0.34
19	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	212,500	0.31
20	HENG KWANG YEE	207,000	0.31
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA BALANCED FUND	200,450	0.30
22	THAM KAH FOOK	195,200	0.29
23	CHONG LONG XIANG	191,750	0.28
24	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON KEAT	179,750	0.27
25	CHEN LING YONG	177,500	0.26

ANALYSIS OF WARRANT HOLDINGS
(CONT'D)

LIST OF TOP 30 LARGEST WARRANT HOLDERS AS AT 8 APRIL 2022 (CONT'D)

NO.	NAME	HOLDINGS	%
26	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	175,500	0.26
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW PING CHUONG (MP0273)	172,000	0.25
28	TAY HOWE KIAN	165,000	0.24
29	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JEAN NG CHIEN NEE (CCTS)	155,400	0.23
30	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HOU CHENG WAH (CCTS)	154,900	0.23
	TOTAL	52,344,000	77.54

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting (“**3rd AGM**”) of Optimax Holdings Berhad (“**Optimax**” or the “**Company**”) will be held as a fully virtual meeting conducted through live streaming and online remote voting using the Remote Participation and Voting (“**RPV**”) facilities on the online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIIH**”) in Malaysia at <https://tiih.online> (Domain registration number with MYNIC: D1A282781) on Thursday, 23 June 2022 at 10.30 a.m. or at any adjournment thereof 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 2021.
[Please refer to Explanatory Note (a)] | <i>Please refer to the
Explanatory
Notes to the Agenda</i> |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Company’s Constitution:

(a) Tan Sing Yee
(b) Yap Ping Hong | <i>Ordinary Resolution 1
Ordinary Resolution 2</i> |
| 3. | To re-elect the following Directors who retire by rotation pursuant to Clause 78 of the Company’s Constitution:

(a) Dato’ Seri Dr. Chen Chaw Min
(b) Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim | <i>Ordinary Resolution 3
Ordinary Resolution 4</i> |
| 4. | To approve the payment of Non-Executive Directors’ fees of up to RM330,000 for the financial year ending 31 December 2022 to be divided amongst the Directors of the Company in such manner as the Directors may determine. | <i>Ordinary Resolution 5</i> |
| 5. | To approve the payment of Directors’ benefits of up to RM30,000 payable to the Non-Executive Directors for the period from 24 June 2022 up to the next annual general meeting (“ AGM ”) of the Company.
[Please refer to Explanatory Note (b)] | <i>Ordinary Resolution 6</i> |
| 6. | To re-appoint Messrs. KPMG PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors (“ Board ”) to determine their remuneration. | <i>Ordinary Resolution 7</i> |

B. Special business

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

- | | | |
|----|--|-------------------------------------|
| 7. | Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

“ THAT , subject always to the Companies Act 2016 (“ Act ”), the Company’s Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, 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 ordinary resolution does not exceed 10% of the total number of issued 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 AGM of the Company.”
[Please refer to Explanatory Note (c)] | <i>Ordinary Resolution 8</i> |
|----|--|-------------------------------------|

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature****Ordinary Resolution 9**

"**THAT** approval and authority be and are hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with the related parties ("**Proposed Shareholders' Mandate**") as set out in Section 2.4 of the Circular to Shareholders dated 29 April 2022 in relation to the Proposed Shareholders' Mandate, provided that such transactions are undertaken in the ordinary course of business, at arm's length and based on commercial terms and on terms not more favourable to the related party than those generally available to/from the public and are not detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted/to be conducted during the financial year, including the types of recurrent related party transactions made and the names of the related parties, will be disclosed in the annual report of the Company pursuant to the requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following this AGM at which such Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed;
- (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 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 an ordinary resolution passed by the shareholders of the Company in a 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 Explanatory Note (d)]

9. 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 7027345)
REBECCA KONG SAY TSUI (SSM PC No.: 202008001003) (MAICSA 7039304)
Company Secretaries

Kuala Lumpur
29 April 2022

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)**NOTES:**

1. The 3rd AGM will be held as a fully virtual meeting using live streaming and online remote voting through RPV facilities on the online meeting platform provided by TIIH in Malaysia at <https://tiih.online> (Domain registration number with MYNIC: D1A282781). Please follow the procedures provided in the Administrative Guide for 3rd AGM in order to register, participate and vote remotely via the RPV facilities.
2. All participants including the Chairman of the meeting will be participating remotely through the online meeting platform at <https://tiih.online> (Domain registration number with MYNIC: D1A282781). This fulfils the requirements under Section 327(2) of the Act as stated in the revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which was further revised on 7 April 2022.
3. Only a depositor whose name appears in the Record of Depositors of the Company as at 10 June 2022 shall be regarded as a member entitled to attend, speak and vote, and to appoint not more than 2 proxies to attend, speak and vote on his/her behalf, at the 3rd 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 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 1 proxy to attend the 3rd 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 appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company at least 48 hours before the time appointed for holding the 3rd AGM or at any adjournment thereof:
 - a. In hard copy form
The Proxy Form must be deposited at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - b. By electronic means
The Proxy Form can be electronically lodged with the poll administrator via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 3rd AGM on the procedures for electronic lodgement of Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 3rd AGM or at 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 agent) for the purpose of the processing and administration of proxies and representatives appointed for the 3rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 3rd AGM (including any adjournment thereof), and in order for the Company (or its agent) 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 agent), 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 agent) 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 (or its agent) 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 3rd AGM will be put to vote by way of poll.

EXPLANATORY NOTES:

- a. Audited financial statements for the financial year ended 31 December 2021

This agenda item is meant for discussion only as under the provision of Section 340(1) of Act, 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 6 – 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 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 24 June 2022 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 8 – Authority to Directors to issue shares

The Company wishes to obtain a mandate on the authority to issue shares pursuant to Sections 75 and 76 of the Act at the 3rd 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 ordinary resolution during the preceding 12 months does not exceed 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 AGM. 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.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)d. Ordinary Resolution 9 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO RULE 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) The profiles of Tan Sing Yee and Yap Ping Hong who are seeking re-election pursuant to Clause 76(3) of the Company's Constitution are disclosed in the Directors' profile of the Annual Report 2021.
 - ii) The profiles of Dato' Seri Dr. Chen Chaw Min and Tan Sri Dato' Seri Mohamad Noor Bin Abdual Rahim, who are seeking re-election pursuant to Clause 78 of the Company's Constitution are disclosed in the Directors' profile of the Annual Report 2021.
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 Act under Explanatory Note (c) to the Notice of the 3rd AGM.

ADMINISTRATIVE GUIDE

- Day, Date and Time : **Thursday, 23 June 2022 at 10.30 a.m.**
- Meeting Venue : **TIIH Online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. Malaysia**
- Meeting Platform : **TIIH Online website at <https://tiih.online> (Domain registration number with MYNIC: D1A282781)**

- The meeting platform of the Annual General Meeting (“**AGM**”) is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which was further revised on 7 April 2022. Shareholders/ proxy(ies) will not be allowed to attend the AGM in person on the day of the AGM of the Company. With the Remote Participation and Voting (“**RPV**”) facilities, you may exercise your right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM.

REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

- The RPV facilities are available on Tricor’s **TIIH Online** website at <https://tiih.online>.
- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the AGM using RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

ADMINISTRATIVE GUIDE
(CONT'D)**Before the AGM Day**

Procedure	Action
i. Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access to website at https://tiih.online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
Procedure	Action
ii. Submit your request to attend AGM remotely	<ul style="list-style-type: none"> Registration is open from 10.30 a.m. Friday, 29 April 2022 until the day of AGM on Thursday, 23 June 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV. Login with your user ID (i.e. e-mail address) and password and select the corporate event: (Registration) OPTIMAX HOLDINGS BERHAD AGM 2022 Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 10 June 2022, the system will send you an e-mail after 21 June 2022 to approve or reject your registration for remote participation. <i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i>

On the AGM Day

Procedure	Action
i. Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the AGM at any time from 9.30 a.m. i.e. 1 hour before the commencement of meeting at 10.30 a.m. on Thursday, 23 June 2022.
ii. Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: (Live Stream Meeting) OPTIMAX HOLDINGS BERHAD AGM 2022 to engage in the proceedings of the AGM remotely. If you have any questions for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii. Online remote voting	<ul style="list-style-type: none"> Voting session commences from 10.30 a.m. Thursday, 23 June 2022 until a time when the Chairman announces the end of the session. Select the corporate event: (Remote Voting) OPTIMAX HOLDINGS BERHAD AGM 2022 or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
iv. End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end.

ADMINISTRATIVE GUIDE (CONT'D)

Note to users of the RPV facilities:

- (i) Should your registration for RPV facilities be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at **10 June 2022** shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 21 June 2022 at 10.30 a.m.:**

(i) In Hard copy:

By hand or post to the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

(ii) By Electronic form:

All shareholders can have the option to submit Proxy Forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. • Select the corporate event: OPTIMAX HOLDINGS BERHAD AGM 2022 - "Submission of Proxy Form". • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the Proxy Form for your record.

ADMINISTRATIVE GUIDE
(CONT'D)

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> ▪ Access TIIH Online at https://tiih.online ▪ Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> ▪ Login to TIIH Online at https://tiih.online ▪ Select the corporate exercise name: OPTIMAX HOLDINGS BERHAD AGM 2022 - “Submission of Proxy Form”. ▪ Agree to the Terms & Conditions and Declaration. ▪ Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select “Submit” to complete your submission. ▪ Print the confirmation report of your submission for your record.

POLL VOTING

- The voting at the AGM will be conducted by poll in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).
- Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from **10.30 a.m. on Thursday, 23 June 2022** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.
- Upon completion of the voting session for the AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS

- The Board recognises that the AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board of Directors via Tricor’s TIIH Online website at <https://tiih.online>, by selecting “e-Services” to login, post your questions and submit it electronically no later than **Tuesday, 21 June 2022**. The Board of Directors will endeavour to address the questions received at the AGM.

ADMINISTRATIVE GUIDE (CONT'D)

NO DOOR GIFTS/FOOD VOUCHERS

- There will be no distribution of door gifts or food vouchers for the AGM as the meeting will be conducted on a fully virtual basis.
- The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRIES

- If you need any assistance, kindly contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Contact persons :

Mohammad Amirul Iskandar: +603-2783 9263 / email: Mohammad.Amirul@my.tricorglobal.com

Mohamad Khairudin Bin. Tajudin: +603-2783 7973 / email: Mohamad.Khairudin@my.tricorglobal.com

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 3rd AGM of the Company to be held as a fully virtual meeting conducted through live streaming and online remote voting using the Remote Participation and Voting (“**RPV**”) facilities on the online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**TIIH**”) in Malaysia at <https://tiih.online> (Domain registration number with MYNIC: D1A282781) on Thursday, 23 June 2022 at 10.30 a.m. or at any adjournment thereof, and to vote as indicated below:

Ordinary Business	Resolution	For	Against
To re-elect Tan Sing Yee	Ordinary Resolution 1		
To re-elect Yap Ping Hong	Ordinary Resolution 2		
To re-elect Dato’ Seri Dr. Chen Chaw Min	Ordinary Resolution 3		
To re-elect Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim	Ordinary Resolution 4		
To approve the Non-Executive Directors’ fees	Ordinary Resolution 5		
To approve the Directors’ benefits	Ordinary Resolution 6		
To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 7		
Special Business			
To approve the authority for Directors to issue shares	Ordinary Resolution 8		
To approve Proposed Shareholders’ Mandate for Recurrent Related Party Transactions	Ordinary Resolution 9		

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 _____, 2022

 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. The 3rd AGM will be held as a fully virtual meeting using live streaming and online remote voting through RPV facilities on the online meeting platform provided by TIIH in Malaysia at <https://tiih.online> (Domain registration number with MYNIC: D1A282781). Please follow the procedures provided in the Administrative Guide for 3rd AGM in order to register, participate and vote remotely via the RPV facilities.
2. All participants including the Chairman of the meeting will be participating remotely through the online meeting platform at <https://tiih.online> (Domain registration number with MYNIC: D1A282781). This fulfils the requirements under Section 327(2) of the Companies Act 2016 as stated in the revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which was further revised on 7 April 2022.
3. Only a depositor whose name appears in the Record of Depositors of the Company as at 10 June 2022 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 3rd 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 3rd 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 appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company at least 48 hours before the time appointed for holding the 3rd AGM or any adjournment thereof:
 - a. In hard copy form
The Proxy Form must be deposited at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - b. By electronic means
The Proxy Form can be electronically lodged with the poll administrator via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 3rd AGM on the procedures for electronic lodgement of Proxy Form.
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 3rd 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 agent) for the purpose of the processing and administration of proxies and representatives appointed for the 3rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 3rd AGM (including any adjournment thereof), and in order for the Company (or its agent) 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 agent), 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 agent) 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 (or its agent) 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 3rd AGM will be put to vote by way of poll.

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AFFIX
STAMP

The Poll Administrator

OPTIMAX HOLDINGS BERHAD

Registration No.: 201801028697 (1290723-T)

Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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Fold This Flap For Sealing



OPTIMAX HOLDINGS BERHAD

Registration No. 201801028697 (1290723-T)

1st and 2nd Floor, No. 145, Jalan Radin Bagus, Seri Petaling,
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