BCM ALLIANCE BERHAD
Registration No. 201501009903 (1135238-U)

ANNUAL REPORT **2021**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Chin Goo Chai / *Independent Non-Executive Chairman*

Hoo Swee Guan / *Executive Director*

Ho Kee Wee / *Executive Director*

Yap Kim Choy / *Independent Non-Executive Director*

Khor Ben Jin / *Independent Non-Executive Director*

Datin Latiffah Binti Endot / *Independent Non-Executive Director*

AUDIT COMMITTEE

Khor Ben Jin
Chairman

Datin Latiffah Binti Endot
Member

Yap Kim Choy
Member

NOMINATION COMMITTEE

Yap Kim Choy
Chairman

Datin Latiffah Binti Endot
Member

Khor Ben Jin
Member

REMUNERATION COMMITTEE

Datin Latiffah Binti Endot
Chairperson

Yap Kim Choy
Member

Khor Ben Jin
Member

RISK MANAGEMENT COMMITTEE

Datin Latiffah Binti Endot
Chairperson

Hoo Swee Guan
Member

Ho Kee Wee
Member

Khor Ben Jin
Member

Yap Kim Choy
Member

COMPANY SECRETARY

Tea Sor Hua
(MACS 01324)
(SSM PC No. 201908001272)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81,
Jalan SS21/60, Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel. No.: +603-7725 1777
Fax No.: +603-7722 3668

HEAD OFFICE

No. 73-2, Jalan Equine 10,
Taman Equine,
43300 Seri Kembangan,
Selangor Darul Ehsan.
Tel. No.: +603-8953 0031
Fax No.: +603-8957 0936

AUDITORS

CHENGCO PLT (AF 0886)
Wisma Cheng & Co
No. 8-2 & 10-2, Jalan 2/114,
Kuchai Business Centre,
Off Jalan Klang Lama,
58200 Kuala Lumpur,
Wilayah Persekutuan.
Tel. No.: +603-7984 8988
Fax No.: +603-7984 4402

PRINCIPAL BANKER

Alliance Bank Malaysia Berhad

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.
Tel. No.: +603-2084 9000
Fax No.: +603-2094 9940
+603-2095 0292

STOCK EXCHANGE LISTING

ACE Market of
Bursa Malaysia Securities Berhad
Stock Name : BCMALL
Stock Code : 0187

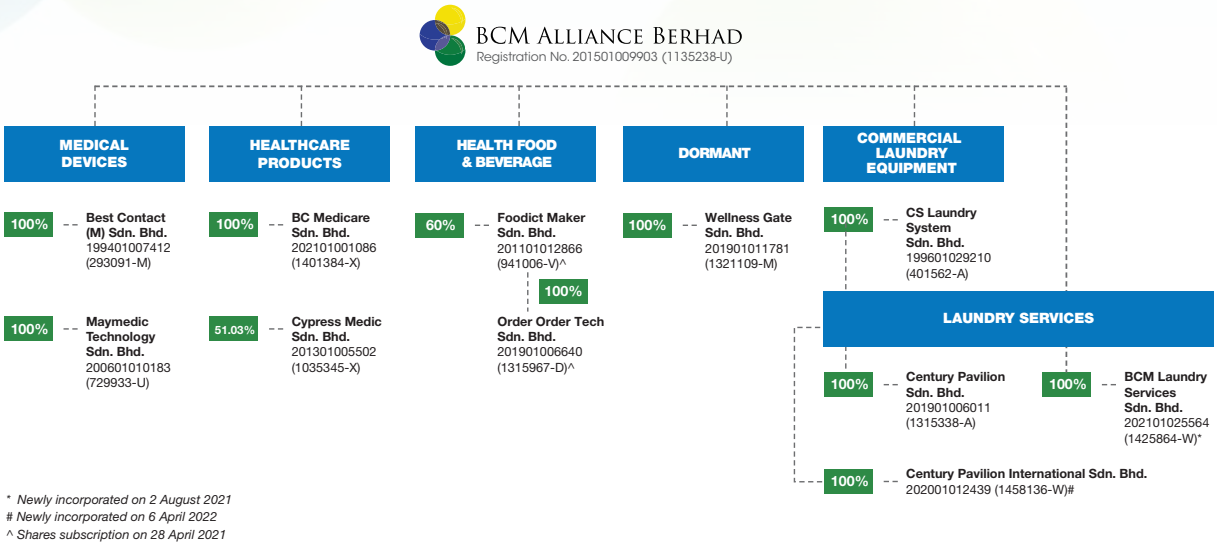
WEBSITE

www.bcmalliance.com.my

INVESTOR RELATIONS

Email : ir@bcmalliance.com.my
Tel. No.: +603-8993 9139

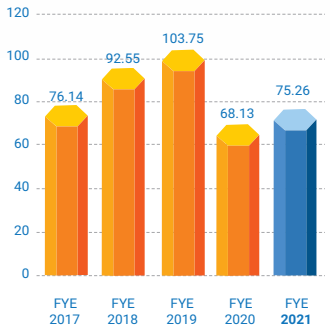
CORPORATE STRUCTURE



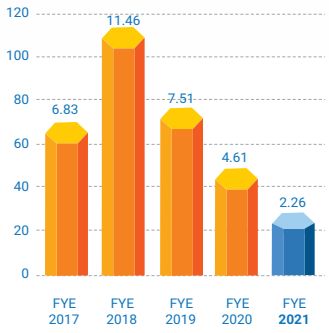
** Newly incorporated on 2 August 2021*
 # Newly incorporated on 6 April 2022
^ Shares subscription on 28 April 2021

FINANCIAL HIGHLIGHTS

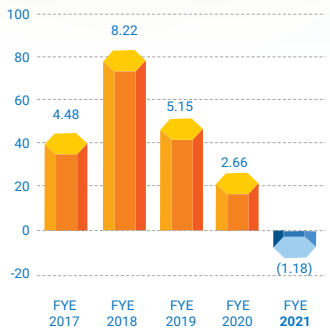
REVENUE (RM mil)



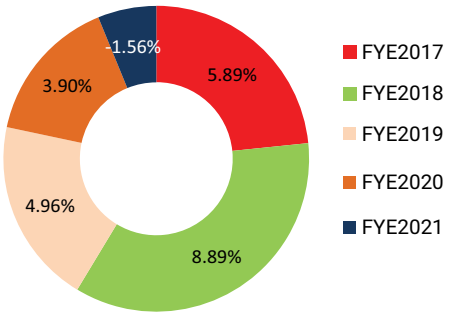
PROFIT BEFORE TAX (RM mil)



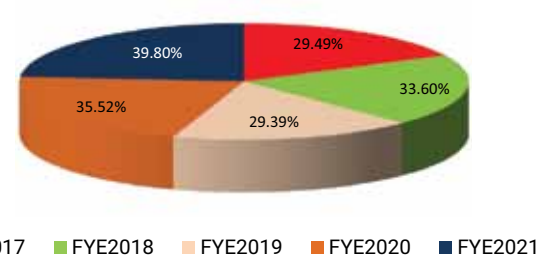
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE PARENT (RM mil)



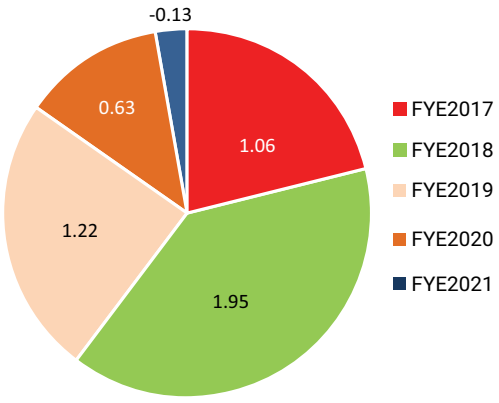
MARGIN OF THE PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE PARENT (%)



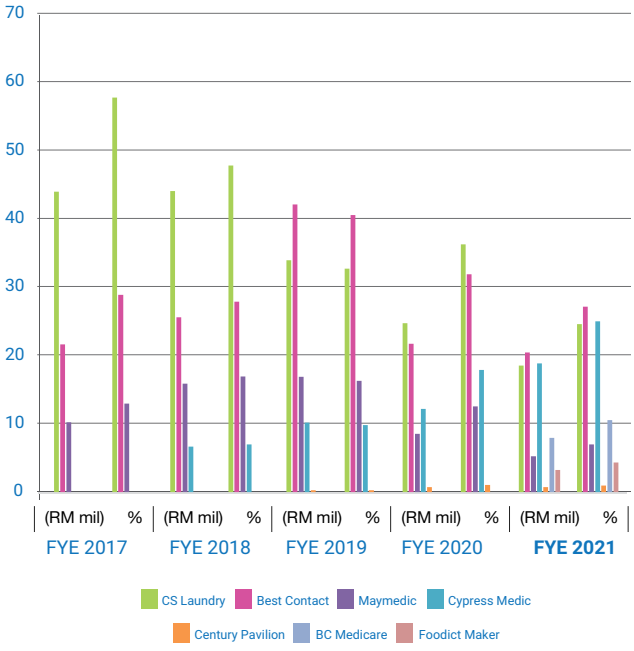
GROSS PROFIT MARGIN (%)



BASIC EARNING/(LOSS) PER SHARE (sen)



REVENUE BY SUBSIDIARIES (RM mil / %)



DIRECTORS' PROFILE

DATUK CHIN GOO CHAI

68 years of age, Malaysian, Male

Independent Non-Executive Chairman

Datuk Chin Goo Chai was appointed to the Board on 2 November 2015 as an Independent Non-Executive Chairman. He attended all five (5) Board meetings of the Company held during the financial year. He has more than thirty (30) years of working experience in the area of hospital facility engineering and project, financial and personnel management, which he has accumulated during his years of service with the Ministry of Health.

He graduated in 1978 with a bachelor's degree in Engineering (Mechanical) from University Teknologi Malaysia. Upon his graduation, he joined the Malaysian public service as a Mechanical Engineer at the Ipoh General Hospital, Perak in 1978. In 1984, he was promoted as a Senior Mechanical Engineer and was then transferred to the Engineering Services Division of the Ministry of Health. In 1990, he was posted to Sultanah Aminah Hospital, Johor Bahru, as the Chief Engineer. In 1991, he returned to the Engineering Services Division of the Ministry of Health as the Chief Mechanical Engineer and was subsequently promoted as the Principal Assistant Director (1995), Deputy Director (2002) and Director of Engineering Services of the Ministry of Health in 2007. In November 2014, he retired from the Malaysian public service.

Throughout his tenure with the Ministry of Health, he has accumulated vast experience relating to hospital project, facility, financial and personnel management which include construction of new hospitals, clinics and healthcare facility upgrading projects, maintenance of hospital facilities and equipment as well as the implementation and maintenance of ISO 9000:2008 quality assurance system for engineering services. He was also serving as member of various government councils including being a member of the National Measurement Council in 2011 to 2012.

He does not hold directorships in any other public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

DIRECTORS' PROFILE
(CONT'D)

DATIN LATIFFAH BINTI ENDOT
72 years of age, Malaysian, Female

Independent Non-Executive Director	*Chairperson of Remuneration Committee and Risk Management Committee*	*Member of Audit Committee and Nomination Committee*

Datin Latiffah Binti Endot was appointed to the Board on 2 November 2015 as an Independent Non-Executive Director. She attended four (4) out of five (5) Board meetings of the Company held during the financial year. She has more than thirty (30) years of working experience in various areas such as procurement, human resources management, hospital management as well as policy and development sectors in which she accumulated during her service in different departments and ministries within the Malaysian public service.

She graduated in 1973 with a Bachelor of Arts (Anthropology and Sociology) from the University of Malaya, Kuala Lumpur. She began her career in 1974 as an Administrative and Diplomatic Service Officer in the procurement and administrator division of the Ministry of Defence, Malaysia where she was responsible for the procurement of all types of rations that were required by the Malaysian Armed Forces. In 1980, she joined the Ministry of Works, Malaysia as a Senior Officer in the Contract and Bumiputera Division, where she was responsible for the development of Class D, E and F contractors as well as the development of Bumiputera contractors. Between 1982 to July 1983, she took a career and sabbatical break from the Malaysian public service. She returned to the Malaysian public service in 1983 where she became the Senior Officer of the Services Division (Human Resources) in the Ministry of Health, where she was responsible for its human resources (except for doctors and paramedics) related matters which include amongst other, the training programmes for healthcare officers and staffs and their welfare rights and benefits.

In 1989, she was posted to the Contracts Division of the Ministry of Finance, Malaysia and was responsible for the registration of Bumiputera companies participating in Government contracts. In November 1991, she left the Ministry of Finance, Malaysia and joined University Malaya Medical Centre as its Deputy Director of Administration where she was responsible for managing the non-clinical aspects of the hospital which includes amongst other, training programmes for its staff, implementation of its ISO quality system and staff welfare system.

In April 2006, she retired as the Deputy Director of Administration, University Malaya Medical Centre. Since her retirement, she has been actively involved as a volunteer with the Malaysian Information Network on Disabilities (also known as BAKTI-MIND Project), an organisation established to promote the use of information and communication technology related to healthcare, rehabilitation, education, employment, adaptive technologies and equipment, government and non-government assistance to persons with disabilities.

She does not hold directorships in any other public companies and listed issuer in Malaysia. She does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company. She has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

DIRECTORS' PROFILE (CONT'D)

HOO SWEE GUAN
40 years of age, Malaysian, Male

Executive Director | *Member of Risk Management Committee*

Mr. Hoo Swee Guan was appointed to the Board on 4 January 2021 as an Executive Director. He attended all five (5) Board meetings of the Company held during the financial year. He obtained his Master of Business Administration (MBA) from Victoria University, Australia. He has more than 12 years experiences in accounting and finance across industries including audit and advisory firm, steel and hardware industry, services and retails industry, property development industry, freight and logistic industry, food and beverage industry and manufacturing industry.

His vast experiences well-equipped himself to render the services to multi-national companies such as Johor Corporation Berhad, Perbadanan Kemajuan Negeri Selangor (PKNS), CPA Australia (Malaysia) Sdn. Bhd., Panasonic Manufacturing Malaysia Berhad and lots of public listed companies listed in Bursa Securities Malaysia Berhad.

He also involved in business advisory division during his tenure with an audit and advisory firm to turn around few public listed companies as well as few private limited companies. His expertise in taxation, business development and strategic planning, sales and marketing, merger and acquisition, as well as solvency contributed to his success pathway along with his partners.

Currently, he is an Independent Non-Executive Director of PDZ Holdings Bhd. and an Executive Director of Fitters Diversified Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

HO KEE WEE
38 years of age, Malaysian, Male

Executive Director | *Member of Risk Management Committee*

Mr. Ho Kee Wee was appointed to the Board on 4 January 2021 as an Executive Director. He attended all five (5) Board meetings of the Company held during the financial year. He obtained his bachelor's degree of Information Technology from Edinburgh Napier University in year 2004.

He has vast experiences in property development industry for the past 15 years. He started his career in an established real estate company and managed to achieve top performer and soon be given the opportunity to lead the sales team.

He was then appointed as Sales Department Head over seeing the Sales & Marketing Department since year 2014. Under his supervision, he has been involved in multiple projects worth more than RM300 million Gross Development Value ("GDV").

He is also involving in strategic planning, product branding, project management, costing, human resource management and sales and marketing.

He does not hold directorships in any other public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

DIRECTORS' PROFILE
(CONT'D)

YAP KIM CHOY
39 years of age, Malaysian, Male

Independent Non-Executive Director	*Chairman of Nomination Committee*	*Member of Audit Committee, Remuneration Committee and Risk Management Committee*

Mr. Yap Kim Choy was appointed to the Board on 4 January 2021 as an Independent Non-Executive Director. He attended four (4) out of five (5) Board meetings of the Company held during the financial year. He has over 12 years of experience in the property development industry. He started his career in a public listed developer in Malaysia. During his stint with the public listed developer, he chaired the Business Development division for a mixed development in Johor with a Gross Development Value ("GDV") of RM1.5 billion.

He marks his footprints across the industry with the involvement in property development projects in Klang Valley. He was involved in numerous renowned residential development projects accumulated exceeding a GDV of RM15.4 billion. He successfully built star performing teams that are involved in strategic planning, mapping, branding and connecting the teams with the chain across the domestic as well as international real estate players, agencies, consultants and suppliers.

With the vast experience he accumulated throughout the years within the property development industry, he has established himself as a leader with the reputation of probity and competence. He is currently sits on the Board of few private limited companies.

He does not hold directorships in any other public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/ or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

DIRECTORS' PROFILE (CONT'D)

KHOR BEN JIN

47 years of age, Malaysian, Male

Independent Non-Executive Director | *Chairman of Audit Committee* | *Member of Nomination Committee, Remuneration Committee and Risk Management Committee*

Mr. Khor Ben Jin was appointed to the Board on 8 January 2021 as an Independent Non-Executive Director. He attended all five (5) Board meetings of the Company held during the financial year.

He is a Fellow Member of the Association of the Chartered Certified Accountants, United Kingdom (FCCA), a Chartered Accountant registered with Malaysian Institute of Accountants (MIA), a Certified Internal Auditor recognized by United States of America (CIA) and a Chartered Member of the Internal Auditors Malaysia (CMIIA). He has extensive experience in internal audit consulting services, risk management exercises and corporate governance review with public listed companies involved in both industrial and consumer products manufacturing, integrated livestock farming activities, property development, and construction and trading services. He was a Manager of one of the big 4 accounting firms. He also had 3 years' experience in external audit at another international accounting firm.

He has been trained in Internal Audit methodologies which enabled him to identify risks and establish an internal control structure which covers the roles and functions and scope of work to assist the Audit Committees and Board of numerous public listed companies to discharge their responsibilities in relation to ensuring good systems of internal controls.

Some of his project experiences include:

- Quality Assurance Review for an in-house internal audit function of a major public listed telecommunication company
- Secondment to one of the largest Malaysian general insurers, a public listed company to perform internal audit/lookback review on Know Your Customer (KYC) procedures (i.e. Customer due diligence and transaction monitoring system), underwriting and general insurance claims procedures
- FRS accounting standard review for a public listed company
- Financial due diligence review in the acquisition exercise of business entities

Currently, he is an Independent Non-Executive Director of ARB Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

PROFILES OF KEY SENIOR MANAGEMENT

LIAW CHONG LIN

60 years of age, Malaysian, Male

Chief Executive Officer

Mr. Liaw Chong Lin was appointed as Chief Executive Officer of the Company on 1 September 2021. He is responsible for charting the overall strategic direction and management of our Group. He is also the business unit head of Best Contact (M) Sdn. Bhd. ("Best Contact") and is responsible for overseeing its day-to-day operations. He has more than thirty (30) years of working experience in the medical devices business segment.

In 1983, Mr. Liaw Chong Lin obtained a Diploma in Electrical and Electronic Engineering from Jaya Institution of Technology, Kuala Lumpur. He started his career in 1984 as a Service Technician in Antah Sri Radin Sdn. Bhd., where he was involved in the maintenance of medical imaging equipment including X-Ray, fluoroscopy and angiography systems. He was also involved in the installation of various machinery and equipment such as freezers, ice-cream machines and safety boxes at 7-11 convenience stores across Peninsular Malaysia. He then left Antah Sri Radin Sdn. Bhd. in July 1988. Between 1988 to 1990, he was attached to Convenience Shopping Sdn. Bhd. as a Service Supervisor where he was responsible for the supervision of contractors in the setting up of new 7-11 convenience stores and maintenance of related equipment in the 7-11 convenience stores. In January 1990, he left Convenience Shopping Sdn. Bhd. and joined Smitech (M) Sdn. Bhd. as a Service Engineer where he was involved in the installation and maintenance of medical devices (such as diagnostic imaging equipment, sterilisers, surgical lights and tables) of various brands of medical devices, such as Hitachi, Amsco, Varian, Bennett and Soredex. Subsequently in 1994, he was promoted as its Service Manager where he was responsible for leading a team in carrying out installation and maintenance work and was given additional responsibilities in undertaking project planning, tendering and overseeing the sales processes for various projects.

In March 1998, he left the company and joined Hitachi Medical System (S) Pte Ltd as its Project and Service Manager, where he was responsible for the project planning and has led a project team for the installation and maintenance of Hitachi brand of diagnostic imaging equipment in Malaysia. In 2000, he was promoted as its Country Manager, handling Hitachi Medical System (S) Pte Ltd's operations, sales and services in Malaysia. He then left Hitachi Medical System (S) Pte Ltd in March 2004 and took a career break from March 2004 to October 2004 before joining Best Contact in November 2004 as the Executive Director to spearhead the medical devices business segment.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

CHUNG ENG LAM

57 years of age, Malaysian, Male

Managing Director of Maymedic Technology Sdn. Bhd. ("Maymedic")

Mr. Chung Eng Lam was appointed as the business unit head for Maymedic on 13 April 2006 and is responsible for overseeing the day-to-day running of the operations of Maymedic. He has approximately thirty (30) years of working experience in the area of the supply of disinfection, sterilisation and surgical room equipment products as well as its related repair and maintenance services.

He obtained a Certificate in Technology (Mechanical and Automotive Engineering) from Kolej Tunku Abdul Rahman, Kuala Lumpur in 1986. He started his career in 1986 as a Technician in Syarikat Sunto Trading, where he was involved in maintaining and installing medical devices, as well as servicing mechanical and electrical components of other hospital related equipment. He was also responsible for the design of stainless-steel furniture used in the sterile department and the mortuary department of various hospitals which included Hospital Ampang, Hospital Serdang and Hospital Putrajaya, amongst others. In 1996, he was promoted as its Technical Manager. In 1998, he became a shareholder of CS Laundry System Sdn. Bhd. In 2006, he co-founded Maymedic. He plays an instrumental role in spearheading the business expansion of Maymedic.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

LAW SOO CHIN

58 years of age, Malaysian, Male

Managing Director of Cypress Medic Sdn. Bhd. ("Cypress")

Mr. Law Soo Chin, one of the founders and Managing Director of Cypress since 20 February 2013. He was directly involved in the new business set up and oversees the activities of the company and responsible for the management of the entity's resources as well as formulating plans and strategic goals are met. He reports to the Board of Directors of the Company to make sure all the efforts are in alignment.

He has deep knowledge of the Standard Operating Procedures for Good Distribution Practice, a requirement under the Medical Device Act 737 and actively involved in the internal audit of the company. Before the implementation of Medical Device Act 737, he was the active Committee Member of The Malaysia Medical Device Association from the year 2004 till 2012 and was assigned to a Working Group in the Technical Committee 3 in SIRIM for the setting up of Medical Device Standards in Malaysia during the same period.

He undertook Executive Master of Business Administration (EMBA) programs in Branding & Marketing for a year in Open University Malaysia (OUM), and Diploma in Building Engineering in Federal Institute Technology (FIT).

He has over 30 years of working experience in the medical device industry. In the year 1986, his first job was as a Sales Representative in a small medical device company covering pharmacy, clinics and hospitals in Northern Region. His task was to handle sales, packing, delivery and minor repair work on Home Healthcare products and other general medical devices. After 3 years, he left and subsequently joined an established company in Kuala Lumpur as a Product Specialist. He was responsible for the development of specific brand of agencies covering the Diagnostic and Surgical department in hospitals and clinics. In year 1992, he was offered to join a Singapore based company as a Country Manager for a famous brand of Home Healthcare products supplying to pharmacy and healthcare shops in view of his vast experience in the medical device field. After joining them for a year, the business expanded and he was asked to set up a localized company and employ new staff, to manage and head the company to become a profit center. Subsequently, he brought in many new agency products for the company distributing them to medical dealers and won tenders in new private and government hospitals. He also opened up new sales channels to the Corporate market such as Drug companies related to healthcare products for clinical research purposes and insurance companies and banks, for their customers as redemption points and gifts. In year 2007, a public listed company bought the local company and their Singapore based company. He was assigned a new responsibility as General Manager to oversee the Healthcare division's strategic goals are met, creating and maintaining budgets, managing employees and, more. He learned a lot while working with the company and improved his management skills after bringing successes in sales to the public listed company. In February 2013, together with his business partners, he set up Cypress.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

TANG FOOK CHOY

46 years of age, Malaysian, Male

Financial Controller

Mr. Tang Fook Choy is our Financial Controller since 1 April 2016. He is primarily responsible for the financial and accounting function of our Group.

He holds a Certificate in Book-keeping and Accounts (Second Level) from London Chamber of Commerce & Industry ("LCCI"). He had completed the Association of Chartered Certified Accountants ("ACCA") course at SEGI College and obtained his professional accounting qualification from the ACCA in 2002. He is also a member of the Malaysian Institute of Accountants since 2002.

He began his career in March 1999 as an Audit Assistant with Mea & Co. Chartered Accountants, an independent member firm of McMillan Woods Global Ltd. He left Mea & Co. Chartered Accountants in October 2003 with his last position there being an Audit and Tax Senior. In November 2003, he joined Vanli Auto Spares Sdn. Bhd. as its Accountant and was responsible for handling accounting and finance matters of Vanli group of companies. He left Vanli Auto Spares Sdn. Bhd. in February 2004. In March 2004, he joined TADMAX Resources Berhad as an Assistant Accountant and left the company in July 2012 with his last position there being a Senior Accountant. During his tenure with the company, he was responsible in the areas of financial accounting, audit, taxation and finance related matters. He then joined Agromate (M) Sdn. Bhd. as its Accountant in September 2012, supervising the Accounts Department for Agromate group of companies. In May 2015, he left Agromate (M) Sdn. Bhd. He later joined O&C Resources Berhad as its Financial Controller in June 2015. He was responsible for managing the accounting and financial matters of O&C Resources Berhad. He left O&C Resources Berhad in February 2016 and joined our Group as a Financial Controller in April 2016.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

CHONG WAI MUN

51 years of age, Malaysian, Male

General Manager

Mr. Chong Wai Mun is the General Manager of Best Contact (M) Sdn. Bhd. ("Best Contact") since 1 January 2015. He is primarily responsible for assisting the Chief Executive Officer, Mr. Liaw Chong Lin in the day-to-day running of operations of Best Contact. He is in charge of all projects and services relating to medical devices. He is responsible for our Group's compliance on matters related to DIN ISO 13485:2003 (which specifies requirements for a quality management system where an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements as well as regulatory requirements applicable to medical devices and related services) and Good Distribution Practice for Medical Devices ("GDPMD"). As the representative of the Management, he is tasked with the planning, execution, enforcement and continuous improvement of the ISO standards in respect of the company which includes the coordination and communication with the regulatory authorities such as the Medical Device Authority (MDA), as well as the auditors from the certification body of ISO standards and GDPMD.

He obtained an Advanced Certificate in Electronic and Communication Engineering from TAFE College, Seremban, Negeri Sembilan in 1995. He also graduated with a Bachelor of Engineering in Communication Systems Engineering from Coventry University, United Kingdom in year 1997.

He began his career in year 1997 as an Engineer with Perwira Ericsson (M) Sdn. Bhd. where he was involved in handling system conversion, testing and commissioning. He left the Company in year 1998 and joined EXI Asia Sdn. Bhd. at the same year as an Engineer, where he was responsible for the testing and commissioning for mobile switching centre and base station controller systems for local and overseas telecommunication companies. He left the company in year 2000 and joined Ericsson France as its Contract Engineer on a one (1) year contract basis and upon the expiry of his contract in year 2001, he joined Dalian Ericsson Communication Company Ltd, Nanjing Branch as its Engineer for a period of one (1) year.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company, and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

LIM TOW KENG

49 years of age, Malaysian, Male

General Manager

Mr. Lim Tow Keng is the General Manager of Maymedic Technology Sdn. Bhd. ("Maymedic"). He is primarily responsible in-charge of Maymedic's business operation matters and overseeing the project and servicing department in relation to disinfection, sterilization and surgical room equipment. In year 2011, Mr. Lim Tow Keng obtained an International Diploma in Business Management from Camford International College.

After completing his secondary school education in year 1991, he joined Interdev Corporation Sdn. Bhd. in year 1992 as an apprentice draughts person. During his tenure there, he obtained a Graphic Design Certificate from the Malaysian Institute of Art in year 1993 and proceeded to complete his Diploma in Juruteknik Senibina from the Pertubuhan Akitek Malaysia in year 2002. He left Interdev Corporation Sdn. Bhd. in March 2004 and joined GB Architect in year 2004 as an Intermediate Draughts person until year 2006. He then left the company in February 2006 and he was attached to Dynamic Team Holding Sdn. Bhd. as its Client Relationship Manager between year 2006 and year 2007, where he was responsible for handling and coordinating all aspects of training related duties, administrative and operational support functions and procedures to run workshops offered by Dynamic Holdings Sdn. Bhd. to its customers. Subsequently, he left the company in November 2007 and joined Maymedic in year 2007 as its Sales Manager and was subsequently promoted to General Manager on 1 January 2018, a position he has held since then.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

KEW KIN CHEE

50 years of age, Malaysian, Male

Technical Manager

Mr. Kew Kin Chee is the Technical Manager of Maymedic Technology Sdn. Bhd. ("Maymedic"). He is primarily responsible for the technical operations of Maymedic.

He holds a Certificate in Electrical Engineering in Power from Polytechnic Ungku Omar, Ipoh which he obtained in year 1993. He began his career in year 1993 as a Technical Manager for Sunto Trading Sdn. Bhd. ("STSB"), where he was mainly involved in the maintenance and repair of sterilisation equipment. In year 2006, he left STSB and joined Maymedic as a Technical Manager on 1 May 2006, where he was in-charge of the maintenance and repair of medical devices and has held the position since then.

He does not hold any directorships in public companies and listed issuer in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and any conflict of interest with the Company. He has also neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview of Business and Operations

i) Core Business of the Group

BCM Alliance Berhad ("BCM" or "the Company") was established in 2015 and was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in year 2016. The Company and its subsidiaries ("Group") has a diversified business presence and is principally involved in the distribution of products, with investments in five main segments, namely medical devices, healthcare products, commercial laundry equipment, provision of laundry services and health food & beverage.

Under the medical device business, BCM operates Best Contact (M) Sdn. Bhd. ("Best Contact") and Maymedic Technology Sdn. Bhd. ("Maymedic"), which are both involved in the supplying, testing, installation and commissioning of medical devices. Best Contact is involved in supplying, installing, testing, and commissioning medical diagnostic imaging and related consumables and accessories. Among some of the well-known brands include Hitachi, Carestream, Ziehm, Minxray and etc.

Meanwhile, Maymedic is involved in the supplying, testing, installation and commissioning of disinfection and sterilisation equipment, surgical room equipment and related consumables and accessories. Some of the well-known brands under Maymedic includes STERIS, Newmed, KLS Martin, Schaerer and etc.

As for the Group's healthcare products, it is represented by BC Medicare Sdn. Bhd. ("BC Medicare"), which was acquired in February 2021, and Cypress Medic Sdn. Bhd. ("Cypress"), which is a 51.03% owned subsidiary. BC Medicare is involved in the distribution of medical-related products such as whole-body disinfectant system, virus attenuation devices, Covid-19 swab test kit, Covid-19 first aids box, AI temperature measure system, washer disinfector, steriliser, surgical table, surgical light, medical pendant, sonic cleaner, sterile assurance products, wound care products as well as to venture into any other medical related business through partnerships and collaborations.

Cypress's core business is also trading and distributing healthcare products and clinical devices such as blood pressure monitors, nebulisers, thermometers and others.

Aside from that, the Group is involved in the commercial laundry equipment business segment via CS Laundry System Sdn. Bhd. ("CS Laundry"), which is a subsidiary company involved in the supplying, testing, installation and commissioning of commercial laundry equipment. We supply some of the well-known laundry equipment brands such as SpeedQueen, Huebsch, Lelit, Renzacci, Pony, Jensen, Lapauw, Sealion, Domus and others.

CS Laundry expanded its service offerings through the acquisition of a wholly-owned subsidiary company, Century Pavilion Sdn. Bhd. in April 2019, to provide laundry services via operating self-service launderette outlets in Malaysia.

During the Covid-19 pandemic, the Group has also ventured into the provision of on-demand laundry services via its wholly-owned subsidiary company, BCM Laundry Services Sdn. Bhd. ("BCM Laundry Services"). This is aimed at capitalising on the increase in demand for various online delivery services, including on-demand laundry services, following a behavioural shift in consumers opting for goods and services to be delivered to their doorstep.

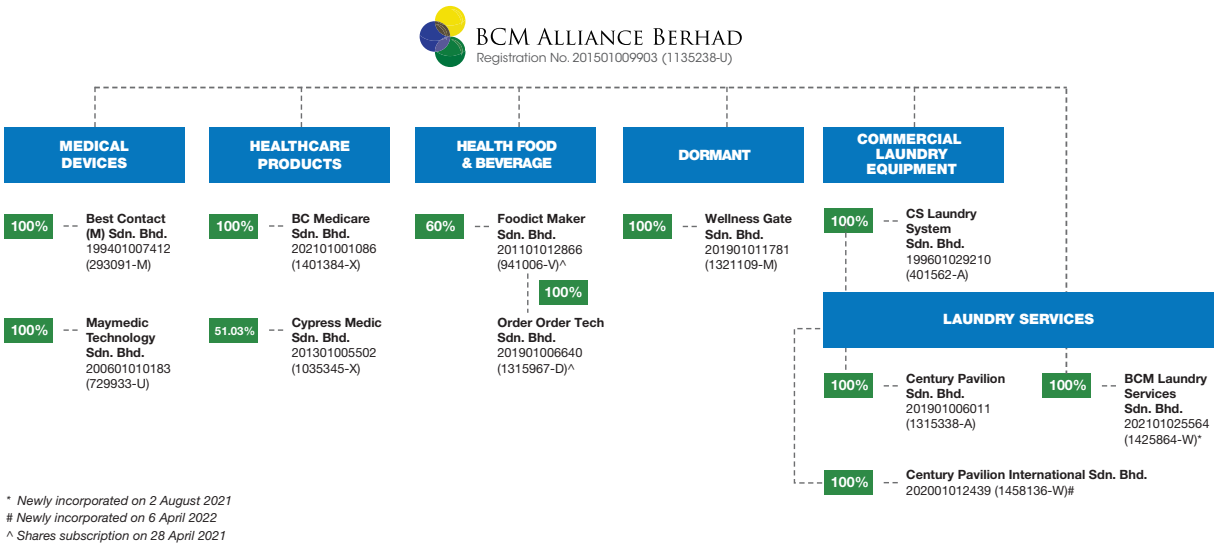
In year 2021, the Group introduced its new health food & beverage business segment as it subscribed shares representing 60% of the equity interest in the enlarged issued and paid-up share capital of Foodict Maker Sdn. Bhd. ("Foodict").

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

1. Overview of Business and Operations (cont'd)

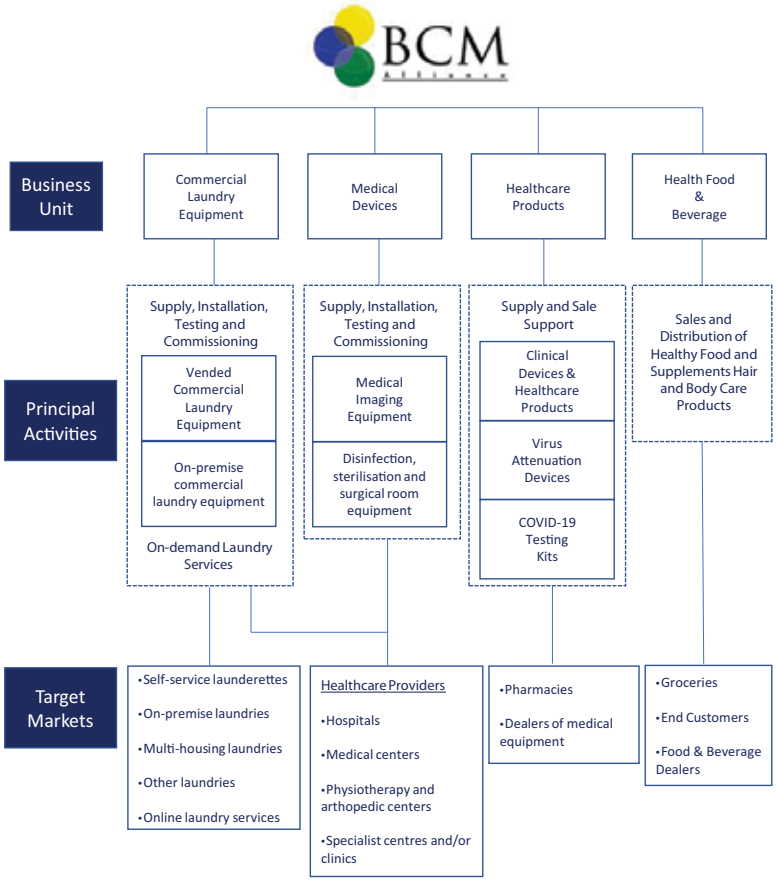
i) Core Business of the Group (cont'd)

Below is the latest Group's corporate structure:



* *Newly incorporated on 2 August 2021*
\# *Newly incorporated on 6 April 2022*
^ *Shares subscription on 28 April 2021*

Our business activities are as follows:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

1. Overview of Business and Operations (cont'd)

ii) Products & Services

BCM is involved in a diversified business portfolio that allows the Group to remain resilient during an economic downturn.

Some of the key businesses that BCM is involved in are the distribution of a comprehensive range of commercial laundry equipment, healthcare products, medical imaging equipment and disinfection, sterilisation, and surgical room products from various international brands.

In year 2021, the Group also expanded its healthcare products line up to include the market, trading and distribution of Covid-19 test kits via its wholly-owned subsidiary company, BC Medicare.

In December last year, BC Medicare also penetrated into the virus attenuation devices business, allowing the Group to tap on the strong demand in the near term as the world move towards normalisation in the post-Covid world.

The Group is also engaged in providing laundry services via operating self-service launderette outlets. Furthermore, in order to take advantage of the consumers' behavioural shift towards online shopping and online delivery services, BCM also ventured into the provision of on-demand laundry services in year 2021.

BCM expanded into the new health food & beverage (F&B) segment in year 2021 via its 60% owned subsidiary, Foodict. It is the main distributor of China's largest dairy company in Malaysia and is also engaged in the sale and distribution of healthy food and supplements hair and body care products.

Medical devices business segment

BCM distributes two product categories, namely medical imaging equipment as well as disinfection, sterilisation and surgical room equipment, under the medical devices business segment. Our subsidiary company, Best Contact operates our medical imaging business while the disinfection, sterilisation and surgical room equipment business is carried out by Maymedic.

We also distribute the related spare parts, accessories and consumables of medical devices such as MRI system, CT scanner, digital radiography system, X-Ray system, various types of sterilisers, medical printing systems and washers/disinfectors.

We mainly distribute our range of medical devices such as MRI systems, CT scanners, digital radiography systems, X-Ray systems, medical beds, various types of sterilisers, medical printing systems and washers/disinfectors to healthcare and medical service providers such as medical institutions, medical centres, physiotherapy centres and dental clinics in Malaysia.

For our medical devices business segment, our Group's target markets are healthcare providers such as hospitals and medical centres. Our distribution activities of the medical devices business segment include the supplying, equipping, installation, development, testing and commissioning of various medical devices at the medical imaging departments, operating theatres and central sterile supply departments of healthcare institutions. The medical devices that we distribute have an estimated product lifespan of between 5 years and 10 years with regular interval maintenance.

We also provide product recommendations, operation workflow design, mechanical and engineering services, installation, training, as well as assisting our customers in obtaining relevant approvals from authorities for the use of such medical devices (such as obtaining the approval from the Atomic Energy Licensing Board of Malaysia for the installation and usage of CT scanner in the medical centres/hospitals). We also provide support to our customers in terms of training, after-sales services, repair and maintenance services and other services.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

1. Overview of Business and Operations (cont'd)

Healthcare products business segment

The Group diversified into the distribution of healthcare products and clinical devices such as blood pressure monitors, nebulisers, thermometers and etc., in year 2018 via a majority stake of 51.03% in Cypress. The diversification strategy has proven to bear fruit last year as this business segment helps to cushion the impact of the Covid-19 pandemic. In fact, the healthcare product business segment has been one of the key drivers of growth for BCM over the last two years.

Cypress' primary target markets are pharmacies and dealers of medical equipment. Cypress is the authorised distributor for the Rossmax range of products, which is a leading global brand. The synergistic subscription of Cypress would allow BCM to expand its reach into the distribution of healthcare products in the retail market/ pharmacies.

In year 2021, BCM had also expanded its healthcare products line to include the marketing, trading and distribution of Covid-19 test kits via its new wholly-owned subsidiary, namely BC Medicare. Aside from that, BC Medicare also penetrated into the virus attenuation or reduction devices business as it entered into a manufacturing agreement with Hong Kong-based corporation, rLoop Limited ("rLoop").

BC Medicare is also responsible for providing training to a company incorporated in China, which decided to purchase 100,000 units of virus attenuation devices on the functions and operations of this product.

The said product can disable the coronavirus in enclosed spaces with up to 99.9% efficacy, enabling users to get back to normal and serve the people in a safe environment.

Commercial laundry equipment business segment and provision of laundry services segment

Operated by our wholly-owned subsidiary company, CS Laundry, we are involved in the distribution activities for commercial laundry equipment, including the supplying, installation, testing, and commissioning of this equipment. Besides, we are also involved in distributing the related spare parts, accessories and consumables of commercial laundry equipment. The commercial laundry equipment that we distribute has an estimated product lifespan of up to 12 years with regular interval maintenance.

As part of our distribution package offerings, we provide consultancy services such as designing and planning for our customer's self-service launderette layout, presentation and other related services in setting up self-service launderettes and on-premise laundries. This involves recommending the type of commercial laundry equipment to be installed, drawing of schematics and layouts, flow and space planning, fixture and fittings as well as other fitouts to be installed.

We maintain several self-service launderette layout templates to suit our customer's preferences, designed to attract end-users to our customer's self-service launderette and maximise its full potential. Once the renovation of the launderette outlet is completed, we will assist our customers in outfitting their new launderette outlet, including the installation of commercial laundry equipment (washer, dryer, etc), furniture and fittings and others.

To ensure the best services available, we provide training, after-sales services and other services. Our commitment to our customers is to provide the best repair and maintenance services for our range of commercial laundry equipment. We source our commercial laundry equipment and the related spare parts, accessories and consumables from reputable international brand manufacturers with a proven operating track record and a portfolio of quality products.

Over the years, the Group has accumulated extensive experience and expertise in the self-service launderette industry. With the introduction of more efficient and cost-saving machines in recent years, the Board of Directors ("Board") has also ventured into the self-service launderette business, which is expected to provide an additional source of income and contribute positively to the future financial performance of BCM.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

1. Overview of Business and Operations (cont'd)

Commercial laundry equipment business segment and provision of laundry services segment (cont'd)

Although this business segment faces stiff competition from other operators due to the low barrier into the industry, BCM has maintained its competitive advantages by:-

1. Strong expertise team that ensures no disruption to machines by conducting timely servicing for the machines.
2. Targeted corner units which provide more space for customers, besides the benefit of easy-to-notice;
3. 24-hour operated CCTV, installation of spotlights for a brighter environment in all outlets to enhance security;
4. Competitive pricing;
5. Largest wash capacity up to 28kg per wash, with a minimum of 8 machines;
6. Environmentally-friendly laundry washer with ECO Wash Technology, which consumes less water; and
7. Target to install more dual-directional dryers which can save drying energy by 20% at our outlets, from current one outlet.

In 2021, the Group also expanded its services to include the provision of on-demand laundry services to tap on the consumers' behavioural shift towards online shopping and online delivery services.

Health Food & Beverage business segment

BCM has expanded into the new health food & beverage segment in year 2021 via its 60% owned subsidiary, Foodict.

Foodict is the main distributor of Yili's products in Malaysia. Yili is China's largest dairy company and offers the most comprehensive range of products such as yogurt, ice cream, liquid milk, milk beverage, milk powder, health drinks and cheese.

Aside from that, Foodict is also engaged in the sale and distribution of healthy food and supplements hair and body care products.

2. Analysis of Financial Results and Financial Condition

i) Financial performance review

For the financial year ended 31 December 2021 ("FYE 2021"), BCM has slipped into a net loss of RM1.18 million as compared to a net profit of RM2.66 million in the financial year ended 31 December 2020 ("FYE 2020"), mainly due to the higher professional fees incurred for Covid-19 test kits and virus attenuation devices in the healthcare products business segment and marketing expense for the Group's Covid-19 test kits sub-business segment and on-demand laundry services sub-business segment.

While these higher expenditures have led to its losses in FYE 2021, it has been a year of transformation for the Group as the management undertakes the initiatives will add new revenue streams for BCM. This will help to lay down the foundation for the Group's long-term growth. This is reflected by the quick return to growth trajectory on its top-line with revenue growth of 10.47% year-on-year to RM75.26 million from RM68.13 million in FYE 2020.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. Analysis of Financial Results and Financial Condition (cont'd)

Healthcare Products Business Segment

BCM's healthcare products business segment overtakes the medical devices business segment as the Group's largest revenue contributor in FYE 2021. The healthcare products business segment's revenue was more than doubled to RM26.87 million in FYE 2021 as compared to RM12.23 million recorded in FYE 2020. This represents around 35.71% of the Group's total revenue.

The sharp increase in its revenue was mainly due to new sales generated from virus attenuation devices and higher demand for other healthcare products as consumers became more health-conscious amidst the Covid-19 pandemic.

Medical Devices Business Segment

The Group's medical devices business segment remains a key business component for BCM, but the impact of the prolonged Covid-19 pandemic has led to another lacklustre year for the business unit. The medical devices business segment posted a decline of RM4.60 million or 15.15% to RM25.77 million in FYE 2021 from RM30.38 million in FYE 2020. Despite the decline, the business unit still represents 34.25% of the Group's total revenue.

The decline in its revenue for FYE 2021 was mainly due to the lower billing to a number of its clients. Some of the hospitals have either postponed or temporarily put on hold their expansion plans during the prolonged Covid-19 pandemic. The delay is reflective of more cautious market sentiment as hospitals continue to operate in a challenging environment amidst the uncertainty of the pandemic.

Commercial Laundry Equipment Business Segment

As for the Group's commercial laundry equipment business segment, it is still struggling from the impact of the prolonged Covid-19 pandemic. Revenue for the business segment was down by RM6.21 million or 25.02% to RM18.60 million in FYE 2021 as compared to RM24.81 million in the previous financial year, mainly due to the conservative approach adopted by potential customers amidst the uncertainties due to the Covid-19 pandemic.

Health Food & Beverage Business Segment

In year 2021, the Group ventured into the new health food & beverage business segment. The new business segment started positively for BCM with revenue of RM3.26 million in FYE 2021, an indication of good demand from customers for consumption of its products. The growth momentum is also picking up, as seen by the quarter-on-quarter growth in the fourth quarter ended 31 December 2021.

Provision of Laundry Services

Meanwhile, the laundry services segment saw an improvement in FYE 2021 as revenue edged higher by 4.71%, from RM0.71 million to RM0.74 million. The improvement was mainly driven by the robust demand from customers for its services, despite the uncertainties posed by the Covid-19 pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. Analysis of Financial Results and Financial Condition (cont'd)

ii) Analysis of gross profit, gross profit margin and profit before tax

In line with the higher revenue recorded in FYE 2021, BCM has managed to grow its gross profit ("GP") to RM29.95 million from RM24.20 million in FYE 2020. The GP margin in FYE 2021 increased to 39.80% as compared to 35.52% in FYE 2020. The improvement in GP margin was mainly due to the proactive measures undertaken by the Group to reduce its cost of sales in FYE 2021.

However, despite the improvement in its gross profit, the Group's profit before tax ("PBT") saw a sharp decline of 51.10% to RM2.26 million in FYE 2021 from RM4.61 million in FYE 2020. This was mainly due to the higher professional fees incurred for Covid-19 test kits and virus attenuation devices in the healthcare products business segment and marketing expense for the Group's Covid-19 test kits sub-business segment and on-demand laundry services sub-business segment.

In terms of its business segments, only the healthcare products business segment and medical devices business segment have recorded an improvement on its PBT. Meanwhile, the Group's new health food & beverage business segment recorded a loss before tax in its first year, while the laundry services business segment is still in the red amidst the prolonged Covid-19 pandemic.

iii) Review of financial position and liquidity

The Group's total assets have increased by 135.70% to RM223.30 million as of 31 December 2021, from RM94.74 million in the last financial year. The increase was mainly contributed by the higher fixed deposit with licensed banks, investment in quoted ordinary shares, intangible assets, higher inventories and higher other receivables.

As of 31 December 2021, the Group's fixed deposits with licensed banks increased by close to 21 times to RM39.69 million compared to RM1.81 million as of 31 December 2020. Aside from that, the increase in investment in quoted ordinary shares representing the Group is aggressively looking for short-term investment opportunity to enhance shareholders' value.

The higher other receivables and intangible assets are in line with the Group's business direction which to further expand its business in BCM Laundry Services and BC Medicare, to ultimately improve the Group's financial performance in near futute.

Inventories registered an increase of RM11.61 million. The increase was mainly due to the need of holding a reasonable quantity of stocks to meet the secured orders as well as the subsequent customer's demand to avoid the risk of a stock-out occurring and potential towards loss of sales.

On the other hand, the Group's total liabilities also increased by 74.75% to RM40.68 million as of 31 December 2021, from RM23.28 million as of 31 December 2020. The increase was mainly due to the increase in its trade payables and bank borrowings.

The increase in bank borrowings was primarily due to additional term loans pertaining to two units of freehold light industrial units captured under Foodict.

Despite the increase in its liabilities, BCM is in a strong net cash position. Its net cash position increased by 33.77% to RM52.15 million as of 31 December 2021 compared to RM38.98 million as of 31 December 2020. The net cash position is obtained by netting off its total deposited cash and bank balances against its total borrowings and lease liabilities.

Shareholders' equity attributable to owners of the Group registered a sharp increase of 160.35% to RM178.01 million, from RM68.37 million a year ago. Net assets per share, however, was lowered to 11 sen as of 31 December 2021 as compared to 14 sen as of 31 December 2020.

BCM's working capital also saw a sharp improvement to RM119.17 million as of 31 December 2021, as compared to RM61.19 million as of 31 December 2020. The Group's working capital is healthy and efficient as the current assets are about 4.73 times its current liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. Analysis of Financial Results and Financial Condition (cont'd)

iii) Review of financial position and liquidity (cont'd)

In regard to Acid-Test Ratio, which is an indicator if the Group has sufficient short-term liquid assets to cover its immediate liabilities. It showed BCM's position stood at financial health level at approximately 3.92 times, which is an improvement from the 3.47 times seen at the end of FYE 2020.

The strong financial position of BCM puts it in a good position to expand its business offerings and tap into windows of opportunities as the global economies recover. The improvement in the overall asset is a testimony to the Group's management strategic business drive to position for sustainable long-term growth while mitigating the downside risks to the overall Group's financial performance.

3. Review of Operating Activities

During FYE 2021, the management has seen some positive developments in some of its corporate proposals.

In January 2021, the Group proposed to undertake a Private Placement of up to 144.43 million of new ordinary shares in the Company, representing 30% of the existing total number of issued shares, to independent third party investors.

The rationale for this Private Placement was to raise funds to fund its business expansion into the trading of Covid-19 tests.

The proposal was approved by Bursa Malaysia Securities Berhad ("Bursa Securities") and shareholders in February 2021 and March 2021, respectively.

On 12 March 2021 and 15 March 2021, 41.25 million and 39.55 million placement shares have been listed on the ACE Market of Bursa Securities, respectively, at 22 sen per share. This is the first tranche of the placement shares for the Private Placement.

This was followed by a listing of the second and final tranche of 63.63 million placement shares for the Private Placement on 25 March 2021 at 22.5 sen per share. The Private Placement was deemed completed as the Company has decided not to place out the remaining 364 placement shares.

This Private Placement exercise has raised gross proceeds of RM32.09 million.

Aside from that, BCM proposed to undertake a Renounceable Rights Issue of up to 1.22 billion new ordinary shares in the Company ("Rights Shares") together with up to 1.02 billion free Detachable Warrants in the Company ("Warrants") on the basis of 6 Rights Shares together with 5 free Warrants for every four existing shares held by the entitled shareholders of the Company in May 2021.

The proposed Rights Issue with Warrants will enable BCM to raise funds and channel them towards the expansion of its on-demand laundry services provision.

The Rights Issue with Warrants has been approved by Bursa Securities and shareholders on 24 May 2021 and 24 June 2021 respectively. On 8 July 2021, the Group has resolved to fix the issue price of the Rights Shares at 8 sen per Rights Share and the exercise price of the warrants at 10 sen per warrant.

On 30 August 2021, the proposed Rights Issue with Warrants was completed following the listing and quotation of 938.82 million Rights Shares and 782.35 million Warrants on the ACE Market of Bursa Securities.

The gross proceeds raised from the Rights Issues with Warrants amount to RM75.11 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

4. Future Plans & Prospects

In tandem with the Group's focus to enhance its revenue growth, optimise margin, business and operation support functions as well as to increase shareholders' value, BCM intends to achieve its objectives through the following strategies:

i) *Continuous introduction of our new portfolio of products and services*

In 2022, BCM will continue to introduce few suitable new medical devices (including but not limited to the high-end and cost-effective solutions medical devices) and healthcare products that have strong demand or traction in the market as well as intends to introduce advanced health stations which can be placed in pharmacies, hospital and corporate places to attract end-users to experience our core healthcare brand's Bluetooth products before they buy a device and become our core healthcare brand's health style application members, to expand our portfolio of products and brands to enhance the Group's future performance.

The Group will keep increasingly focusing on consumable proprietary products as well as cash-in spare parts. Besides that, BCM has leveraged on the enhancement business model by renting out Ripple Mattress that provides recurring income and intends to introduce stand-alone clinical application software and workstation to meet unique visualisation needs in the future.

ii) *Pursue active business expansion via organic and inorganic growth*

BCM aggressively expands its product and service offerings via organic and inorganic growth to create additional income streams in future. This is in line with the Group's business direction and strategy, which is continuously looking for opportunities to further expand its business to ultimately improve its financial performance and enhance shareholders' value.

iii) *Broaden our client base by attracting new customers and enhancing the relationship with our existing customers*

BCM is targeting to add more new prospective hospitals and medical centres into its portfolio of clients, especially through the supply of big-ticket medical equipment. This will support the Group's continuous effort to widen its product line and after-sales services.

The Group's healthcare products segment is also targeting to attract more new customers under various categories such as chain pharmacy, independent chain pharmacy, independent pharmacy, hospital, clinic, medical dealers, corporate, non-medical retail shop, E-commerce company, online and etc. to boost up its performance in year 2022.

Our management and marketing team are also working proactively to secure new customers to expand our current customer base via various promotion packages, up-to-date advertisement channels, and data-driven digital marketing activities. We keep improving to provide continuous sales support to our existing customers by rendering value-added training and providing suggestions and recommendations on any suitable device/ machine, suitable upgrade, replacement and service packages to our existing customers as an initiative to secure potential sales orders in year 2022.

iv) *Strengthening of self-service launderette and commercial laundry equipment business*

The Group's commercial laundry equipment business segment is targeting to penetrate the commercial coin laundry equipment market into a Southeast Asia country in future, to benefit from another growth market which could spell opportunities for BCM in future.

In year 2022, besides keep increasing to conduct laundry opportunity sharing webinars to enhance its revenue growth, the Group also plans to provide a one-stop solution program for potential customers to start up laundromat businesses by adopting the concept of mutual benefit. The Group also plans to resume business seminars in hotels to the public to promote its business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

4. Future Plans & Prospects (cont'd)

iv) *Strengthening of self-service launderette and commercial laundry equipment business (cont'd)*

An online platform to sell laundry equipment spare parts and provide maintenance services is another digital one-stop solution platform planned to be implemented by the Group in the future to boost its future revenue.

The Group currently operates 12 self-service laundrette outlets. In addition, the Group intends to set up another 5 new self-service laundrette outlets in future to improve our capability to meet customers' demand and to enhance the Group's revenue.

The Group has ventured into the provision of on-demand laundry services via its wholly-owned subsidiary company, namely BCM Laundry Services. This is aimed at capitalising on the increase in demand for various online delivery services, including on-demand laundry services, following a behavioural shift in consumers opting for goods and services to be delivered to their doorstep to avoid going out in order to minimise exposure to Covid-19. Premised on the above, the Group is optimistic about the outlook and prospects of its laundry services business segment in the near future.

v) *Penetrate into virus attenuation or reduction devices business*

BC Medicare, a wholly-owned subsidiary company of BCM, had on 23 December 2021 entered into a Manufacturing Agreement ("the Agreement") with rLoop Limited ("rLoop"), a Hong Kong corporation has received a letter of offer from Euro-China Technology Achievement Transformation (Tianjin) Co Ltd. ("EC Tech"), a company incorporated in China to purchase 100,000 units of virus attenuation devices with a total sale of US$200 million (RM845 million), to manufacture, test, configure, assemble, package and/or ship the virus attenuation devices using photon mediated electrons and emitters under rLoop's own brand name of "rGuard-rLoop Virus Attenuation Device" ("Product"). A separate Original Equipment Manufacturer manufacturing agreement between rLoop and BCM is underway. BCM will also be responsible for providing training to EC Tech on the functions and operations of the Products.

The Products can disable the coronavirus in enclosed spaces with up to 99.9% efficacy, enabling users to get back to normal and serve the people in a safe environment.

The Agreement enables the Company to penetrate into virus attenuation devices business that might yield attractive return to the Group. The prospects in respect of the proposed engagement shall deem to be strong and convincible with exponential growth of the demand reckons amidst the expectation of herd immunity post inoculation program across the world.

vi) *Strengthening of health food and beverage business segment*

The Group is targeting to add more new customers, accelerate the mastery of online channels, list products via various hypermarkets and distribution centres, conduct attractive marketing campaigns to promote products, enhance marketing strategy, and look for new products with higher profit margins in order to improve the health food and beverage business segment's income stream in year 2022.

Effects of Covid-19 pandemic

The financial impact of the Covid-19 outbreak to the Group cannot be reasonably estimated due to the inherently unpredictable nature and rapid development relating to Covid-19. The extent of the impact depends on the ongoing preventive measures introduced by each country to address this pandemic and the duration of the pandemic. However, the Directors of the Company have continuously monitored the local and global development of the outbreak of Covid-19 and also work closely with the trade partners and suppliers to ensure minimal disruption.

Looking ahead, we remain steadfast in our commitment to protect the health and safety of our teams around the world as we navigate these uncertain times. We are highly focused on the execution of our strategic initiatives and are taking decisive actions to mitigate the challenges created by the Covid-19 global pandemic on the Group's performance in year 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

5. Anticipated or Known Risks

Our business is focused on the medical devices business segment, commercial laundry equipment and services business segments, healthcare products business segment and as well as health food and beverage business segment. This has helped us to mitigate the external impact on our Group's earnings as our businesses are diversified across different segments.

Over the last two years, we have seen how the impact of the Covid-19 pandemic has affected the operational environment on our commercial laundry equipment and services segment as well as the medical devices business. However, our healthcare products business segment continues to outperform as there is a surge in demand for healthcare products. Our strategies to tap into a recession-proof business segment is one of the ways to reduce our reliance on cyclical growth sectors.

Despite our best efforts to ensure earnings remain consistent, here are some of the factors that would have an impact on our Group's financial performance:

a) Market conditions of the commercial laundry equipment, medical devices, healthcare devices, health food and beverage and laundry services industries in Malaysia;
b) Our ability to stay competitive and maintain our market shares;
c) The ability to develop and implement marketing strategies to suit customers' needs and expansion of our distribution markets;
d) Developments in the political and economic environments in Malaysia which may materially and adversely affect the business, operations and financial performance of our Group;
e) The abilities and continued performance of our directors, managers and key management personnel. Any loss of these key management personnel could materially affect our Group;
f) Fluctuations in foreign currencies exchange rate, which may vary the purchase price of the equipment, spare parts, accessories, consumables and devices that we have purchased from our international brand manufacturers;
g) Our Group's ability to keep abreast with the latest developments in the commercial laundry equipment, healthcare and medical devices industries;
h) Ability to pass on the higher cost of goods sold to our customers due to the fluctuation of the market prices of our products; and
i) The potential effects of adverse or favourable interest rate fluctuation, which may affect our Group's profitability as all of our Group's borrowings are interest-bearing.

Our mitigation strategies include but are not limited to:-

a) Constant review of our marketing strategies for all divisions

The review will help the Group to plan on its investment plans and directions going forward. The Group also continue to explore new advertising and promotion strategies, which includes the usage of digital marketing and social media.

b) Engagement with customers, suppliers and those in the industries that the Group operates in

The Group has taken proactive measures to engage with the customers, suppliers and regulators in the industry that the Group operates in to keep tabs on the latest updates in the industry. The strategy team also subscribe to journals related to our industries and participate in conferences or local events to stay up to date with the industry challenges, opportunities and trends. There is also constant engagement and active communication with the Medical Device Authority and Atomic Energy Licensing Board officer for the latest development on the regulatory requirement.

c) Attractive employees benefits

Be clear about the structure of pay, bonuses, and raises for the key management personnel. Besides, the Group offers our employees a career path to provide them with an opportunity to learn, advance and contribute in new ways. Nurture talents to the leaders of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

5. Anticipated or Known Risks (cont'd)

d) Negotiate for better exchange rate with banking institutions

Negotiate for better exchange rate with banking institutions that offer financing facilities. This would serve as a natural hedging mechanism for the Group which could compare and book spot exchange rates during remittance.

e) Understand the competitors

Study competitors' products and services to enhance and improve the competitive advantages of BCM.

Impact from foreign exchange rate

The foreign exchange rate is a key risk for the Group given that a significant proportion of our purchases is transacted in foreign currencies such as the United States Dollar and Euro, while our revenues are mainly denominated in Ringgit Malaysia ("RM"). Hence, our GP margin is directly affected by foreign currency exchange rate fluctuations.

A depreciation of the RM against these currencies may ultimately affect the cost of our purchases. This may adversely affect our financial performance as it would reduce the Group's GP margin. Whilst we can pass on our foreign exchange risks by increasing the selling price of our products to maintain our GP margin, such action would result in our products becoming less competitive in the market and this, in turn, may affect our sales volume.

In order to mitigate the Group's foreign currency risk, the Group continues to monitor our exposure to foreign currency movements on a regular basis. Our management would assess the need to utilise financial instruments to hedge our currency exposure by taking into account factors such as the foreign currency involved, exposure periods, transaction costs as well as the most recent foreign currency movement.

Impact from interest rate hike

While the Group's borrowings remain at a low level, any interest rate hike would have an impact on our financial results. This has become more important as central banks worldwide have signalled a shift towards normalisation in the monetary policy from year 2022 onwards. Given our strong financial position at the moment, the interest rate hike impact on the Group's earnings will not be as severe. In fact, BCM may benefit from the ample cash at hand for its management to utilise in order to lower borrowings in the event of a surge in interest rate. For the financial year under review, our financial results were not adversely affected by the interest rate fluctuations.

Impact from inflation

Our Group's financial performance during the financial year under review was not significantly affected by the impact of inflation. However, given the surging commodity prices at the beginning of this year and the geopolitical tension arising from the Russia-Ukraine war, the inflation could remain higher for a longer period in year 2022. Notwithstanding that, our Group is confident of passing on the effect of higher product costs due to inflation to our customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

5. Anticipated or Known Risks (cont'd)

e) Understand the competitors (cont'd)

Impact from government, economic, fiscal and monetary policies

Our financial and business prospects, and the prospects of the industries in which we operate, will depend to some degree on the developments on the political, economic and regulatory fronts in Malaysia. They include changes in inflation rates, interest rates, foreign exchange rates, war, terrorism activities, riots, expropriations, changes in political leadership and unfavourable changes in government policies and regulations.

Any adverse developments in the political, economic and regulatory conditions in Malaysia could have a material and unfavourable effect on the Group's financial position and business prospects. Among one of the key events to watch out for is the potential General Election in Malaysia this year, which could alter the dynamics of the Malaysia's government policies and regulations going forward.

6. Dividend Policy

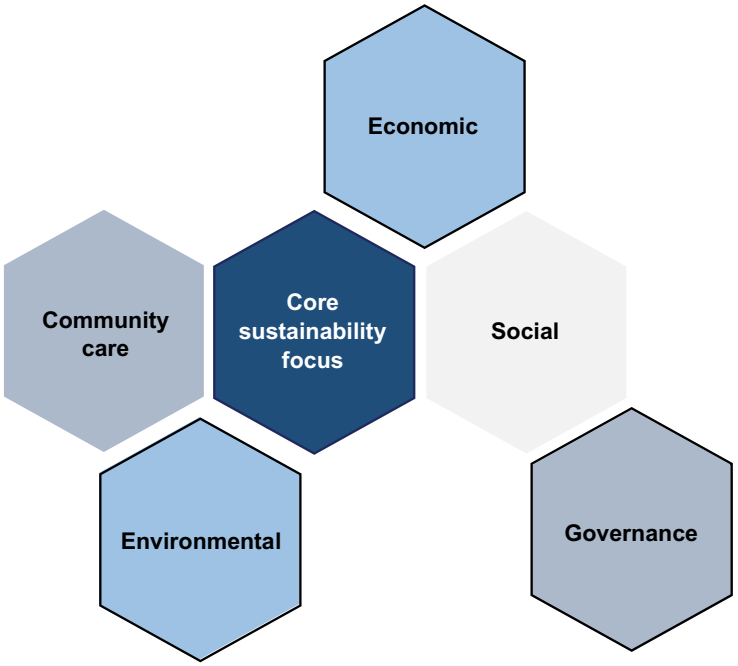
Any declaration of interim dividends and recommendation of final dividends are at the discretion of our Board, in consideration of the overall market conditions and the Group's internal strategies to practise prudent financial management. BCM does not have any formal dividend policy. No dividend was declared during FYE 2021 in view of the challenging business environment.

SUSTAINABILITY STATEMENT

BCM Alliance Berhad ("BCM" or the "Company") and its group of companies ("BCM Group" or the "Group") are principally involved in the distribution of products, with investments in medical devices, healthcare products, commercial laundry equipment, provision of laundry services as well as healthy food and beverage.

The Company has completed a Private Placement exercise on 25 March 2021 and a Rights Issue of shares with free detachable Warrants exercise on 30 August 2021, which raised the necessary funds for business expansion into the trading of coronavirus disease 2019 ("COVID-19") test kits and investment in the business of providing on-demand laundry services.

BCM is committed to sustainability, and the commitment is rooted in the knowledge that economically, environmentally, and socially responsible business practices are essential to foster the long-term well-being of the Company's stakeholders and the Group's businesses. The Group emphasises on the following core areas of sustainability that are material to the continued success of the operations:



1. ECONOMIC

Customer satisfaction

BCM Group values the customers as they are a major reason for its profitability. The marketing and sales representatives schedule regular meetings, both formal and informal, with customers to build a strong and conducive relationship. The objective of this is to promote a culture of open communication, trust and reliability.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (Cont'd)

Certificate & Accreditation

Further, the Group continues to strive for excellence in all areas of the business by achieving accreditation and complying to international standards in the industry. The list of accreditations achieved with various certification bodies are as follows:

a. ISO 9001:2015 (Quality Management Systems);
b. ISO 13485:2016 (Medical Devices – Quality Management Systems- Requirements for regulatory purposes);
c. Good Distribution Practice for Medical Device (Regulatory Requirement for Medical Device Safety & Performance); and
d. Medical Device Regulations, 2012.

Preventive measures

In addition, the Group also recognises that an efficient and effective functioning of the entire supply chain is vital for the business. The Group prefers preventive measures over detective measures, to minimise the potential threat of disruption in the supply chain. To achieve that, the Group has put in place the following measures:

Internal
Appropriate control and monitoring mechanism have been implemented at various stages of the trading activities. Quality inspection is performed upon receipt and prior to the delivery of the products. In addition, the Group strives to expand the range of products and services to be provided to adapt to the dynamic changes and stay ahead of the competition.

External
BCM ensures that the business partners across the Group's supply chain are of good standing and adopt fair business practices. To the business partners, the Group practices transparent and fair procurement policies so that they know that they can depend on the Group. In addition, the Group remains committed in resolving supplier issues in time and paying off the outstanding amounts to suppliers promptly.

Moving forward, the Group will continue to expand the customer base and introduce new portfolio of products and services in order to strengthen the market position. Further, BCM intends to open up a health station / section in pharmacies, hospital and corporate premises to market the Group's products to end-users.

To achieve sustainability in the long run, the Group will explore diversification in terms of products, services and geographical coverage to enhance financial performance in the future.

2. GOVERNANCE

Governance Structure

A strong and effective corporate governance ensures corporate success, cultivates culture of integrity and maintains investors' confidence. The Board of Directors and senior management are tasked to integrate and promote sustainability into the Group's long-term strategic plans and key business processes. Further, senior management oversees sustainability matters through managing the Group's risks, internal control and opportunities, while optimising value creation.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE (Cont'd)

Anti-Bribery and Anti-Corruption

The Group is committed to conduct the business free from any acts of bribery or corruption. All the employees, contractors and suppliers are required to adhere to anti-bribery and anti-corruption legislations.

The Group had developed and adopted the Anti-Corruption Policy and Guidelines on 15 May 2020 which is in line with Section 17(A) of Malaysian Anti-Corruption Commission (Amendment) Act 2018. This will enable the incorporation of the responsibilities for sustainability into the day-to-day operations of the Group.

BCM is committed to conduct business with integrity by avoiding practices of bribery and corruption in all forms in the Group's daily operations. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in loss to the business.

Whistle Blowing Policy

The Group has a zero-tolerance stance towards any form of misconduct. The Group's Whistle Blowing Policy and procedures encourage employees to raise genuine concerns on any malpractices or misconduct. The Whistle Blowing Policy has been uploaded on the Company's website to provide all stakeholders a direct channel for reporting instances of misconduct, which may contradict the Code of Conduct and Ethics and/or other non-compliance offences.

This allows the Group to deal with any allegations in a confidential manner and provides appropriate protection to the whistle-blower against any form of reprisals.

Stakeholder Engagement

BCM engages with different stakeholder groups to identify, prioritize and address material sustainability matters. For effective engagement with stakeholders, various methods are employed including the following:

Stakeholders	Engagement Objective	Methods of engagement
Employees	• Remuneration policy and performance review • Safe and conducive workplace • Continuing professional development	• Staff performance appraisal • Management and committee meetings • Professional development
Shareholders and investors	• Shareholders' and investors' confidence	• Annual general meetings / extraordinary general meetings • Annual report • Quarterly reports • Announcements to Bursa Malaysia Securities Berhad • Press releases and events
Suppliers	• Product and service quality • Competitive price and terms of payments • Maintaining good relationship	• Quality audit on products • Proposals / quotations / agreements • Meetings

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE (Cont'd)

Stakeholder Engagement (cont'd)

Stakeholders	Engagement Objective	Methods of engagement
Customers	• Product's quality assurance and customer satisfactions • Payment terms and timeliness • Business continuity and innovative product	• Customer feedback form and survey • Proposals / quotations / agreements • Meetings • Advertisements and marketing events
Government and regulators	• Compliance with laws and regulations	• Dialogues, seminars and meetings • Report • Operations regulations
Board of Directors	• Corporate strategy • Corporate governance	• Board of Director meetings
Communities	• Job opportunities • Donation and financial aid • Social contribution	• Community events

3. ENVIRONMENTAL

The Group is cognisant of the need for environmental protection and has inculcated this aspect into its operations and corporate culture. The initiatives taken by the Group in this regard include introducing environmental awareness initiatives and constant reminders to the employees to reduce wasteful consumption of resources in all of the Group's premises.

Energy and water saving

The Group's energy saving initiatives come in the form of using LED lightings to replace traditional lightings as well as eco-friendly equipment to replace traditional equipment, whenever possible. Power saving features or sleep mode were also enabled on computers, photocopiers, and other equipment, which also lowered power consumption.

With the rising awareness on eco-friendly practices, consumers are opting for environment-friendly products and equipment in which impacted the commercial laundry equipment and medical device business segments. Thus, the Group continuously source for the latest technology equipment which reduce the consumption of water and energy.

In addition, the Group had opted to distribute commercial laundry equipment which prevents wastage of water and reduce energy consumption in the laundry process without compromising the quality of the equipment.

The Group also has a water management initiative to reduce consumption of water in the Group's premises. The measures taken in this respect include regular maintenance of water taps and piping to prevent water leakage as well as creating awareness for the need to converse water among the employees. The Group's employees are constantly reminded to report any leakages and malfunction of water infrastructure in the Group's premises.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (Cont'd)

Waste management

In order to reduce the use of paper, the Group encourages the employees to use digital storage and filing, reduce printing or photocopying and to print on both sides of the paper. Employees are also encouraged to re-use recycled paper for internal processes to practice the good culture of reduce, reuse and recycle waste materials.

Further, waste segregation has been done by placing different bins in and around the Group's premises. Waste segregation is planned to be fully implemented in the coming years throughout the Group where recycling stations will be set up in convenient locations.

4. SOCIAL

Employees play an important role in the continued success of its business. The Group recognises that the dedication and commitment of its employees are crucial to the effective function of its business.

Training and development

The Group believes that its people is an important element in ensuring that it achieves its operational excellence. Therefore, the Group continues to invest in its human capital and support employee development by providing various learning opportunities to ensure that they develop the skills needed to perform their responsibilities.

Employees receive both internal and external trainings. They are also encouraged to obtain certifications relevant to their scope of responsibilities to ensure they excel in their work.

Remuneration

The Group strives to ensure that the remuneration package offered to the employees are in accordance to the applicable labour laws and regulations as well as comparable to market rates.

COVID-19 Pandemic

Since the announcement of the first movement control order by the Government of Malaysia in March 2020, the Group has set up a team to assess and manage the potential impact of the COVID-19 pandemic as well as to adhere to the steps required by the Government of Malaysia in its effort to combat the disease. Some of the work undertaken in this regard are:

(i) Standard operating procedures outlined by the Ministry of Health and Ministry of International and Trade Industry are complied with;

(ii) Social distancing and virtual meetings are encouraged;

(iii) Temperature checks on employees, guests, customers, suppliers, visitors, contractors and etc. (where necessary);

(iv) Hand sanitisers made available at common areas;

(v) Distributed face masks to all employees and they are made to wear masks at all times;

(vi) Employees are prompted to register for COVID-19 vaccination programs; and

(vii) Avoid hand shaking.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (Cont'd)

COVID-19 Pandemic (cont'd)

In addition, the Company conducts audit in the premises frequently to ensure the employees complied with the standard operating procedures at all times. In order to increase the awareness of COVID-19 prevention among employees, BCM conducts briefings on the latest standard operating procedures to all the employees from time to time.

5. COMMUNITY CARE

The Group is of the opinion that a responsible organisation should not neglect the social obligations towards the community, as the well-being of the community has significant bearing on the long-term sustainability and growth of the Company's business.

During the National COVID-19 Immunisation Programme, the Group extended its helping hand by having employees volunteer as ground crew at the Mega PPV Centre (Pusat Pemberian Vaksinasi) in KLCC from June to August 2021. The Group also supported frontliners by donating personal protective equipment ("PPE") (10,500 pieces of disposable medical masks and 800 pieces of surgical gown).

Volunteer team at Mega PPV Centre, KLCC

Ground usher volunteer at Mega PPV Centre, KLCC

Donation of PPE items to PPV centers frontliners

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of BCM Alliance Berhad ("Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 31 December 2021 ("FYE 2021"). The statement is also presented in compliance with Rule 15.25(2) of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") is based on the three (3) principles as set out in the Malaysian Code on Corporate Governance ("MCCG") which was further updated by the Securities Commission Malaysia ("SC") on 28 April 2021, which are:-

Principle A - Board leadership and effectiveness
Principle B - Effective audit and risk management
Principle C - Integrity in corporate reporting and meaningful relationship with stakeholders

This CG Statement is augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation on the application of the Company and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FYE 2021. This CG Report is available on the Company's corporate website at www.bcmalliance.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership which includes practicing a high level of good governance to ensure the long-term success of the Group and the delivery of sustainable value to its stakeholders.

An effective Board is one that is made up of a combination of Executive Directors ("ED") with intimate knowledge of the business and Non-Executive Directors from diversified industry/business backgrounds to bring broad business and commercial experience to the Group.

In order to ensure the effectiveness in discharging its fiduciary duties and responsibilities, the Board has put in place the relevant Board Committees as follows to assist the Board in the running of its function:-

a. Audit Committee ("AC");
b. Nomination Committee ("NC");
c. Remuneration Committee ("RC"); and
d. Risk Management Committee ("RMC").

Each committee operates in accordance with its respective Terms of Reference as approved by the Board. These Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board Committees' Terms of Reference can be accessed via the Company's website at www.bcmalliance.com.my.

Apart from the responsibility of the Board Committees, the chief officers and other Senior Management are also delegated with certain authority to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

1.2 Chairman of the Board

The Board is chaired by Datuk Chin Goo Chai, who is an Independent Non-Executive Chairman and is primarily responsible for matters pertaining to the Board and ensures the orderly conduct and performance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards a high performing culture.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board (cont'd)

The key responsibilities of the Chairman, amongst others, are as follows:-

- To provide leadership to the Board;
- To oversee the effective discharge of the Board's supervisory role;
- To facilitate the effective contribution of all Directors;
- To conduct and chair Board meetings and general meetings of the Company;
- To manage Board communications and Board effectiveness and effective supervision over Management;
- To ensure that quality information to facilitate decision making is delivered to the Board in a timely manner;
- To Board Meetings and general meetings are conducted/held in compliance with good conduct and best practices;
- To promote constructive and respectful relations between Board members and between the Board and the Management; and
- To jointly represent the Company together with the EDs to external groups such as shareholders, creditors, consumer groups and local governments.

The Chairman has resigned as a member of the AC, NC and RC on 13 December 2021 in compliance with Practice 1.4 of the MCCG. Therefore, he will not assume the position of chairman or member of any of the Board Committees. Nevertheless, he attended the AC, NC and RC Meetings held after his resignation as a member as an invitee. Through his corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

1.3 Chairman and Chief Executive Officer ("CEO")

The positions of the Chairman and CEO are held by two different individuals. There is a clear division of responsibility between the two roles to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered decision making powers.

The Chairman of the Board is primarily responsible for the leadership, effectiveness, conduct and governance of the Board while the CEO has overall responsibilities over the business operations and day-to-day management of the Group and implementation of the Board's policies and decisions.

1.4 Qualified and Competent Company Secretary

The corporate secretarial functions of the Company were outsourced to Boardroom.com Sdn. Bhd. until 15 October 2021 which was changed to Cospec Management Services Sdn. Bhd. ("CMS").

The Board is supported by the Company Secretary nominated by CMS who is a member of the Malaysian Association of Companies Secretaries. She is holding a professional certificate as a qualified Company Secretary under the Companies Act 2016. She possesses over 28 years of experience in corporate secretarial practices.

The Company Secretary constantly keeps herself abreast with the latest regulatory changes and/or development in corporate governance by attending the necessary training, conferences, seminars and/or workshops to ensure the effective discharge of her advisory role to the Board.

The Board has direct access to the professional advice and services of the Company Secretary when performing their duties and discharging their responsibilities.

Overall, the Board is satisfied with the service and support rendered by the Company Secretary to the Board in the discharge of her functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

The notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and Management with regard to the roles of the Board and its Committees, the role of the CEO/ED, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.

The Board Charter clearly delineates relevant matters and applicable limits, including those reserved for the Board's approval and those which the Board may delegate to the Board Committees, the CEO/ED and the Management.

The Board Charter was last reviewed, revised and approved by the Board on 31 December 2021 and is available on the Company's website at www.bcmalliance.com.my.

The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflect the latest compliance requirements as a result of changes in the regulatory framework.

1.7 Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics which summarises what the Company must endeavour to do proactively in order to maintain an ethical corporate culture and to enhance the standard of corporate governance and corporate behaviour across the Group. The summary of the same has also been incorporated in the Board Charter of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.7 Code of Conduct and Ethics (cont'd)

The Code of Conduct and Ethics sets out the general principles and guidance regarding ethical and behaviour consideration and/or actions for the Directors and employees of the Group in address their duties and obligations during the appointment and includes the expectation of professionalism and trustworthiness from the Directors and employees of the Group.

The Code of Conduct and Ethics is published on the Company's website at www.bcmalliance.com.my.

The Board will review the Code of Conduct and Ethics from time to time to ensure that it continues to remain relevant and appropriate with the prescribed requirements and best corporate governance practices.

1.8 Whistle Blowing Policy

The Board has also adopted a Whistle Blowing Policy to promote good business conduct and maintain business integrity. It recognises the whistle blowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of the Group's businesses and operations.

The Board had on 31 December 2021 reviewed and revised the Whistle Blowing Policy to facilitate the effective whistle blowing mechanism for all employees of the Group and members of the public to raise concerns or disclose any improper conduct committed by any directors or employees of the Group. It also provides a framework for a fair and expeditious means of dealing with whistle blowing instances respecting the rights of all parties concerned.

The Whistle Blowing Policy is published on the Company's website at www.bcmalliance.com.my.

The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

1.9 Anti-Corruption Policy & Guidelines ("ACPG")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ACPG to encourage a culture of integrity and transparency in all of the Group's activities. This policy generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ACPG is made available on the Company's website at www.bcmalliance.com.my.

The ACPG will be reviewed from time to time to ensure that it continues to remain relevant and appropriate.

1.10 Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner in intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to economic, Environmental, Social and Governance into their investment decision-making process and the Group's overall strategy and operations in order to promote and build sustainability momentum within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.10 Sustainability Governance (cont'd)

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance in which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board had on 31 December 2021 reviewed, revised and approved the relevant amendments by incorporating the assessment of the Board's understanding on sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II - BOARD COMPOSITION

2.1 Board Composition

The composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board members, whichever is the higher, are Independent Directors. Currently, the Board has six (6) members. More than half of the Board comprises Independent Non-Executive Directors as follows:-

	Names	Designations
1.	Datuk Chin Goo Chai	Independent Non-Executive Chairman
2.	Datin Latiffah Binti Endot	Independent Non-Executive Director
3.	Yap Kim Choy	Independent Non-Executive Director
4.	Khor Ben Jin	Independent Non-Executive Director
5.	Hoo Swee Guan	Executive Director
6.	Ho Kee Wee	Executive Director

The Board composition is also in line with this Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 5 to 9 in this Annual Report.

2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.2 Tenure of Independent Directors (cont'd)

Currently, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

2.3 New Appointment to the Board

The Board appoints its members through a formal and transparent selection process. The new candidates will be considered and evaluated by the NC, and the NC will then recommend the candidates to be approved and appointed by the Board. In making a recommendation to the Board on the candidates for directorship, the NC will consider and nominate the candidates based on the objective criteria, including:-

(a) skills, knowledge, expertise and experience;
(b) professionalism;
(c) integrity;
(d) time commitment to the Company based on the number of directorships held; and
(e) in the case of candidates for the position of Independent Non-Executive Directors, the NC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Rule 15.06 of the Listing Requirements of Bursa Securities.

The role of the NC is detailed in its Terms of Reference, which is accessible on the Company's website at www.bcmalliance.com.my.

2.4 Board Diversity and Senior Management Team

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

In the event that a vacancy in the Board arises, the Board, through the NC, will consider the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skill sets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Gender Diversity Policy was adopted by the Board on 31 December 2021 which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level and the same is published on the Company's website at www.bcmalliance.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particulars issues.

The Board has established four (4) Board Committees and the membership of each committee is set out in the table below:-

Composition	AC	NC	RC	RMC
Datuk Chin Goo Chai *(Independent Non-Executive Chairman)*	N/A	N/A	N/A	N/A
Datin Latiffah Binti Endot *(Independent Non-Executive Director)*	Member	Member	Chairperson	Chairperson
Yap Kim Choy *(Independent Non-Executive Director)*	Member	Chairman	Member	Member
Khor Ben Jin *(Independent Non-Executive Director)*	Chairman	Member	Member	Member
Hoo Swee Guan *(Executive Director)*	N/A	N/A	N/A	Member
Ho Kee Wee *(Executive Director)*	N/A	N/A	N/A	Member

The Terms of Reference of the respective Board Committees are published on the Company's website at www.bcmalliance.com.my.

2.6 NC

The NC is chaired by Mr. Yap Kim Choy, an Independent Non-Executive Director of the Company. The NC Chairman has led the annual review of Board effectiveness ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The NC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. The Terms of Reference of the NC was reviewed, revised and approved by the Board on 31 December 2021 which incorporated the relevant practices recommended under the MCCG. The Terms of Reference of the NC is published on the Company's website at www.bcmalliance.com.my.

The activities undertaken by the NC during the FYE 2021 were as follows:-

a. Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.

b. Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.

c. Reviewed and assessed the independence of the Independent Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.6 NC (cont'd)

The activities undertaken by the NC during the FYE 2021 were as follows (cont'd):-

d. Reviewed and assessed the performance of the AC.

e. Reviewed and recommended to the Board for consideration, the re-election of the Directors who were due to retirement at the Annual General Meeting ("AGM").

2.7 Board Appointment and Re-appointment Process

The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Directors, NC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board has in the review of the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

2.8 Annual Evaluation of the Board, Board Committees as a whole and Individual Directors

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

i. Performance of ED;
ii. Performance of Non-Executive Directors/Chairman;
iii. Independence of the Independent Directors;
iv. Performance of the AC; and
v. Effectiveness of the Board and Board committees as a whole.

The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairman will report the results and deliberation to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.8 Annual Evaluation of the Board, Board Committees as a whole and Individual Directors (cont'd)

The annual assessment criteria of the Board and Board Committees and individual Directors were last reviewed and updated on 31 December 2021 which to stay aligned with the MCCG practices.

Based on the evaluations conducted in the FYE 2021, the NC and the Board were satisfied with the performance of the individual Directors, Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

2.9 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2021, the Board had conducted five (5) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategy, operational and financial performance.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2021 are as follows:-

Name of Directors	Attendance				
	Board	AC	NC	RC	RMC
Datuk Chin Goo Chai *(Independent Non-Executive Chairman)*	5/5	5/5	1/1	1/1	–
Datin Latiffah Binti Endot *(Independent Non-Executive Director)*	4/5	4/5	1/1	1/1	2/2
Yap Kim Choy [1] *(Independent Non-Executive Director)*	4/5	4/5	1/1	1/1	–
Khor Ben Jin [2] *(Independent Non-Executive Director)*	5/5	1/1	–	–	–
Hoo Swee Guan [3] *(Executive Director)*	5/5	–	–	1/1	2/2
Ho Kee Wee [4] *(Executive Director)*	5/5	–	–	1/1	2/2
Hew Chun Shun [5] *(Executive Director)*	–	–	–	–	–
Ng Kok Wah [6] *(Independent Non-Executive Director)*	4/4	4/4	1/1	–	2/2
Koh Pee Seng [7] *(Executive Deputy Chairman)*	–	–	–	–	–
Ng Wai Hong [8] *(Executive Director)*	–	–	–	–	–
Datin Cheah Meow Choong [9] *(Independent Non-Executive Director)*	–	–	–	–	–
Liaw Chong Lin [10] *(Managing Director)*	4/4	–	–	–	–
Chung Eng Lam [11] *(Executive Director)*	–	–	–	–	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

2.9 Attendance of Board and Board Committees' Meetings (cont'd)

Notes:
(1) Mr. Yap Kim Choy was appointed as an Independent Non-Executive Director on 4 January 2021.
(2) Mr. Khor Ben Jin was appointed as an Independent Non-Executive Director on 8 January 2021.
(3) Mr. Hoo Swee Guan was appointed as an Executive Director on 4 January 2021.
(4) Mr. Ho Kee Wee was appointed as an Executive Director on 4 January 2021.
(5) Mr. Hew Chun Shun resigned on 4 January 2021.
(6) Mr. Ng Kok Wah resigned on 1 September 2021.
(7) Mr. Koh Pee Seng resigned on 4 January 2021.
(8) Ms. Ng Wai Hong resigned on 4 January 2021.
(9) Datin Cheah Meow Choong resigned on 8 January 2021.
(10) Mr. Liaw Chong Lin resigned on 1 September 2021.
(11) Mr. Chung Eng Lam resigned on 4 January 2021.

2.10 Directors' Trainings

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2021, all Directors had attended the following training programmes in compliance with Rule 15.08 of the Listing Requirements of the Bursa Securities:-

Name of Directors	Trainings/seminars attended
Datuk Chin Goo Chai	• Updated MCCG 2021
Datin Latiffah Binti Endot	• Updated MCCG 2021
Hoo Swee Guan	• Updated MCCG 2021
Ho Kee Wee	• Updated MCCG 2021
Yap Kim Choy	• Updated MCCG 2021
Khor Ben Jin	• Updated MCCG 2021

The Board has on a continuous basis, evaluate and assesses the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION

3.1 Remuneration Policy

The Board had, through the RC, established a formal and transparent Remuneration Policy to attract and retain Directors and Key Senior Management of the Company. The Remuneration Policy was adopted by the Board on 31 December 2021 and is available on the Company's website at www.bcmalliance.com.my.

The RC assists the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is also responsible to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

a. fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;

c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

d. salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in a general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The Board will determine the remuneration package of the EDs, taking into consideration the recommendations of the RC for EDs. The remuneration package for the EDs is structured in such a way that it links rewards to both corporate and individual performance.

Independent Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover. Apart from Directors' fees, all Independent Non-Executive Directors are entitled to meeting allowances for attending Board and Board Committee meetings.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2021 are as follows:-

The Company

Name of Directors	RM					
	Fee	Allowance	Salary	Bonus	Other emolument#	Total
Datuk Chin Goo Chai	60,000	600	–	–	–	**60,600**
Datin Latiffah Binti Endot	42,000	600	–	–	–	**42,600**
Yap Kim Choy *(Appointed on 4 January 2021)*	36,000	300	–	–	–	**36,300**
Khor Ben Jin *(Appointed on 8 January 2021)*	36,000	300	–	–	–	**36,300**
Hoo Swee Guan *(Appointed on 4 January 2021)*	–	–	180,000	100,000	34,523	**314,523**
Ho Kee Wee *(Appointed on 4 January 2021)*	–	4,500	143,000	13,000	20,151	**180,651**
Hew Chun Shun *(Resigned on 4 January 2021)*	–	–	140,000	–	17,339	**157,339**
Ng Kok Wah *(Resigned on 1 September 2021)*	32,000	300	–	–	–	**32,300**
Koh Pee Seng *(Resigned on 4 January 2021)*	–	–	1,291	–	68	**1,359**
Ng Wai Hong *(Resigned on 4 January 2021)*	–	–	1,290	–	68	**1,358**
Datin Cheah Meow Choong *(Resigned on 8 January 2021)*	903	–	–	–	–	**903**
Liaw Chong Lin *(Resigned on 1 September 2021)*	–	–	–	–	–	–
Chung Eng Lam *(Resigned on 4 January 2021)*	–	–	–	–	–	–
TOTAL	**206,903**	**6,600**	**465,581**	**113,000**	**72,149**	**864,233**

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors (cont'd)

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2021 are as follows (cont'd):-

The Group

Name of Directors	RM					
	Fee	Allowance	Salary	Bonus	Other emolument#	Total
Datuk Chin Goo Chai	72,000	600	–	–	–	**72,600**
Datin Latiffah Binti Endot	42,000	600	–	–	–	**42,600**
Yap Kim Choy *(Appointed on 4 January 2021)*	36,000	300	–	–	–	**36,300**
Khor Ben Jin *(Appointed on 8 January 2021)*	36,000	300	–	–	–	**36,300**
Hoo Swee Guan *(Appointed on 4 January 2021)*	–	–	340,714	100,000	54,493	**495,207**
Ho Kee Wee *(Appointed on 4 January 2021)*	–	4,500	143,000	13,000	20,151	**180,651**
Hew Chun Shun *(Resigned on 4 January 2021)*	–	7,000	140,000	–	18,249	**165,249**
Ng Kok Wah *(Resigned on 1 September 2021)*	32,000	300	–	–	–	**32,300**
Koh Pee Seng *(Resigned on 4 January 2021)*	–	–	1,291	–	68	**1,359**
Ng Wai Hong *(Resigned on 4 January 2021)*	–	–	1,290	–	68	**1,358**
Datin Cheah Meow Choong *(Resigned on 8 January 2021)*	903	–	–	–	–	**903**
Liaw Chong Lin *(Resigned on 1 September 2021)*	–	8,000	246,400	–	31,224	**285,624**
Chung Eng Lam *(Resigned on 4 January 2021)*	–	–	–	–	–	–
TOTAL	**218,903**	**21,600**	**872,695**	**113,000**	**124,253**	**1,350,451**

Note:-

 # Other emoluments include Employees Provident Fund (EPF) and SOSCO & Employee Insurance Scheme (EIS).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION (CONT'D)

3.3 Remuneration of Senior Management

The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature for talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2021 are as follows:-

Range of Remuneration	Number of Senior Management
RM50,001 to RM100,000	1
RM400,001 to RM450,000	1
RM500,001 to RM550,000	1
RM750,001 to RM800,000	1
RM850,001 to RM900,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AC

4.1 Effective and Independent AC

The AC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The AC is chaired by Mr. Khor Ben Jin, whereas the Board is chaired by Datuk Chin Goo Chai, both are Independent Non-Executive Directors of the Company. The positions of Board Chairman and AC Chairman are assumed by different individuals to ensure that the Board's review of the AC's findings and recommendations is not impaired.

The AC comprises three (3) members. The composition of the AC complies with Rule 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all the three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The Terms of Reference of AC had been updated on 31 December 2021 to reflect the change of the cooling off period from at least two (2) to at least three (3) years before a former audit partner is being appointed as a member of the AC and the same is available on the Company's website at www.bcmalliance.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - AC (CONT'D)

4.1 Effective and Independent AC (cont'd)

Currently, none of the members of the AC were former key audit partners of the present auditors of the Group.

The term of office and performance of the AC and its members are reviewed by the NC annually to determine whether such AC and members have carried out their duties in accordance with the terms of reference.

4.2 External Auditors

The Board had on 31 December 2021 established the External Auditors Assessment Policy together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The AC reviewed the nature and extent of non-audit services rendered by the External Auditors during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the AC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC had carried out an annual performance assessment of the External Auditors and requested the Executive Directors and Financial Controller and Group Accountant to join the assessment.

The AC is satisfied with the suitability and independence of the External Auditors and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Group has in place a structured risk management and internal control framework to manage the business risks faced by the Group on an on-going basis. It provides reasonable and not absolute assurance against fraud, material misstatement or loss, and this is achieved through a combination of preventive, detective and corrective measures.

The risk management and internal control framework are embedded into the culture, processes and structures of the Group. The Board and the RMC are committed to ensure that the framework is responsive to changes in the business environment and clearly communicated to all key management personnel.

The Company's Internal Audit Function has been outsourced to an independent professional firm, namely Whitesleeves Advisory Sdn. Bhd. to assist the AC in discharging its duties and responsibilities in respect of reviewing and assessing the adequacy and effectiveness of the Group's risk management and internal control systems. The Internal Auditors report directly to the AC, which in turn reports to the Board.

To ensure that the responsibilities of Internal Auditors are fully discharged and they are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors, the AC carried out an annual performance assessment of the Internal Auditors and requested the Executive Directors, the Financial Controller and the Group Accountant to join the assessment.

Further details of the internal audit functions are disclosed in the AC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

5.2 RMC

The Board, via the RMC, oversees the Group's risk management framework and policies. The risk management and internal control are ongoing processes, which are undertaken at each department. The Group performed a risk identification and evaluation process via a series of interviews and discussions with the key personnel and management of the Group with the consideration of both internal and external environmental factors.

The identified risks will then be documented into the Risk Management Report and be tabled during the RMC meetings. The RMC is required to identify major business and compliance risks concerning their respective business units oversees and ensures the integration of risk management into their business processes to safeguard the interest of the Group.

The RMC comprises a majority of Independent Non-Executive Directors and its scope and function are set out in the Terms of Reference which is available on the Company's website at www.bcmalliance.com.my.

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

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board recognises the importance of providing effective communication platforms to provide accurate, timely, transparent and valuable insights on the Company's performance and position to its stakeholders. As such, the Board consistently ensures prompt and timely dissemination of information to its shareholders and the investors, for them to make informed investment decisions.

Quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, www.bcmalliance.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

6.2 Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Company has adopted a Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The notice of the 6th AGM of the Company held on 24 June 2021 was sent to the shareholders on 30 April 2021, which is more than 28 days prior to the date of the 6th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the AGM.

The 6th AGM of the Company was held on a fully virtual basis and entirely via remote participation and voting. The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Guide prior to the 6th AGM. This has allowed shareholders to participate online, using a smartphone, tablet or computer as well as view live webcast of the meeting.

All resolutions set out in the notice of the 6th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

All Directors had attended the 6th AGM and be accountable to the shareholders for their stewardship of the Company. The External Auditors were also be invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

During the proceedings of the 6th AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.

Shareholders were encouraged to post their questions to the Board using the query box facility throughout the 6th AGM. The Company facilitates and encourages shareholder participation at its 6th AGM. This meeting provides an update for shareholders on its performance and offer an opportunity for shareholders to ask questions and vote.

The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the 6th AGM before each resolution is proposed. The summary of the key matters discussed at the 6th AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CG STATEMENT

The Board has deliberated, reviewed and approved this CG Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2021, except for the departures set out in the CG Report. The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of BCM Alliance Berhad ("the Company") is pleased to present the AC Report for the financial year ended 31 December 2021 ("FYE 2021").

1. OBJECTIVES

The primary objective of the AC is to assist the Board of Directors ("Board") in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference, providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures as well as establishing and maintaining internal controls.

2. COMPOSITION OF THE AC

The AC comprises the following members, all being Independent Non-Executive Directors of the Company:-

AC Members	Designation	Directorship
Khor Ben Jin *(Appointed as the Chairman of the AC on 1 September 2021)*	Chairman	Independent Non-Executive Director
Datin Latiffah Binti Endot	Member	Independent Non-Executive Director
Yap Kim Choy	Member	Independent Non-Executive Director

The Company has complied with Rule 15.09 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires all members of the AC to be Non-Executive Directors with a majority of them being Independent Directors. No alternate Director is appointed as a member of the AC.

The Chairman of the AC, Mr. Khor Ben Jin is an Independent Non-Executive Director. Hence, the Company complied with Rule 15.10 of the AMLR of Bursa Securities. He is a fellow member of Association of the Chartered Certified Accountants, United Kingdom (FCCA), a Chartered Accountant registered with Malaysian Institute of Accountants (MIA), a Certified Internal Auditors recognised by United States of America (CIA) and a Chartered Member of the Internal Auditors Malaysia (CMIIA).

3. TERMS OF REFERENCE

The Terms of Reference of the AC which set out its duties and responsibilities are accessible via the Company's website at www.bcmalliance.com.my.

4. AC MEETINGS AND ATTENDANCE

During the FYE 2021, the AC conducted five (5) meetings and the details of attendance of each of the AC members to the meetings are as follows:

AC Members	Attendance
Khor Ben Jin, Chairman	1/1
Datin Latiffah Binti Endot, Member	4/5
Yap Kim Choy, Member	4/5

The presence of the External Auditors, Internal Auditors and/or officers of the Company at the AC meetings, if required, will be requested by the AC. They attended the AC meetings by invitation to provide clarification on audit issues, the Company and its subsidiaries' ("Group") operations and any other matters of interests.

AUDIT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF ACTIVITIES OF THE AC DURING THE FYE 2021

The summary of activities carried out by the AC during the FYE 2021, amongst others, included the following:

(i) Financial Performance and Reporting

- Reviewed the unaudited quarterly report on consolidated financial results including the announcement pertaining thereto, before recommending the same to the Board for consideration and approval and release the same to Bursa Securities, the AC ensured the unaudited quarterly report were prepared in compliance with Rule 9.22 and Appendix 9B of the AMLR;
- Reviewed the annual audited financial statements of the Group ("AFS") to ensure the said AFS were drawn up in accordance with the Malaysian Financial Reporting Standard before recommending to the Board for consideration and approval;
- Reviewed and deliberated on audit issues raised by the External Auditors and the action plans required to address those issues;
- Reviewed related party transactions that may arise within the Group and the adequacy of the Company's procedures and processes in identifying, monitoring, reporting and reviewing related party transactions in a timely and orderly manner; and
- Noted emerging financial reporting issues pursuant to the introduction of new accounting standards, as well as additional statutory, legal and regulatory disclosure requirements.

(ii) Internal Audit ("IA")

- Reviewed and approved the annual IA plan presented by the Internal Auditors after being satisfied with the contents' suitability, adequacy and scope of coverage;
- Reviewed the IA reports, which highlighted the audit issues, recommendations and management's responses;
- Reviewed on the status of actions taken by the management on recommendations suggested in the IA reports;
- Discussed with the management on actions taken to improve the systems of internal control based on the recommendations and findings identified in the IA reports and made necessary recommendations to the Board for approval;
- Reviewed and approved the proposed fees for the IA in respect of their audit of the Company and of the Group; and
- Evaluated the effectiveness and independence of the IA function in carrying out its responsibilities in respect of risk management, internal control, and governance.

AUDIT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF ACTIVITIES OF THE AC DURING THE FYE 2021 (CONT'D)

(iii) External Auditors

- Reviewed and discussed with the External Auditors on their audit planning memorandum of the statutory audit of the Group's for the FYE 2021;
- Reviewed the AFS and discussed with the External Auditors of their audit including of system evaluation, audit fees, issue raised, audit recommendations and management's response to these recommendations;
- Met with the External Auditors without the presence of the Management team to discuss issues of concern to the External Auditors arising from the annual statutory audit;
- Reviewed other significant matters and unusual events or transaction highlighted by the External Auditors as well as how these significant matters are addressed; and
- Evaluate the performance of the External Auditors and recommended for appointment. The AC had considered and reviewed the External Auditors' experience, resources availability, independence, non-audit services, timing for fieldwork and delivery of reports, working relationship with Management, appropriateness of audit fees and their willingness to continue in office for the next financial year.

(iv) Corporate Governance

- Reviewed the impact of the relevant regulatory changes, Listing Requirements, applicable approved accounting standards to ensure compliance by the Company and the Group; and
- Reviewed and recommended the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to ensure the contents therein are accurate and in compliance with the AMLR of Bursa Securities to the Board for approval.

(v) Risk Management

- Reviewed and endorsed the risk management frameworks, guidelines and other key components of risk management for implementation within the Company and throughout the Group; and
- Reviewed the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.

AUDIT COMMITTEE REPORT (CONT'D)

6. INTERNAL AUDIT FUNCTION

The Group has appointed an outsourced internal audit service provider, Whitesleeves Advisory Sdn. Bhd. ("Whitesleeves") to carry out the Internal Audit Function. Whitesleeves is independent of the activities and operations of the Group. It reports directly to the AC.

The purpose of the internal audit function is to provide the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

For the FYE 2021, the summary of works undertaken by the Internal Auditors comprised the following:-

a) Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;

b) Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;

c) The internal audits performed met the objective of highlighting to the AC the outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;

d) Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and

e) Presentation of audit findings and corrective actions to be taken by Management in the AC Meetings.

The Internal Auditors conducted two (2) internal audit cycles during the FYE 2021 as follows:

a) Inventory control of Foodict Maker Sdn. Bhd.; and
b) Inventory control of CS Laundry System Sdn. Bhd.

The total costs incurred for the outsourced internal audit function of the Group for the FYE 2021 amounted to RM25,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provision of the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of their results and their cash flows for the financial year then ended.

In preparation the financial statements for the financial year ended 31 December 2021, the Directors have taken steps to ensure that:-

i) the Group and the Company have adopted appropriate accounting policies which have been consistently applied;
ii) the judgments and estimates made are reasonable and prudent;
iii) all approved accounting standards which are applicable in Malaysia have been complied with; and
iv) the financial statements prepared on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible for ensuring that proper accounting records, which disclose with a reasonable degree of accuracy, the financial position of the Group and the Company, are maintained in compliance with the provisions of the Companies Act 2016.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance ("the Code") sets out one of the key responsibilities of the Board of Directors ("Board") of a listed company is to identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures to safeguard shareholders' investment and assets of the Company and its subsidiaries ("Group"). This is intended that business decisions are made based on appropriate risk taking to achieve a proper balance between risks incurred and potential returns to shareholders in accordance with the Group's acceptable risk appetite.

The Board of BCM Alliance Berhad is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirement ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility and is committed to maintain a sound risk management and internal control system within the Group and regularly reviews its adequacy, effectiveness and integrity to achieve the Group's corporate objectives and strategies and so as in safeguarding shareholders' investment and the Group's assets.

The system of risk management and internal control covers not only financial aspect but also operational and compliance aspect of the Group. Due to the limitations that are inherent in any system of internal control, such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable but not absolute assurances against material misstatement or loss.

The Board is assisted by Executive Directors and Management team in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information, designing, operating suitable internal controls to manage and control these risks, and monitoring effectiveness of risk management and control activities.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies and the process has been in place during the financial year and up to the date of approval of the Statement of Risk Management and Internal Control. It should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management Committee will assist the Board in reviewing the adequacy, integrity and effectiveness of the system of internal controls and risk management framework within the Group and to ensure adequate resources are channeled to obtain the level of assurance required by the Board.

RISK MANAGEMENT

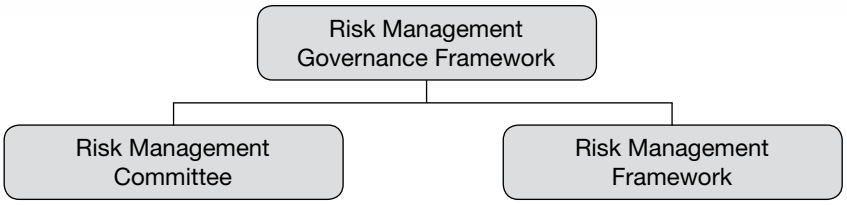
The Risk Management Committee has been established by the Board with clear defined lines of accountability and authority.

They are responsible for identifying business risks, implementing appropriate systems of internal controls to manage these risks and ensuring that there is an on-going programme to continuously assess, monitor and manage the principal risk of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

The Company has adopted and established the Risk Management Governance Framework as follows:-



The risk assessment methodology consists of the following core elements combined to provide the definition of effective business risk assessment:-

a. Determine Risk Policy;
b. Risk Identification;
c. Risk Assessment;
d. Risk Evaluation;
e. Risk Treatment; and
f. Risk Monitoring.

The Board and Management ensure that the risk management and control framework is embedded into the culture, processes and structures of the Group. The framework is responsive to changes in the business environment and clearly communicated to all key management personnel.

The following are initiatives undertaken by the Risk Management Committee during the year:

- Continuously review the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group; and

- Continuously monitor the action plans derived by the "Risk Owners" to address principal risks of the Group.

Based on Risk Management Policies and Framework adopted and approved by the Board, the Risk Management Committee has delegated the responsibilities of identifying key risks of the Group to the respective "Risk Management Business Units" and "Risk Owners" whereby the Risk Owners are required to report the key risks of the Group with proposed action plans to the Risk Management Committee for review and consideration. The key risks of the Group with proposed action plans have been updated and presented to the Risk Management Committee in its meetings periodically.

INTERNAL CONTROL

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further, independent assurance is provided by the Group's Internal Auditors and the Audit Committee to the Board. The Audit Committee reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL (CONT'D)

The key salient features of the Group's systems of internal controls are as follows:-

- **Board/Board Committees**

  Board Committees (i.e. Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee) have been established to carry out duties and responsibilities delegated by the Board and are governed by written terms of reference.

  Meetings of Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspectives. Business plans and business strategies are proposed by the Executive Directors to the Board for their review and approval after taking into account risk consideration and responses.

- **Integrity and Ethical Value**

  The tone from the top on integrity and ethical value are enshrined in formal Code of Conduct as contained in the Board Charter established and approved by the Board. This formal code forms the foundation of integrity and ethical value for the Group.

- **Organisation Structure and Authorisation Procedure**

  The Group has a formal organisation structure in place to ensure appropriate level of authority and responsibilities are delegated accordingly to competent staff in achieving operational effectiveness and efficiency.

  The Group is committed to employ suitably qualified staff so that the appropriate level of authorities and responsibilities can be delegated accordingly to competent staff to ensure operational efficiency. Furthermore, there is close involvement in daily operations of the Group by the Executive Directors.

  The authorisation requirement of the key internal control points of key business processes are included as part of the policies and procedures established by the Group.

- **Policy and Procedure**

  The Group has documented policies and procedures in compliance with its International Organisation for Standardisation ("ISO") certifications with authorisation requirement for key processes are stated therein.

  For business processes not under the ISO certifications, the Management develops and maintains documented process flow for key business processes employed with relevant authorisation requirement, if applicable.

  The clear and documented internal operating procedures/policies are in place to ensure compliance with the internal controls and relevant laws and regulations. These internal operating procedures/policies are being review at least once in every two years or as and when the circumstances warrants to ensure that these documentations remain current and relevant.

- **Human Resource Management**

  The Group put in place consistent human resource practice throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL (CONT'D)

The key salient features of the Group's systems of internal controls are as follows (cont'd):-

- **Information and Communication**

  At operational level, clear reporting lines established across the Group and operation and management reports are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision.

  Apart from that, relevant financial and management reports such as sales analysis, trade payables aging analysis, trade receivables aging analysis and stock aging analysis will be discussed in departmental level while profit and loss analysis, balance sheet analysis, ratio analysis and cash flow planning are generated for Senior Management to review and decide.

  The Group puts in place effective and efficient information and communication infrastructures and channels, i.e. computerised information system, secured intranet, electronic mail system and modern telecommunication, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making. It is also for communication with relevant external stakeholders for execution and information collection via Company website and dedicated Public Relation Officer.

- **External Bodies Certification**

  - Best Contact (M) Sdn. Bhd. is certified and is in compliance with the ISO 9001:2015 (Quality Management Systems), ISO 13485:2016 (Medical devices — Quality management systems — Requirements for regulatory purposes), Good Distribution Practice for Medical Device (Regulatory Requirement for Medical Device Safety & Performance), and Medical Device Regulations 2012 (Establishment License).

  - Maymedic Technology Sdn. Bhd. is certified and is in compliance with the ISO 9001:2015 (Quality Management Systems), Good Distribution Practice for Medical Device (Regulatory Requirement for Medical Device Safety & Performance), and Medical Device Regulations 2012 (Establishment License).

  - BC Medicare Sdn. Bhd. is certified and is in compliance with the ISO 13485:2016 (Medical Devices-Quality Management Systems).

  - CS Laundry System Sdn. Bhd. is certified and is in compliance with the ISO 9001:2015 (Quality Management Systems).

  - Cypress Medic Sdn. Bhd. is certified by MedCert, complying to Goods Distribution Practice for Medical Device (Regulatory Requirement for Medical Device Safety & Performance), and Medical Device Regulations 2012 (Establishment License).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL (CONT'D)

The key salient features of the Group's systems of internal controls are as follows (cont'd):-

- **Monitoring and Review**

  Periodical management meetings are held to discuss and review financial and operational performance of key divisions or departments of the Group.

  Apart from the above, the quarterly financial performance review containing key financial results and previous corresponding financial results are presented to the Audit Committee for review and the Board for approval for public release.

  Furthermore, internal audits are carried out by the internal audit function, which reports directly to the Audit Committee to assess the adequacy and effectiveness of internal controls in relation to specific critical control processes and highlights significant risks impacting the Group to the Audit Committee as well as recommending improvements to various processes to minimise the risks.

  The monitoring of compliance with relevant laws and regulations are further enhanced by independent review of specific areas of safety, health and environment by independent consultants engaged by the Group and/or relevant regulatory bodies.

INTERNAL AUDIT

The Group's internal audit function is outsourced to Whitesleeves Advisory Sdn. Bhd. to assist the Audit Committee and the Board in providing independent professional assessment on the adequacy, efficiency and effectiveness of the Group's risk management practices and internal control systems. The firm is free from any relationships or conflict of interest, which could impair its objectivity and independence of the internal audit function.

Our Internal Auditors reports directly to the Audit Committee and the internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage of assessment on the adequacy, efficiency and effectiveness of the internal controls system and risk management system of the Group.

Generally, the internal controls review procedures performed by our outsourced internal audit function are designed to understand, document and evaluate risks and related controls to determine the adequacy of governance, risk and control structures and processes and to formulate recommendations for improvement thereon. The internal audit procedures applied principally consisted of process evaluations through interviews with relevant personnel involved in the process under review, review of the Standard Operating Procedures and/or process flows provided and observations of the functioning of processes in compliance with results of interviews and/or documented Standard Operating Procedures and/or process flows. Thereafter, testing of controls by the outsourced internal audit function through the review of the samples selected.

During the financial year ended 31 December 2021 ("FYE 2021"), the Internal Auditors have conducted internal control reviews on Inventory Control of Foodict Maker Sdn. Bhd. and CS Laundry System Sdn. Bhd. in accordance to the internal audit plan.

Upon the completion of the internal audit field work during the financial year, the internal audit reports were presented to the Audit Committee during its scheduled meetings. During the presentation, the internal audit findings and recommendations as well as management response and action plans were presented and deliberated by the Audit Committee. Update on the status of action plans as identified in the previous internal audit report were presented at subsequent Audit Committee meeting for review and deliberation.

The cost incurred in maintaining the outsourced internal audit function for the FYE 2021 amounted to RM25,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

ANTI-CORRUPTION POLICY AND GUIDELINES

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-corruption policy and guidelines which prohibits all forms of bribery and corruption practices. All employees are required to read and understand the policy. All business partners including consultants and contractors are required to comply with the Group's anti-corruption policy and guidelines. The said policy is also made available at the Company's website.

WHISTLEBLOWING POLICY

The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and members of the public to report and disclose any improper, alleged or illegal activities within the Group. The whistleblowing policy is made available at the Company's website.

ASSURANCE PROVIDED BY EXECUTIVE DIRECTORS AND MANAGEMENT TEAM

The Board has also received assurance from the Executive Directors and Management team that the Group's risk management and internal control systems are satisfactory, have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the year under review until the date of Statement of Risk Management and Internal Control and without resulted any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

Nonetheless, the Board recognises that the internal control system should be continuously improved in line with the evolving business environment. It should be noted generally that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the Group's risk management and internal control system can only provide reasonable, but not absolute assurance against material misstatements, frauds, losses or other significantly adverse consequences.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the AMLR of Bursa Securities, the External Auditors have reviewed this Statement on Internal Control for inclusion in this Annual Report for the FYE 2021. Their limited assurance review was performed in accordance with the 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 Annual Report which issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 42 and 43 of the Guidelines to be set out, nor is factually inaccurate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system, to safeguard the Group's assets and minimise its losses and liabilities. The Board has received assurance from the Executive Directors and Management team that the Group's risk management and internal control system operated adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

The Board will continue to evaluate and manage the significant business risks faced by the Group and put in place appropriate action plans and controls to further enhance the system of risk management and internal control system to ensure that the Group's risk management practices and system of internal control continuously evolve to meet the changing and challenging business environment.

This Statement on Risk Management and Internal Control was made on the recommendation of the Audit Committee to the Board and in accordance with the Board's resolution on 25 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISES

a) Special issue of up to 60,197,000 new ordinary shares in the Company to bumiputera investors to be identified and/or approved by MITI ("Special Issue")

On 19 June 2020, the Company proposed to undertake the Special Issue and it has been completed on 11 December 2020 following the listing of and quotation for 60,197,000 new ordinary shares at RM0.26 per share on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Special Issue is undertaken to comply with the Bumiputera Equity Conditions (requirement by the Securities Commission Malaysia for the Company to meet a minimum 12.50% Bumiputera shareholdings) and to allow the Company to raise funds for the Group's business.

The gross proceeds raised from the Special Issue Shares amounting to RM15.65 million have been partially utilised in the following manner as at 18 April 2022: -

Purpose	Intended timeframe for utilisation from 11 December 2020	Proposed Utilisation (RM'000)	Actual Utilised (RM'000)	Balance Unutilised (RM'000)
(i) Purchase of new devices and equipment	Within 24 months	9,750	(8,613)	1,137
(ii) Working capital	Within 6 months	5,439	(5,439)	–
(iii) Estimated expenses for the Special Issue	Within 1 month	462	(462)	–
Total		**15,651**	**(14,514)**	**1,137**

b) Private placement of up to 144,434,000 new ordinary shares in the Company, representing 30% of the existing total number of issued shares of the Company, to independent third-party investor(s) ("Private Placement")

On 27 January 2021, the Company proposed to undertake the Private Placement and it has been completed on 25 March 2021 following the listing of and quotation for 63,636,000 new ordinary shares at RM0.225 per share on the ACE Market of Bursa Securities.

Prior to that, total number of 41,252,181 and 39,545,455 new ordinary shares had been listed on 12 March 2021 and 15 March 2021 respectively at RM0.220 per shares.

The rationale for this Proposal is enable the Group to raise fund to fund its business expansion into the trading of COVID-19 test kits.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISES (CONT'D)

b) Private placement of up to 144,434,000 new ordinary shares in the Company, representing 30% of the existing total number of issued shares of the Company, to independent third-party investor(s) ("Private Placement") (cont'd)

The gross proceeds raised from the Private Placement amounting to RM32.09 million have been partially utilised in the following manner as at 18 April 2022:-

Purpose	Intended timeframe for utilisation from 19 March 2021	Proposed Utilisation (RM'000)	Actual Utilised (RM'000)	Balance Unutilised (RM'000)
(i) Business expansion into the trading of COVID-19 test kits	Within 24 months	31,689	(15,696)	15,993
(ii) Estimated expenses for the Private Placement	Immediate	405	(405)	–
Total		**32,094**	**(16,101)**	**15,993**

c) Proposed Rights Issue with Warrants

On 5 May 2021, the Company proposed to undertake a renounceable rights issue of up to 1,220,467,629 new ordinary shares in the Company ("Rights Shares") together with up to 1,017,056,357 free detachable warrants in the Company ("Warrants ") on the basis of 6 Rights Shares together with 5 free Warrants for every 4 existing Shares held by the entitled shareholders of the Company ("Entitled Shareholders") ("Proposed Rights Issue with Warrants").

The Proposed Rights Issue with Warrants will enable the Company to raise funds and channel them towards the expansion of business of providing on-demand laundry services.

Bursa Securities had, vide its letter dated 24 May 2021, approved the listing and quotation of Rights Shares and Warrants to be issued.

On 24 June 2021, the Proposed Rights Issue with Warrants has been approved by shareholders of the Company at an Extraordinary General Meeting.

On 8 July 2021, the Company has resolved to fix the issue price of the Rights Shares at RM0.08 per Rights Share and the exercise price of the Warrants at RM0.10 per Warrant.

On 30 August 2021, the Proposed Rights Issue with Warrants has been completed following the listing and quotation of 938,821,251 Rights Shares and 782,350,787 Warrants on the ACE Market of Bursa Securities.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISES (CONT'D)

c) Proposed Rights Issue with Warrants (cont'd)

The gross proceeds raised from the Rights Issue with Warrants amounting to RM75.11 million have been partially utilised in the following manner as at 18 April 2022:-

Utilisation of proceeds	Intended timeframe for utilisation from 30 August 2021	Actual proceeds raised (RM'000)	Actual utilisation up to 18/4/2022 (RM'000)	Balance available for utilisation (RM'000)
(i) Investment in the business of providing on-demand laundry services	Within 18 months	42,000	(42,000)	–
(ii) Working capital	Within 24 months	32,401	(32,401)	–
(iii) Estimated expenses for the Rights Issue with Warrants	Immediate	705	(705)	–
Total		**75,106**	**(75,106)**	**–**

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial year ended 31 December 2021 ("FYE 2021") were as follows:

	Company (RM)	Group (RM)
Audit Fees	33,000	136,500
Non-Audit Fees:-		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
	38,500	142,000

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There was no material contract entered into by the Company and its subsidiaries involving the interest of the Directors, Chief Executive and Major Shareholders during the financial year under review.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 5 February 2021, the Company proposed to undertake the establishment of a new ESOS involving up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible Directors and employees of the Company and its subsidiaries.

The proposed ESOS has been approved at the Extraordinary General Meeting held on 4 March 2021. The effective date of implementation of the ESOS is on 25 March 2021 and will be in force for a period of five (5) years.

The maximum allocation of ESOS to Directors and employees of the Group shall not exceed 30% of the Company's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The details on the number of ESOS options granted, exercised, forteited and outstanding since its commencement up to 18 April 2022 are as follows:-

	Total	Executive Director/ Chief Executive	Senior Management	Other Employees
Number of options granted	469,410,000	–	–	469,410,000
Number of options exercised	469,410,000	–	–	469,410,000
Number of options forfeited	–	–	–	–
Number of options outstanding	–	–	–	–

During the financial year ended 31 December 2021, there was no ESOS option granted to Senior Management.

The Directors of the Company have not, since the implementation of the ESOS, been granted any options under ESOS.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The list of recurrent related party transactions of revenue or trading nature entered into by the Group is disclosed in Note 33 to the Financial Statements for the FYE 2021 on page 140 of this Annual Report. For the FYE 2021, no shareholder mandate was sought for the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Securities.

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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	97,841	490,604
Attributable to:		
Owners of the parent	(1,176,283)	490,604
Non-controlling interests	1,274,124	–
	97,841	490,604

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

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Group and the Company has issued 80,797,636 and 63,636,000 ordinary shares of RM0.22 and RM0.225 each and 938,821,251 rights shares of RM0.08 each for cash for working capital purpose. The newly issued shares rank pari passu in all respects with the existing issued shares.

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up any unissued shares of the Group and the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Group and the Company. At the end of the financial year, there were no unissued shares of the Group and the Company under options.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of report are:

Datuk Chin Goo Chai*
Datin Latiffah Binti Endot
Liaw Chong Lin* (Resigned on 1 September 2021)
Ng Kok Wah (Resigned on 1 September 2021)
Ho Kee Wee (Appointed on 4 January 2021)
Hoo Swee Guan (Appointed on 4 January 2021)
Khor Ben Jin (Appointed on 8 January 2021)
Yap Kim Choy (Appointed on 4 January 2021)
Koh Pee Seng (Resigned on 4 January 2021)
Chung Eng Lam (Resigned on 4 January 2021)
Ng Wai Hong (Resigned on 4 January 2021)
Hew Chun Shun (Resigned on 4 January 2021)
Cheah Meow Choong (Resigned on 8 January 2021)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year until the date of this report are:

Kew Kin Chee
Chong Wai Mun
Law Soo Chin
Chung Eng Lam

* Director of the Company and certain subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, the directors who held office at the end of financial year and their interests in the Group and the Company during the financial year were as follows:

	Number of ordinary shares			
Direct interests	**At 1.1.2021**	**Bought**	**Sold**	**At 31.12.2021**
Ho Kee Wee	–	1,000	–	1,000
Hoo Swee Guan	–	10,000	–	10,000
Yap Kim Choy	–	3,800,000	–	3,800,000

None of the directors holding office at 31 December 2021 had any interest in the shares and options over shares of the Group and the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Group and the Company has received nor become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Group and the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33(b) to the financial statements.

Neither during, nor at the end of the financial year, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Group and the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM900,000 and RM27,288 respectively. No indemnity was given to or insurance effected for auditors of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration are disclosed in Note 32 to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and the adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realise in the ordinary course of business including the values of current assets as shown in accounting records of the Group and the Company have been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

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

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

(a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since end of the financial year.

In the opinion of the directors:

No contingent or other liability 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 the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 41 to the financial statements.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 9 to the financial statements.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

Signed on behalf of the board of director in accordance with a resolution of the directors,

.....
Hoo Swee Guan
Director

.....
Ho Kee Wee
Director

Kuala Lumpur,
Date: 25 April 2022

STATEMENT BY DIRECTORS

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

We, Hoo Swee Guan and Ho Kee Wee, being the two directors of BCM ALLIANCE BERHAD, do hereby state that in our opinion, the financial statements as set out on pages 79 to 154, 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 Company as at 31 December 2021 and of its financial performance and cash flows of the Company for the financial year then ended.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

.....
Hoo Swee Guan
Director

.....
Ho Kee Wee
Director

Kuala Lumpur,
Date: 25 April 2022

STATUTORY DECLARATION

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

I, Tang Fook Choy (MIA Membership No: 19663), being the officer primarily responsible for the financial management of BCM ALLIANCE BERHAD, do solemnly and sincerely declare that the financial statements of the Company as set out on pages 79 to 154, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Puchong in the State of Selangor Darul)
Ehsan on this 25 April 2022)

.....
Tang Fook Choy
Financial Controller

Before me,

B437
Samuel John A/L Ponniah
Commisioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of BCM Alliance Berhad

[Registration No.: 201501009903 (1135238-U)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of BCM ALLIANCE BERHAD, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 154.

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 financial 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 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 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' Code of Ethics for Professional Accountants ("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. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements..

INDEPENDENT AUDITORS' REPORT

To the members of BCM Alliance Berhad

[Registration No.: 201501009903 (1135238-U)] (Incorporated in Malaysia)

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

1. Impairment of trade receivables

The Group's trade receivables amounting to RM18.96 million, representing approximately 12.55% of the Group's total current assets as at 31 December 2021.

The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

In addressing this, we have involved the component auditors in performing, amongst others, the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.

- We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.

- We have reviewed the appropriateness of the disclosures made in the financial statements.

2. Impairment of intangible assets

The Group's intangible assets amounting to RM19.02 million, representing approximately 8.52% of the Group's total assets as at 31 December 2021.

The valuation assessment of the intangible assets involved judgements and estimation uncertainty in analysing future cash inflow from the operation and the discount rate factors.

In addressing this, we have involved the component auditors in performing, amongst others, the following audit procedures:

- We assessed whether there is any indication that intangible asset may be impaired at the end of each reporting period. If any such indication exists, the entity shall estimate the recoverable amount of the intangible asset;

- We assessed the reasonableness of the key assumptions used in the impairment testing and review results of impairment test performed by management in accordance with MFRS 136 Impairment of Assets; and

- We tested the basis and reasonableness of additional write-down, if any, proposed by management.

INDEPENDENT AUDITORS' REPORT

To the members of BCM Alliance Berhad

[Registration No.: 201501009903 (1135238-U)] (Incorporated in Malaysia)

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

3. Inventories valuation

As at 31 December 2021, the Group has inventories amounting to RM25.97 million, representing approximately 17.18% of the Group's total current assets as at 31 December 2021.

The judgement made by the Directors in determining an appropriate inventories valuation involves predicting the amount of future demand from customers as the sales in the Group is subject to customer's preference which is based on trends and there is a risk that the net realisable value lower than the cost. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value.

In addressing this, we have involved the component auditors in performing, amongst others, the following audit procedures:

- We reviewed the valuation method of inventories in accordance with MFRS 102 Inventories and ascertained that inventories are stated at the lower of cost and net realisable value.

- We reviewed the management's assessment of net realisable value of the inventories and determined any inventories written down need to be made.

- We reviewed the inventories count procedures and attended the physical count at year end. We assessed the appropriateness of the disclosures made in the financial statements.

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 directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the directors' report and we do 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 directors' report and, in doing so, consider whether the directors' report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

INDEPENDENT AUDITORS' REPORT

To the members of BCM Alliance Berhad

[Registration No.: 201501009903 (1135238-U)] (Incorporated in Malaysia)

(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 Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and 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 Group's and of the Company's internal control.

- 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 Group's or the Company's ability 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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.

INDEPENDENT AUDITORS' REPORT

To the members of BCM Alliance Berhad

[Registration No.: 201501009903 (1135238-U)] (Incorporated in Malaysia)

(CONT'D)

Other Matters

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

The financial statements for the financial year ended 31 December 2020 were audited by another firm of certified public accountants whose report dated 12 April 2021 expressed an unqualified opinion on those statements

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF 0886
Chartered Accountants

YAP PENG BOON
02118/12/2022 J
Chartered Accountant

Kuala Lumpur,
Date: 25 April 2022

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	17,943,706	11,369,134	426,360	515,474
Right of use assets	5	2,021,137	2,613,913	674,789	508,067
Investment properties	6	5,500,565	601,120	–	–
Goodwill	7	1,331,859	–	–	–
Intangible assets	8	19,024,309	–	–	–
Investment in subsidiary companies	9	–	–	20,982,000	18,582,000
Other investment	10	26,335,780	–	26,335,780	–
		72,157,356	14,584,167	48,418,929	19,605,541
Current assets					
Inventories	11	25,968,113	14,356,335	–	–
Trade receivables	12	18,963,629	15,226,701	–	–
Other receivables, deposits and prepayments	13	39,412,745	2,109,018	147,472	277,349
Amount due from subsidiary companies	14	–	–	73,564,241	9,817,724
Current tax assets		1,173,053	894,046	–	34,748
Fixed deposits with licensed banks	15	39,686,347	1,814,623	36,836,227	–
Cash and cash equivalents	16	25,932,446	45,756,091	932,849	19,301,632
		151,136,333	80,156,814	111,480,789	29,431,453
TOTAL ASSETS		223,293,689	94,740,981	159,899,718	49,036,994
EQUITY					
Share capital	17	153,570,428	47,356,360	153,570,428	47,356,360
Merger reserves	18	(16,049,000)	(16,049,000)	–	–
Revaluation reserves		4,598,260	–	–	–
Retained earnings		35,891,075	37,067,358	1,123,134	632,530
Equity attributable to owners of the parent		178,010,763	68,374,718	154,693,562	47,988,890
Non-controlling interests		4,599,561	3,085,081	–	–
TOTAL EQUITY		182,610,324	71,459,799	154,693,562	47,988,890

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021 (CONT'D)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	19	1,271,293	1,881,730	491,332	330,051
Bank borrowings	20	6,750,504	2,324,173	–	–
Deferred tax liabilities	21	695,285	105,119	–	–
		8,717,082	4,311,022	491,332	330,051
Current liabilities					
Contract liabilities	22	358,417	472,462	–	–
Trade payables	23	17,469,406	5,201,356	–	–
Other payables and accruals	24	8,548,719	8,879,292	278,228	561,242
Amount due to subsidiary companies	14	–	–	4,235,642	–
Lease liabilities	19	1,322,823	1,036,212	190,199	156,811
Bank borrowings	20	4,127,218	3,345,992	–	–
Current tax liabilities		139,700	34,846	10,755	–
		31,966,283	18,970,160	4,714,824	718,053
TOTAL LIABILITIES		40,683,365	23,281,182	5,206,156	1,048,104
TOTAL EQUITY AND LIABILITIES		223,293,689	94,740,981	159,899,718	49,036,994

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	25	75,258,512	68,127,210	3,167,954	2,510,810
Cost of sales		(45,304,172)	(43,931,781)	–	–
Gross profit		29,954,340	24,195,429	3,167,954	2,510,810
Other operating income	26	3,022,419	1,133,339	1,343,063	107,245
General and administrative expenses		(30,164,680)	(20,147,924)	(3,910,013)	(2,971,544)
Net loss on impairment of financial instrusments		–	(173,460)	–	–
Profit/(Loss) from operations		2,812,079	5,007,384	601,004	(353,489)
Finance costs	27	(556,129)	(394,459)	(45,209)	(22,054)
Profit/(Loss) before tax	28	2,255,950	4,612,925	555,795	(375,543)
Income tax expenses	29	(2,158,109)	(1,297,198)	(65,191)	–
Profit/(loss) for the financial year		97,841	3,315,727	490,604	(375,543)
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		5,109,179	–	–	–
Tax effect on item that will not be reclassied to profit or loss		(510,919)	–	–	–
		4,598,260	–	–	–
Tota comprehensinve income/ (loss) for the financial year		4,696,101	3,315,727	490,604	(375,543)
Profit/(Loss) attributed to:					
Owners of the company		(1,176,283)	2,657,679	490,604	(375,543)
Non-controlling interests		1,274,124	658,048	–	–
		97,841	3,315,727	490,604	(375,543)
Total comprehensive income/(loss) for the financial year attributed to:					
Owners of the company		3,421,977	2,657,679	490,604	(375,543)
Non-controlling interests		1,274,124	658,048	–	–
		4,696,101	3,315,727	490,604	(375,543)

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

		← Attributable to owner of parent →						
		← Non-Distributable →			Distributalbe			
	Note	Share capital RM	Merger reserves RM	Revaluation reserves RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2020		32,119,897	(16,049,000)	–	34,830,929	50,901,826	2,622,902	53,524,728
Net profit for the financial year, representing total comprehensive income for the financial year		–	–	–	2,657,679	2,657,679	658,048	3,315,727
Transactions with owners:								
Issuance of ordinary shares		15,651,220	–	–	–	15,651,220	–	15,651,220
Share issuance expenses		(414,757)	–	–	–	(414,757)	–	(414,757)
Dividends paid to owners of the Company	31	–	–	–	(421,250)	(421,250)	–	(421,250)
Dividends paid to non-controlling interests		–	–	–	–	–	(195,869)	(195,869)
At 31 December 2020		47,356,360	(16,049,000)	–	37,067,358	68,374,718	3,085,081	71,459,799
At 1 January 2021		47,356,360	(16,049,000)	–	37,067,358	68,374,718	3,085,081	71,459,799
Net profit/(loss) for the financial year		–	–	–	(1,176,283)	(1,176,283)	1,274,124	97,841
Other comprehensive income for the financial year		–	–	4,598,260	–	4,598,260	–	4,598,260
Total comprehensive income/(loss) for the financial year		–	–	4,598,260	(1,176,283)	3,421,977	1,274,124	4,696,101
Transactions with owners:								
Issuance of ordinary shares		107,199,280	–	–	–	107,199,280	–	107,199,280
Share issuance expenses		(985,212)	–	–	–	(985,212)	–	(985,212)
Net of cash, acquisition of subsidiary company		–	–	–	–	–	632,094	632,094
Dividends paid to non-controlling interests		–	–	–	–	–	(391,738)	(391,738)
At 31 December 2021		153,570,428	(16,049,000)	4,598,260	35,891,075	178,010,763	4,599,561	182,610,324

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

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2021 (CONT'D)

	Share capital RM	Retained earnings RM	Total RM
At 1 January 2020	32,119,897	1,429,323	33,549,220
Issuance of ordinary shares	15,651,220	–	15,651,220
Share issuance expenses	(414,757)	–	(414,757)
Dividends paid	–	(421,250)	(421,250)
Net loss for the financial year, representing total comprehensive loss for the financial year	–	(375,543)	(375,543)
At 31 December 2020 and 1 January 2021	47,356,360	632,530	47,988,890
Issuance of ordinary shares	107,199,280	–	107,199,280
Share issuance expenses	(985,212)	–	(985,212)
Net profit for the financial year, representing total comprehensive income for the financial year	–	490,604	490,604
At 31 December 2021	153,570,428	1,123,134	154,693,562

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities				
Profit/(Loss) before tax	2,255,950	4,612,925	555,795	(375,543)
Adjustments for:				
Bad debts written off	5,656	12,044	–	–
Depreciation of investment properties	(28,129)	8,840	–	–
Depreciation of property, plant and equipment	1,158,100	1,030,464	95,707	24,113
Depreciation of right of use assets	1,530,218	1,569,936	314,158	169,467
Dividend income	–	–	(408,262)	(204,131)
Gain on disposal of property, plant and equipment	(49,851)	(7,376)	–	–
Gain on disposal of right of use assets	(149,005)	(205,395)	–	–
Gain on termination of lease liabilities	(5,189)	–	–	–
Loss on disposal of property, plant and equipment	4,279	–	–	–
Property, plant and equipment written off	100,332	68,309	3,185	–
Loss on impairment on trade receivables	219,523	183,460	–	–
Inventories written down	10,146	19,831	–	–
Inventories written off	9,129	–	–	–
Interest expenses	556,129	394,459	45,209	22,054
Interest income	(755,810)	(320,419)	(553,100)	(69,885)
Income from rent concessions	–	(48,710)	–	(1,960)
Reversal of impairment losses on trade receivables	(294,880)	(10,000)	–	–
Reversal of impairment losses on other receivables	(375,000)	–	–	–
Reversal of inventories written down	(5,091)	(4,582)	–	–
Unrealised gain on foreign exchange	(297,575)	–	(81,256)	–
Unrealised loss on foreign exchange	2,697	7,287	–	–
Operating profit/(loss) before working capital changes	3,891,629	7,311,073	(28,564)	(435,885)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021 (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Operating profit/(loss) before working capital changes brought forward	3,891,629	7,311,073	(28,564)	(435,885)
Changes in:				
Contract liabilities	(114,045)	(20,902)	–	–
Inventories	(11,213,278)	2,905,559	–	–
Trade receivables	(3,082,202)	2,153,225	–	–
Other receivables, deposits and prepayments	(35,780,755)	(233,561)	129,877	(52,929)
Trade payables	11,439,202	(6,875,493)	–	–
Other payables and accruals	(1,407,308)	(2,483,886)	(283,014)	(163,423)
Cash (used in)/generated from operation	(36,266,757)	2,756,015	(181,701)	(652,237)
Tax paid	(2,165,645)	(1,976,784)	(19,688)	(34,748)
Tax refunded	39,263	484,426	–	84,000
Net cash (used in)/generated from operating activities	(38,393,139)	1,263,657	(201,389)	(602,985)
Cash flows from investing activities				
Acquisition of investment in subsidiary companies	–	–	(2,400,000)	–
Acquisition of other investment	(26,254,524)	–	(26,254,524)	–
Acquisition of intangible assets	(19,024,309)	–	–	–
Acquisition of property, plant and equipment	(2,297,855)	(1,194,765)	(43,370)	(133,398)
Acquisition of right of use assets	–	(54,952)	–	(35,003)
Dividend received	–	–	–	1,521,859
Interest received	755,810	320,419	553,100	69,885
Net of cash and cash equivalents of acquisition of subsidiary companies	(366,198)	–	–	–
Proceed from disposal of property, plant and equipment	359,286	15,720	–	–
Proceed from disposal of right of use assets	198,000	483,299	–	–
Net cash (used in)/generated from investing activities	(46,629,790)	(430,279)	(28,144,794)	1,423,343

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021 (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from financing activities				
Dividend paid	–	(421,250)	–	(421,250)
Dividend paid to non-controlling interests	–	(88,141)	–	–
Interest paid	(556,129)	(394,459)	(45,209)	(22,054)
Net changes in bankers' acceptance and trust receipts	(508,131)	1,963,790	–	–
Placement of fixed deposits	(31,247)	(47,616)	–	–
Proceeds from private placement of shares	107,199,280	15,651,220	107,199,280	15,651,220
Share issuance expenses	(985,212)	(414,757)	(985,212)	(414,757)
(Advanced to)/Repayment from subsidiry companies	–	–	(59,102,613)	1,486,007
Repayment of lease liabilities	(1,922,008)	(1,629,574)	(252,619)	(131,021)
Repayment of bank borrowings	(412,759)	(249,252)	–	–
Net cash generated from financing activities	102,783,794	14,369,961	46,813,627	16,148,145
Net increase in cash and cash equivalents	17,760,865	15,203,339	18,467,444	16,968,503
Cash and cash equivalents at beginning of financial year	45,756,091	30,555,128	19,301,632	2,333,129
Effects of exchange translation differences	–	(2,376)	–	–
Cash and cash equivalents at end of financial year (Note 16)	63,516,956	45,756,091	37,769,076	19,301,632

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on ACE Market of the Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 9. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company was located at No. 73-2, Jalan Equine 10, Taman Equine, 43300 Seri Kembangan, Selangor Darul Ehsan.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

2.2 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

2.3 Adoption of new and amended standards

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as "MFRSs'), issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial periods beginning on or after 1 January 2021;

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued as at the reporting date but are not yet effective:

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 Cycle)
- Amendments to MFRS 3, Reference to the Conceptual Framework, (Business Combinations)
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- MFRS 116, Property, Plant and Equipment – Proceeds Before Intended Use
- Amendments to MFRS 137, Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020 Cycle)

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
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Estimates
- Amendments to MFRS 112, Income Tax – 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 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2.5 Business combinations and consolidation

(a) Business combinations

The Group applies the acquisition method to account for all combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an acquisition.

The Group identifies the acquisition date of business combination as the date on which the Group obtains control of an acquiree. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfilment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Business combinations and consolidation (cont'd)

(a) Business combinations (cont'd)

As of the acquisition date, the Group recognises, separately from goodwill, the identifiable assets acquired (including identifiable intangible assets), the liabilities assume (including contingent liabilities) and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values, except for those permitted or required to be measured on other bases by assets, excluding goodwill.

The cost of a business combination is measured at fair value, calculated as the sum of the acquisition- date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Expenses incurred in connection with a business combination are capitalised in the cost of business combination.

The cost of business combination is allocated to the share of net assets acquired to determine the initial amount of goodwill on combination. In a business combination achieved in stages (including acquisition of a former joint venture), the cost of each exchange transaction is compared with the share of net assets to determine the goodwill of each exchange transaction on a step-by-step basis. Any increase in equity interest in an investee after acquisition date is accounted as an equity transaction between the parent and the non-controlling interest and the effect is adjusted directly in equity.

If the initial accounting for a business combination is not complete by the end of the reporting year in which the combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about fact and circumstances that existed as of the acquisition date, including additional assets or liabilities in the measurement period. The measurement period for completion of the initial accounting ends after one year from the acquisition date.

(b) Subsidiaries and basis of consolidation

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decision of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting right are not dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting right.

The financial statements of the parents Company and all its subsidiaries used in the preparation of the consolidated financial statement are prepared as of the same reporting date of 31 December 2021.

The consolidated financial statements are prepared using uniform accounting policies for like transaction, other events conditions in similar circumstances.

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date acquisition (which is the date the Group assumes control of an investee) or up effective date of disposal (which is the date the Group ceases to have control of an investee).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Business combinations and consolidation (cont'd)

(b) Subsidiaries and basis of consolidation (cont'd)

All intra-group balance and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealised loss is an impairment loss.

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statements of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of change in equity.

2.6 Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of nonmonetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification.

An asset is current when it is:

(i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
(ii) Held primarily for the purpose of trading;
(iii) Expected to be realised within twelve months after the reporting periods; or
(iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

(i) It is expected to be settled in the normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting periods; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

2.8 Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Company obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on the nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchases price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses All property, plant and equipment are depreciated by allocating the depreciable amount over the remaining useful life. The depreciation methods used and useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life (years)
Computers	Straight-line	2.5-10
Freehold buildings	Straight-line	50
Forklift	Straight-line	5
Furniture and fittings	Straight-line	5-10
Motor vehicles	Straight-line	5
Office equipment	Straight-line	2.5-10
Renovation	Straight-line	10
Show unit	Straight-line	10
Tools and equipment	Straight-line	5-10

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Property, plant and equipment (cont'd)

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current financial year.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

2.9 Investment properties

Investment properties, including right of use assets held by lessee are properties held either to earn rental income or for capital appreciation or for both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. Cost of a self-constructed investment property comprises all direct and indirect construction costs but exclude internal profits.

All investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All investment properties are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

2.10 Leases

As lessee

The Group and the Company recognise a Right of use assets ("ROU") and a lease liability at the lease commencement date. The ROU 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 site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 2.13 on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or at the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	20%
Buildings	Over the remaining lease period
Office equipment	Over the remaining lease period

The ROU assets are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Leases (cont'd)

As lessee (cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

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 rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option. Lease payments associated with short-term leases and leases of low value assets are recognised on a straight- line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Goodwill

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquire and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If he total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Goodwill (cont'd)

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 2.13 on impairment of non-financial assets.

2.12 Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing.

Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written-off where, in the opinion of the directors, no further future economic benefits are expected to arise.

2.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments

(a) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when. And only when, 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 measure 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 transition 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.

(b) 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 Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change of the business model.

For purpose of subsequent measurement financial assets are classified in four categories:

- Amortised cost
- Fair value through other comprehensive income – debt investments
- Fair value through other comprehensive income – equity investments
- Fair value through profit or loss

The Company does not have any financial assets classified other than amortised cost.

(i) 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 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 where the effective interest rate is applied to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

(ii) Fair value through other comprehensive income

(a) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieve by both collecting contractual cash flows and selling the debt investment, and its contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Equity investments

This category comprises investment in equity that is not held for trading, and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iii) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, 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 and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial liability

The categories of financial liabilities at initial recognition are as follow:

- Amortised cost
- Fair value through profit or loss

The Company does not have any financial liabilities classified other than amortised cost.

(i) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method (EIR).

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

(ii) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(i) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
(ii) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair values basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel; or
(iii) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not probihited.

(c) Regular way purchase or sale of financial asset

A regular way purchase or sale of financial assets in recognised and derecognised, as applicable, using trade date or settlement date accounting in the current financial year.

Trade date accounting refer to:

(i) the derecognition of an asset to be received and the liability to pay for it on the trade date, and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Financial instruments (cont'd)

(c) Regular way purchase or sale of financial asset

Settlement date accounting refer to:

(i) the recognition on an asset on the day it is received by the Company, and
(ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Company.

Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(d) 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 and loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharge, 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, 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 to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company 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.

2.15 Inventories

Spare parts, consumables, equipment and accessories are stated at the lower of cost and net realisable value. The cost of inventories is determined on first-in-first-out basis and comprise costs of purchases and other costs incurred bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Impairment of financial assets

Unless specifically disclosed below, the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments, the Company has elected not to restate the comparatives.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of financial assets (cont'd)

(a) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measure at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance. Loss allowance 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 losses, the Company considers 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 Company'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 an asset, while 12 months expected losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experiences.

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 Company assesses whether financial assets carried at amortised 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 extend that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generated sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

(b) Other assets

The carrying amount 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 assets recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of financial assets (cont'd)

(b) Other assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the 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 units (groups of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

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

2.17 Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

2.18 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

2.19 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Provisions (cont'd)

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

2.20 Revenue recognition

(a) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(i) Sale of goods

The Group operates a chain of distributor selling commercial laundry equipment and medical products. Revenue from sale of goods is recognised when control of the products has transferred, being at the point the customer purchases the goods at the distributor.

Following delivery of the goods to the customer's location, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Under the Group's standard contract terms, customers have a right of return but is subject to approval by management. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those products expected to be returned.

At the same time, the Group has a right to recover the product when customers exercise their right of return, so consequently recognises a right to returned goods asset and a corresponding adjustment to the cost of inventories recognised in profit or loss. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 90 days, which is consistent with market practice.

(ii) Sale of other services

The Group offers its customers the option of purchasing other services including extended warranty, installation services, and maintenance along with the purchase of merchandise. Revenue is allocated to the service obligations and recognised over the period of performance of services to customers. When consideration is collected from customer in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue recognition (cont'd)

(a) Revenue from contracts with customers (cont'd)

(iii) Rendering of services

Revenue from rendering of services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided

(b) Interest income

Interest income is recognised using the effective interest rate.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Dividend income

Dividend income is recognised when the shareholder's rights to receive payment is established

2.21 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(b) Post-employment benefits

The Company pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the period to which they relate.

2.22 Borrowing cost

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose 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 Company; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose 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 Company.

A contingent liability is not recognised in the statement of financial position, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Earnings/(Loss) per share

The Group presents basic and diluted earnings/(loss) per share data for its ordinary shares. Basic earnings/(loss) per share 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 earnings/(loss) per share 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 share options granted to employees and warrants.

2.26 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 segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All operating segments' operating results are reviewed regularly by the Group's directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Operating segments (cont'd)

Additional disclosures on operating segments are shown in Note 35 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the Group's directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis

2.27 Fair value measurement

Fair value is 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 except for fair value of shared-based payment. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

LEVEL 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

LEVEL 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by directors for both recurring fair value measurement and for non-recurring measurement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 Fair value measurement (cont'd)

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The directors decide, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.28 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- has control or joint control over the Company; or
- has significant influence over the Company; or
- is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of the third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or joint-controlled by a person identified in (a) above.
- The entity or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Accounting judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Judgement and assumption applied

In the selection of accounting policies for the Company, the areas that require significant judgements and assumptions are in:

(i) Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

(ii) Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are in measuring:

(a) Impairment of loans and receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(b) Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial period in which those differences arise.

(c) Measurement of expected credit loss ("ECL")

Significant judgement is required in determining ECL. Directors need to identified and categorised financial assets into relevant segment by similar characteristic and credit risk. The directors need to apply suitable measurement method to measure ECL on the relevant segments.

(d) Useful lives of property, plant and equipment, right of use assets and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for the property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 6 respectively.

(e) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(f) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the expected value method, whereby the transaction price is determined by reference to the sum of probability weighted amounts in a range of possible consideration amounts.

There is no significant financing as the period between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

(g) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

4. PROPERTY, PLANT AND EQUIPMENT

	Computers RM	Freehold land and buildings RM	Forklift RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Show unit RM	Tools and equipment RM	Total RM
Group										
Cost										
At 1 January 2020	437,239	6,210,061	26,000	476,629	550,293	611,219	2,502,611	142,223	3,748,758	14,705,033
Addition	80,358	–	–	79,418	385,009	101,393	295,248	36,256	562,083	1,539,765
Disposal	–	–	–	–	(67,157)	(4,165)	–	(5,229)	–	(76,551)
Written off	–	–	–	–	–	–	(88,814)	–	–	(88,814)
Expiration of lease contracts	–	–	–	–	454,223	–	–	–	–	454,223
Reclassification	(11,398)	–	–	1,448	–	9,950	–	–	–	–
Transfer to inventories	–	–	–	–	–	–	–	–	(4,837)	(4,837)
Transfer to investment properties	–	(663,000)	–	–	–	–	–	–	–	(663,000)
At 31 December 2020 and 1 January 2021	506,199	5,547,061	26,000	557,495	1,322,368	718,397	2,709,045	173,250	4,306,004	15,865,819
Addition	123,717	–	–	81,380	1,472,949	126,181	475,645	–	661,983	2,941,855
Disposal	–	–	–	–	(457,915)	(14,298)	–	–	–	(472,213)
Written off	(101,758)	–	–	(16,562)	–	(96,439)	(41,450)	–	–	(256,209)
Transfer to right of use assets	–	–	–	–	(482,933)	–	–	–	–	(482,933)
Revaluation	–	4,252,938	–	–	–	–	–	–	–	4,252,938
Acquisition of subsidiary company	141,604	–	–	46,122	737,694	91,408	55,730	–	17,490	1,090,048
At 31 December 2021	669,762	9,799,999	26,000	668,435	2,592,163	825,249	3,198,970	173,250	4,985,477	22,939,305

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

	Computers RM	Freehold land and buildings RM	Forklift RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Show unit RM	Tools and equipment RM	Total RM
Group										
Accumulated depreciation										
At 1 January 2020	314,976	785,874	26,000	204,822	535,541	277,915	331,791	23,742	662,071	3,162,732
Charges for the financial year	95,067	87,111	–	45,430	12,628	71,726	261,051	15,075	442,376	1,030,464
Disposal	–	–	–	–	(64,082)	(2,861)	–	(1,264)	–	(68,207)
Written off	–	–	–	–	–	–	(20,505)	–	–	(20,505)
Expiration of lease contracts	–	–	–	–	450,078	–	–	–	–	450,078
Reclassification	433	–	–	(7,314)	–	6,881	–	–	–	–
Transfer to inventories	–	–	–	–	–	–	–	–	(4,837)	(4,837)
Transfer to investment properties	–	(53,040)	–	–	–	–	–	–	–	(53,040)
At 31 December 2020 and 1 January 2021	410,476	819,945	26,000	242,938	934,165	353,661	572,337	37,553	1,099,610	4,496,685
Charges for the financial year	71,685	78,939	–	50,717	127,676	79,568	291,290	17,281	440,944	1,158,100
Disposal	–	–	–	–	(150,480)	(8,019)	–	–	–	(158,499)
Written off	(51,737)	–	–	(8,640)	–	(69,669)	(25,831)	–	–	(155,877)
Transfer to right of use assets	–	–	–	–	(26,638)	–	–	–	–	(26,638)
Revaluation	–	(856,242)	–	–	–	–	–	–	–	(856,242)
Acquisition of subsidiary company	64,799	–	–	13,850	352,556	67,493	32,401	–	6,971	538,070
At 31 December 2021	495,223	42,642	26,000	298,865	1,237,279	423,034	870,197	54,834	1,547,525	4,995,599
Net carrying amount										
At 31 December 2020	95,723	4,727,116	–	314,557	388,203	364,736	2,136,708	135,697	3,206,394	11,369,134
At 31 December 2021	174,539	9,757,357	–	369,570	1,354,884	402,215	2,328,773	118,416	3,437,952	17,943,706

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

	Computers RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
Company						
Cost						
At 1 January 2020	23,508	14,522	–	–	–	38,030
Addition	17,050	60,563	385,009	23,985	37,024	523,631
Reclassification	(11,398)	(2,202)	–	13,600	–	–
At 31 December 2020 and 1 January 2021	29,160	72,883	385,009	37,585	37,024	561,661
Addition	8,046	–	360,010	20,314	–	388,370
Disposal	–	–	–	(6,119)	–	(6,119)
Transfer to right of use assets	–	–	(385,009)	–	–	(385,009)
At 31 December 2021	37,206	72,883	360,010	51,780	37,024	558,903
Accumulated depreciation						
At 1 January 2020	9,293	12,781	–	–	–	22,074
Charges for the financial year	4,116	6,702	6,417	5,195	1,683	24,113
Reclassification	433	(7,435)	–	7,002	–	–
At 31 December 2020 and 1 January 2021	13,842	12,048	6,417	12,197	1,683	46,187
Charges for the financial year	10,037	12,513	60,002	9,453	3,702	95,707
Disposal	–	–	–	(2,934)	–	(2,934)
Transfer to right of use assets	–	–	(6,417)	–	–	(6,417)
At 31 December 2021	23,879	24,561	60,002	18,716	5,385	132,543
Net carrying amount						
At 31 December 2020	15,318	60,835	378,592	25,388	35,341	515,474
At 31 December 2021	13,327	48,322	300,008	33,064	31,639	426,360

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(a) The net carrying amount of the property, plant and equipment pledged for credit facilities are as follows:

	Group	
	2021 RM	2020 RM
Freehold land and buildings	9,757,357	4,727,116

(b) During the financial year, the Group and the Company acquire the property, plant and equipment by following means:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash payment	2,297,855	1,194,765	43,370	133,398
Set off with other payables	–	345,000	–	345,000
Purchase from subsidiary companies	–	–	–	45,233
Finance lease	644,000	–	345,000	–
	2,941,855	1,539,765	388,370	523,631

5. RIGHT OF USE ASSETS

	Buildings RM	Land RM	Motor vehicles RM	Office equipment RM	Total RM
Group					
Cost					
At 1 January 2020	2,025,151	–	4,653,065	87,591	6,765,807
Addition	338,211	–	790,952	60,467	1,189,630
Disposal	–	–	(987,893)	–	(987,893)
Expiration of lease contracts	(957,001)	–	(454,223)	–	(1,411,224)
At 31 December 2020 and 1 January 2021	1,406,361	–	4,001,901	148,058	5,556,320
Addition	726,547	105,837	–	47,379	879,763
Transfer from property, plant and equipment	–	–	482,933	–	482,933
Disposal	–	–	(687,187)	–	(687,187)
Expiration of lease contracts	(465,448)	–	–	–	(465,448)
Termination of lease contract	(533,010)	–	–	–	(533,010)
At 31 December 2021	1,134,450	105,837	3,797,647	195,437	5,233,371

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT OF USE ASSETS (CONT'D)

	Buildings RM	Land RM	Motor vehicles RM	Office equipment RM	Total RM
Group					
Accumulated depreciation					
At 1 January 2020	1,111,189	–	2,153,398	51,509	3,316,096
Charges for the financial year	700,972	–	848,640	20,324	1,569,936
Disposal	–	–	(709,989)	–	(709,989)
Expiration of lease contracts	(783,558)	–	(450,078)	–	(1,233,636)
At 31 December 2020 and 1 January 2021	1,028,603	–	1,841,971	71,833	2,942,407
Charges for the financial year	643,937	8,820	850,168	27,293	1,530,218
Transfer from property, plant	–	–	–	–	–
and equipment	–	–	26,638	–	26,638
Disposal	–	–	(335,973)	–	(335,973)
Expiration of lease contracts	(465,448)	–	–	–	(465,448)
Termination of lease contract	(485,608)	–	–	–	(485,608)
At 31 December 2021	721,484	8,820	2,382,804	99,126	3,212,234
Net carrying amount					
At 31 December 2020	377,758	–	2,159,930	76,225	2,613,913
At 31 December 2021	412,966	97,017	1,414,843	96,311	2,021,137

	Buildings RM	Motor vehicles RM	Office equipment RM	Total RM
Company				
Cost				
At 1 January 2020	–	501,125	–	501,125
Addition	52,294	344,003	47,379	443,676
At 31 December 2020 and 1 January 2021	52,294	845,128	47,379	944,801
Addition	54,909	–	47,379	102,288
Transfer from property, plant and equipment	–	385,009	–	385,009
At 31 December 2021	107,203	1,230,137	94,758	1,432,098

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT OF USE ASSETS (CONT'D)

	Buildings RM	Motor vehicles RM	Office equipment RM	Total RM
Company				
Accumulated depreciation				
At 1 January 2020	–	267,267	–	267,267
Charges for the financial year	32,473	134,625	2,369	169,467
At 31 December 2020 and 1 January 2021	32,473	401,892	2,369	436,734
Charges for the financial year	53,918	246,027	14,213	314,158
Transfer from property, plant and equipment	–	6,417	–	6,417
At 31 December 2021	86,391	654,336	16,582	757,309
Net carrying amount				
At 31 December 2020	19,821	443,236	45,010	508,067
At 31 December 2021	20,812	575,801	78,176	674,789

(a) The net carrying amount of the right of use assets pledged as securities for the related lease liabilities as disclosed in note 19 are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Motor vehicles	1,414,843	2,159,930	575,801	443,236

(b) During the financial year, the Group and the Company acquire the right of use assets by following means:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash payment	–	54,952	–	35,003
Finance lease	879,763	1,134,678	102,288	408,673
	879,763	1,189,630	102,288	443,676

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTIES

	Group	
	Freehold land and buildings RM	**Total RM**
Cost		
At 1 January 2020	–	–
Transfer from property, plant and equipment	663,000	663,000
At 31 December 2020 and 1 January 2021	663,000	663,000
Acquisition of subsidiary company	5,118,721	5,118,721
At 31 December 2021	5,781,721	5,781,721
Accumulated depreciation		
At 1 January 2020	–	–
Charges for the financial year	8,840	8,840
Transfer from property, plant and equipment	53,040	53,040
At 31 December 2020 and 1 January 2021	61,880	61,880
Addition	8,840	8,840
Overprovision in prior financial year	(36,969)	(36,969)
Acquisition of subsidiary company	247,405	247,405
At 31 December 2021	281,156	281,156
At 31 December 2020	601,120	601,120
At 31 December 2021	5,500,565	5,500,565

(a) The net carrying amount of the investment properties pledged for credit facilities are as follows:

	Group	
	2021 RM	**2020 RM**
Freehold land and buildings	5,500,565	601,120

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. GOODWILL

	Group	
	2021 RM	2020 RM
Goodwill arising on acquisition of subsidiary company		
At beginning of financial year	–	–
Addition	1,331,859	–
At end of financial year	1,331,859	–

8. INTANGIBLE ASSETS

Group	Software development costs RM	Website development costs RM	Total RM
Cost			
At 1 January 2020, 31 December 2020 and 1 January 2021	–	–	–
Addition	6,750,000	12,274,309	19,024,309
At 31 December 2021	6,750,000	12,274,309	19,024,309
Accumulated depreciation			
At 1 January 2020, 31 December 2020 and 1 January 2021	–	–	–
Charges for the financial year	–	–	–
At 31 December 2021	–	–	–
At 31 December 2020	–	–	–
At 31 December 2021	6,750,000	12,274,309	19,024,309

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021 RM	2020 RM
At cost		
Unquoted shares	20,982,000	18,582,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name	Principal place of business	Ownership Interest 2021 %	Ownership Interest 2020 %	Principal activities
CS Laundry System Sdn. Bhd. *	Malaysia	100	100	Supply, install, testing and commissioning of commercial laundry equipment
Best Contact (M) Sdn. Bhd. *	Malaysia	100	100	Supply, install, testing and commissioning of medical devices
Maymedic Technology Sdn. Bhd. *	Malaysia	100	100	Supply, install, testing and commissioning of medical devices
Cypress Medic Sdn. Bhd.*	Malaysia	51.03	51.03	Trading and distribution of healthcare and clinical devices
Wellness Gate Sdn. Bhd.*	Malaysia	100	100	Investment holding company
BCM Laundry Services Sdn. Bhd. *	Malaysia	100	–	Provide launderers, cleaners, dry cleaners and carpet beaters services
BC Medicare Sdn. Bhd.	Malaysia	100	–	To carry on all or any of the business of dealers in medical device, scientific apparatus instruments appliances, rescue items of all types and to deal in all requisites for hospital, laboratories, research institutes, clinics and for other organisations involved in the use of scientific instrument and to supply medical, surgical and pharmaceutical appliances and all such provisions, healthcare and related business
Foodict Maker Sdn. Bhd.	Malaysia	60	–	Trading of health food and supplements, hair and body care products

* Audited by ChengCo PLT

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name	Principal place of business	Ownership Interest 2021 %	Ownership Interest 2020 %	Principal activities
Subsidiary company of CS Laundry System Sdn. Bhd.				
Century Pavilion Sdn. Bhd. *	Malaysia	100	100	Launderers, cleaners, dry cleaners and carpet beaters and repairing all articles sent for cleaning or bearing
Subsidiary company of Foodict Maker Sdn. Bhd.				
Order Order Tech Sdn. Bhd.	Malaysia	60	–	Dormant

(a) Incorporation of new subsidiary company

On 2 August 2021, the Company incorporated a 100% owned subsidiary company, BCM Laundry Services Sdn. Bhd., comprising 100,000 ordinary shares with a total cash subscription of RM100,000.

(b) Acquisition of subsidiary companies

(i) BC Medicare Sdn. Bhd. ("BC Medicare")

On 5 February 2021, the Company acquired 100% equity interest in BC Medicare for total cash consideration of RM20,000. The acquisition has completed as at the date of this report and consequently BC Medicare became a direct wholly-owned subsidiary company of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2021 At date of acquisition RM
Cash and bank balances	20,000
Total Fair value of identifiable assets acquired	20,000
Purchase consideration settled in cash	20,000
Cash and cash equivalents acquired	(20,000)
Net cash inflows arising from acquisition of a sbsidiary company	–

From the date of acquisition, acquired subsidiary company has contributed revenue of RM7,979,490 and loss of RM1,354,600 for current financial year to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies (cont'd)

(i) Foodict Maker Sdn. Bhd and Order Order Tech Sdn. Bhd.

On 18 March 2021, the Company entered into a Subscription Agreement ("SA") with Foodict Maker Sdn. Bhd. ("Foodict") for proposed a subscription of 600,000 new ordinary shares, representing 60% equity interest in the enlarge issued and paid up share capital of Foodict for a total cash consideration of RM2,280,000 ("Proposed Subscription").

On 28 April 2021, the Company have completed the Proposed Subscription and consequently Foodict and its 100% owned subsidiary company, Order Order Tech Sdn. Bhd. became 60% owned subsidiary companies of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2021 At date of acquisition RM
Property, plant and equipment	551,978
Investment property	4,871,316
Inventories	412,684
Trade receivables	585,025
Other receivables	1,140,653
Tax recoverable	133,953
Cash & bank	1,913,802
Lease liabilities	(429,229)
Bank borrowing	(5,872,480)
Trade payables	(1,042,470)
Other payables	(684,997)
Total Fair value of identifiable assets acquired	1,580,235
Non-controlling interest	(632,094)
Goodwill arising from acquisition	1,331,859
Purchase consideration settled in cash	2,280,000
Cash and cash equivalents acquired	(1,913,802)
Net cash inflows arising from acquisition of a sbsidiary company	366,198

From the date of acquisition, acquired subsidiary company has contributed revenue of RM3,263,852 and loss of RM496,544 for current financial year to the Group.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly-owned subsidiary company

The Group's subsidiary company that has material non-controlling interests is as follow:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2021 %	2020 %	2021 RM	2020 RM	2021 RM	2020 RM
Cypress Medic Sdn. Bhd. *	48.97	48.97	1,474,752	231,381	4,168,095	3,085,081
Foodict Maker Sdn. Bhd.	40	–	(198,618)	–	433,476	–
Order Order Tech Sdn. Bhd.	40	–	(2,010)	–	(2,010)	–

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

The summarised financial information for subsidiary companies, Cypress Medic Sdn. Bhd, Foodict Maker Sdn. Bhd. and Order Order Tech Sdn. Bhd. that have non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

* Audited by ChengCo PLT

(i) Summarised Statement of financial position

	Cypress Medic Sdn. Bhd. *		Foodict Maker Sdn. Bhd.		Order Order Tech Sdn. Bhd.	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Non-current assets	523,313	620,491	5,050,153	–	480,000	–
Current assets	13,785,266	10,154,317	2,607,453	–	5,013	–
Non-current liabilities	(35,423)	(178,156)	(4,734,282)	–	–	–
Current liabilities	(5,761,695)	(4,296,733)	(1,831,028)	–	(498,544)	–
Net assets/(liabilities)	8,511,461	6,299,919	1,092,296	–	(13,531)	–

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly-owned subsidiary company (cont'd)

(ii) Summarised statement of profit or loss and other comprehensive income

	Cypress Medic Sdn. Bhd. *		Foodict Maker Sdn. Bhd.		Order Order Tech Sdn. Bhd.	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	18,894,738	12,235,313	3,263,852	–	–	–
Profit/(Loss) for the financial year	3,011,542	1,343,778	(496,544)	–	(5,026)	–
Total Comprehensive income/ (loss) for the financial year	3,011,542	1,343,778	(496,544)	–	(5,026)	–

(iii) Summarised statement of cash flows

	Cypress Medic Sdn. Bhd. *		Foodict Maker Sdn. Bhd.		Order Order Tech Sdn. Bhd.	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Net cash generated from/ (used in) operating activities	2,368,566	2,052,390	(866,979)	–	479,980	–
Net cash used in investing activities	(49,521)	(46,593)	(9,690)	–	(480,000)	–
Net cash generated from/ (used in) financing activities	851,020	511,442	(245,286)	–	–	–
Net increase/(decrease) in cash and cash equivalents	3,170,065	2,517,239	(1,121,955)	–	(20)	–
Dividend paid to non-controlling interests	–	88,141	–	–	–	–
Dividend payable to non-controlling interests	391,738	–	–	–	–	–

* Audited by ChengCo PLT

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. OTHER INVESTMENT

Investments in equity instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Instruments at fair value				
Quoted ordinary shares				
- Quoted in Malaysia	26,335,780	–	26,335,780	–

The fair value of quoted equity investments are measured based on the financial year end quoted price in active markets.

11. INVENTORIES

	Group	
	2021 RM	2020 RM
Measured at lower of cost and net realised value:		
Spare parts	2,704,371	2,641,015
Consumables	993,087	1,159,364
Equipment and accessories	22,255,655	10,419,091
Good-in-transit	–	121,865
Others	15,000	15,000
	25,968,113	14,356,335
Recognised in profit or loss:		
Inventories recognised as cost of sales	44,528,317	43,931,781
Inventories written down	10,146	19,831
Inventories written off	9,129	–
Reversal of inventories written down	(5,091)	(4,582)

12. TRADE RECEIVABLES

	Group	
	2021 RM	2020 RM
Trade receivables	19,665,535	15,841,335
Less: Accumulated impairment losses	(701,906)	(614,634)
	18,963,629	15,226,701

Trade receivables are non-interest bearing and generally on 30 to 90 days (2020: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE RECEIVABLES (CONT'D)

The reconciliation of the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
At 1 January 2020	210,453	230,721	441,174
Impairment loss recognised	152,010	31,450	183,460
Reversal of impairment losses	–	(10,000)	(10,000)
At 31 December 2020 and 1 January 2021	362,463	252,171	614,634
Impairment loss recognised	155,435	64,088	219,523
Acquisition of subsidiary company	162,629	–	162,629
Reversal of impairment losses	(294,880)	–	(294,880)
At 31 December 2021	385,647	316,259	701,906

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

An aging analysis of trade receivables as at reporting date is as follows:

	Group	
	2021 RM	2020 RM
Gross amount		
Current	10,893,983	5,052,345
Past due not impaired:		
Less than 30 days	4,437,335	4,871,813
31 to 60 days	1,692,501	1,273,894
61 to 90 days	939,122	565,965
More than 90 days	1,386,335	3,825,147
	19,349,276	15,589,164
Credit impaired		
Individually impaired	316,259	252,171
	19,665,535	15,841,335

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE RECEIVABLES (CONT'D)

An aging analysis of trade receivables as at reporting date is as follows: (cont'd)

	Group	
	2021 RM	2020 RM
Loss allowance		
Current	148,944	37,574
Past due not impaired:		
Less than 30 days	35,218	19,500
31 to 60 days	18,088	11,603
61 to 90 days	16,127	24,301
More than 90 days	167,270	269,485
	385,647	362,463
Credit impaired		
Individually impaired	316,259	252,171
	701,906	614,634
Net amount	18,963,629	15,226,701

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2021, gross trade receivables of RM8,455,293 (2020: RM10,536,819) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM316,259 (2020: RM252,171), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	36,451,900	1,515,014	1,000	16,000
Less: Accumulated impairment losses	(372,789)	(747,789)	–	–
	36,079,111	767,225	1,000	16,000
Deposits	1,919,691	269,266	17,380	15,310
Dividend receivable	–	–	–	204,131
Prepayments	1,413,943	1,072,527	129,092	41,908
	39,412,745	2,109,018	147,472	277,349

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	Allowance for impairment losses RM
Group	
At 1 January 2020, 31 December 2020 and 1 January 2021	747,789
Reversal of impairment losses	(375,000)
At 31 December 2021	372,789

14. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

These amounts are non-trade in nature, unsecured, interest free and repayable on demand.

15. FIXED DEPOSIT WITH LICENSED BANKS

These fixed deposits of the Group amounting to RM1,845,870 (2020: RM1,814,623) have been pledged to licensed bank for credit facilities granted to the Company.

The fixed deposits earn interest at rates ranging from at 1.45% - 2.60% (2020: 1.85% - 3.35%) per annum and have maturity of 1 to 12 months (2020: 12 months).

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand	46,449	1,877	4,251	1,877
Cash at bank	25,885,997	45,754,214	928,598	19,299,755
	25,932,446	45,756,091	932,849	19,301,632

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the followings:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand	46,449	1,877	4,251	1,877
Cash at bank	25,885,997	45,754,214	928,598	19,299,755
Bank overdraft (Note 20)	(255,967)	–	–	–
Fixed deposit with licensed banks	39,686,347	1,814,623	36,836,227	–
	65,362,826	47,570,714	37,769,076	19,301,632
Less: Fixed deposits pledged with licensed banks	(1,845,870)	(1,814,623)	–	–
	63,516,956	45,756,091	37,769,076	19,301,632

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. SHARE CAPITAL

	Group and Company			
	Number of shares		2021	2020
	RM	RM	RM	RM
Issued and fully paid				
Beginning of financial year	481,447,200	421,250,200	47,356,360	32,119,897
Addition	1,083,254,887	60,197,000	107,199,280	15,651,220
Less: Share issuance expenses	–	–	(985,212)	(414,757)
End of the financial year	1,564,702,087	481,447,200	153,570,428	47,356,360

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The issued share capital of the Company was increased by allotments of 80,797,636 and 63,636,000 ordinary shares of RM0.22 and RM0.225 each and 938,821,251 rights shares of RM0.08 each for cash for working capital purpose. The newly issued shares rank pari passu in all respects with the previously issued shares.

18. MERGER RESERVES

The merger reserves arise from the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiary companies acquired under the merger method of accounting.

19. LEASE LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 January	2,917,942	3,634,991	486,862	211,170
Acquisition of subsidiary company	429,229	–	–	–
Additional	1,523,763	1,134,678	447,288	408,673
Accretion interest	172,730	136,114	45,209	22,054
Payments	(2,094,738)	(1,765,688)	(297,828)	(153,075)
Rent concession related to Covid-19	–	(48,710)	–	(1,960)
Expiration of lease contract	–	(173,443)	–	–
Termination of lease contract	(354,810)	–	–	–
	2,594,116	2,917,942	681,531	486,862
Present as:				
Non-current	1,271,293	1,881,730	491,332	330,051
Current	1,322,823	1,036,212	190,199	156,811
	2,594,116	2,917,942	681,531	486,862

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. LEASE LIABILITIES (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Not later than 1 year	1,448,438	1,225,557	221,623	187,328
Later than 1 year but not later than 2 years	726,255	990,721	207,879	113,060
Later than 2 year but not later than 5 years	616,807	950,553	313,269	248,159
	2,791,500	3,166,831	742,771	548,547
Less: Future finance charges	(197,384)	(248,889)	(61,240)	(61,685)
	2,594,116	2,917,942	681,531	486,862
Present value of liabilities				
Not later than 1 year	1,322,823	1,036,212	190,199	156,811
Later than 1 year but not later than 5 years	1,271,293	1,881,730	491,332	330,051
	2,594,116	2,917,942	681,531	486,862
Analysed as:				
Repayable within 12 months	1,322,823	1,036,212	190,199	156,811
Repayable after 12 months	1,271,293	1,881,730	491,332	330,051
	2,594,116	2,917,942	681,531	486,862

The Group and the Company lease motor vehicles, buildings and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rate of the Group and of the Company at reporting date range from 2.22% to 9.90% and 2.38% to 5.50% (2020: 2.24% to 9.90% and 2.38% to 5.50%) respectively.

20. BANK BORROWINGS

	Group	
	2021 RM	2020 RM
Secured		
Term loans	7,163,048	2,623,578
Banker acceptance	3,458,707	1,252,000
Bank overdraft	255,967	–
Trust receipts	–	1,794,587
	10,877,722	5,670,165

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. BANK BORROWINGS (CONT'D)

	Group	
	2021 RM	2020 RM
Non-current		
Term loans	6,750,504	2,324,173
Current		
Term loans	412,544	299,405
Banker acceptance	3,458,707	1,252,000
Bank overdraft	255,967	–
Trust receipts	–	1,794,587
	4,127,218	3,345,992
	10,877,722	5,670,165

Details of interest rate and security

(i) First party legal charge over the freehold land and buildings of the subsidiary companies as disclosed in Notes 4(a) and 6(a);
(ii) Pledged of fixed deposits of the subsidiary companies disclosed in Notes 15;
(iii) Joint and several guaranteed by certain directors of a subsidiary company;
(iv) Assignment of life assurance policy by a director of a subsidiary company; and
(v) Corporate guarantee by the Company.

The maturity of the bank borrowings are as follows:

	Group	
	2021 RM	2020 RM
Within one year	4,127,218	3,345,992
Later than one years and not later than two years	389,661	307,481
Later than two years and not later than five years	1,067,111	730,048
Later than five years	5,293,732	1,286,644
	10,877,722	5,670,165

The average effective interest rates per annum are as follows:

	Group	
	2021 %	2020 %
Term loans	3.20 - 5.07	3.20 - 5.62
Banker acceptance	1.50 - 4.07	4.47
Bank overdraft	6.60	–
Trust receipts	–	6.64 - 7.07

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	105,119	210,545	–	–
Recognised in other comprehensive income	510,919	–	–	–
Recognised in profit or loss (Note 29(a))	79,247	(105,426)	–	–
At 31 December	695,285	105,119	––	–

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax liabilities	1,339,065	339,778	–	12,259
Deferred tax assets	(643,780)	(234,659)	–	(12,259)
	695,285	105,119	–	–

The components and movements of deferred tax liabilities and assets are as follows:

Deferred tax liaiblities	1 January RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Under/(over) provision in prior years RM	31 December RM
Group					
2021					
Property, plant and equipment	339,778	319,376	510,919	168,992	1,339,065
2020					
Property, plant and equipment	371,546	42,551	–	(74,319)	339,778

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets are as follows: (cont'd)

Deferred tax assets	1 January RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Under/(over) provision in prior years RM	31 December RM
Group					
2021					
Unutilised business losses	–	21,990	–	(158,231)	(136,241)
Unabsorbed capital allowances	(200,862)	(211,798)	–	(94,879)	(507,539)
Others	(33,797)	–	–	33,797	–
	(234,659)	(189,808)	–	(219,313)	(643,780)
2020					
Unabsorbed capital allowances	(144,763)	(50,078)	–	(6,021)	(200,862)
Others	(16,238)	(13,255)	–	(4,304)	(33,797)
	(161,001)	(63,333)	–	(10,325)	(234,659)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax losses	2,891,369	1,332,715	159,815	550,078
Unabsorbed capital allowance	2,339,083	1,834,181	291,523	111,699
Other deductible temporary differences	(1,606,437)	(1,189,672)	(205,374)	(123,250)
	3,624,015	1,977,224	245,964	538,527

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

With effect from year of assessment 2022, unused tax losses are allowed to be carried forward up to a maximum of ten consecutive years of assessment under current tax legislation. The other temporary differences do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. CONTRACT LIABILITIES

	Group	
	2021 RM	2020 RM
Deferred revenue		
Extended warranties and service contracts	358,417	472,462

As at reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) is RM358,417 (2020: RM472,462). The Group expects to recognise this revenue as the contracts are completed, which is expected to occur over the next 1 to 45 months (2020: 1 to 57 months).

23. TRADE PAYABLES

The normal trade credit term granted to the Group range from 30 to 90 days (2020: 30 to 90 days) depending on the terms of the contracts.

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables				
- Third parties	932,018	3,815,675	16,663	377,876
- Related parties	256,660	23,510	–	13,329
	1,188,678	3,839,185	16,663	391,205
Accruals	3,459,755	3,635,076	261,565	170,037
Deposits	3,100,286	1,209,162	–	–
Dividend payables	800,000	195,869	–	–
	8,548,719	8,879,292	278,228	561,242

25. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contract with customers:				
- Sales of goods	56,727,578	60,313,423	–	–
- Rendering of services	18,039,936	6,710,626	–	–
- Management fees	–	–	2,759,692	2,306,679
- Others	490,998	1,103,161	–	–
	75,258,512	68,127,210	2,759,692	2,306,679
Revenue from other sources:				
- Dividend income from subsidiary companies	–	–	408,262	204,131
	75,258,512	68,127,210	3,167,954	2,510,810

25. REVENUE (CONT'D)

Breakdown of the Group's revenue from contracts with customers:

	Commercial Laundry equipment RM	Medical Devices RM	Healthcare products RM	Laundry services RM	Foods and beverage RM	Total RM
2021						
Major goods and services						
Sales of goods	17,657,520	8,932,368	26,873,838	–	3,263,852	56,727,578
Rendering of services	633,831	16,662,206	–	743,899	–	18,039,936
Others	310,965	180,033	–	–	–	490,998
Total revenue from contracts with customers	18,602,316	25,774,607	26,873,838	743,899	3,263,852	75,258,512
Geographical market						
Singapore	–	10,319	–	–	–	10,319
Malaysia	18,602,316	25,764,288	26,873,838	743,899	3,263,852	75,248,193
	18,602,316	25,774,607	26,873,838	743,899	3,263,852	75,258,512
Timing of revenue recognition						
At a point of time	17,968,485	9,112,401	26,873,838	743,899	3,263,852	57,962,475
Over time	633,831	16,662,206	–	–	–	17,296,037
Total revenue from contracts with customers	18,602,316	25,774,607	26,873,838	743,899	3,263,852	75,258,512

25. REVENUE (CONT'D)

Breakdown of the Group's revenue from contracts with customers: (cont'd)

	Commercial Laundry equipment RM	Medical Devices RM	Healthcare products RM	Laundry services RM	Foods and beverage RM	Total RM
2020						
Major goods and services						
Sales of goods	23,476,087	23,895,129	12,231,770	710,437	–	60,313,423
Rendering of services	662,917	6,047,709	–	–	–	6,710,626
Others	670,677	432,484	–	–	–	1,103,161
Total revenue from contracts with customers	24,809,681	30,375,322	12,231,770	710,437	–	68,127,210
Geographical market						
Brunei	480,930	–	–	–	–	480,930
Singapore	–	10,319	–	–	–	10,319
Malaysia	24,328,751	30,365,003	12,231,770	710,437	–	67,635,961
	24,809,681	30,375,322	12,231,770	710,437	–	68,127,210
Timing of revenue recognition						
At a point of time	24,809,681	24,577,983	12,231,770	710,437	–	62,329,871
Over time	–	5,797,339	–	–	–	5,797,339
Total revenue from contracts with customers	24,809,681	30,375,322	12,231,770	710,437	–	68,127,210

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. OTHER OPERATING INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Bad debts recovered	–	4,950	–	–
Gain on disposal of property, plant and equipment	49,851	7,376	–	–
Gain on disposal of right of use assets	149,005	205,395	–	–
Gain on termination of lease liabilities	5,189	–	–	–
Income from rent concessions	–	48,710	–	1,960
Interest income	755,810	320,419	553,100	69,885
Other income	254,689	411,305	15,174	35,400
Realised gain on foreign exchange	111,056	111,802	–	–
Rental income	30,740	8,800	–	–
Reversal of impairment losses on trade receivables	294,880	10,000	–	–
Reversal of impairment losses on other receivables	375,000	–	–	–
Reversal of inventories written down	5,091	4,582	–	–
Realised gain on disposal of investment	693,533	–	693,533	–
Unrealised gain on foreign exchange	297,575	–	81,256	–
	3,022,419	1,133,339	1,343,063	107,245

27. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Banker acceptance's interest	108,292	45,562	–	–
Bank overdraft interest	7,410	–	–	–
Letter of credit interest	55,356	47,600	–	–
Lease liabilities interest	172,730	136,114	45,209	22,054
Term loans interest	212,341	115,854	–	–
Trust receipts interest	–	49,329	–	–
	556,129	394,459	45,209	22,054

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
Current financial year	142,000	103,000	38,500	33,000
Underprovision in prior financial year	–	7,000	–	–
Bad debt writtten off	5,656	12,044	–	–
Depreciation of investment properties:				
- Current financial year	8,840	8,840	–	–
- Overprovision in prior financial year	(36,969)	–	–	–
Depreciation of property, plant and equipment	1,158,100	1,030,464	95,707	24,113
Depreciation of right of use assets	1,530,218	1,569,936	314,158	169,467
Incorporation fee	3,399	–	–	–
Inventories written down	10,146	19,831	–	–
Inventories written off	9,129	–	–	–
Loss on disposal of property, plant and equipment	4,279	–	–	–
Loss on impaiment of trade receivables	219,523	183,460	–	–
Property, plant and equipment written off	100,332	68,309	3,185	–
Rental of equipment	13,460	–	–	–
Unrealised loss on foregin exchange	2,697	7,287	–	–

29. INCOME TAX EXPENSES

(a) Major components of tax expenses

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current income tax				
Current financial year	2,061,214	1,545,483	49,630	–
Under/(Over) provision in prior financial years	17,648	(142,859)	15,561	–
	2,078,862	1,402,624	65,191	–
Deferred tax (Note 21)				
Current financial year	(42,095)	–	–	–
Under/(Over) provision in prior financial years	121,342	(105,426)	–	–
	79,247	(105,426)	–	–
	2,158,109	1,297,198	65,191	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. INCOME TAX EXPENSES (CONT'D)

(b) Relationship between income tax expenses and accounting profit/(loss)

Reconciliation between income tax expenses and the product of accounting profit/(loss) multiplied by the statutory tax rate is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(loss) before tax	2,255,950	4,612,925	555,795	(375,543)
Income tax calculated at tax rate of 24%	541,428	1,107,102	133,391	(90,130)
Tax effects of expenses not deductible for tax purposes	1,443,733	490,156	106,962	161,536
Income not subject to tax	(361,272)	(170,869)	(120,508)	(57,487)
Under/(Over) provision of deferred tax in prior financial years	121,342	(84,644)	–	–
Under/(Over) provision of income tax in prior financial years	17,648	(142,859)	15,561	–
Deferred tax assets not recognised	395,230	98,312	–	(13,919)
Utilisation of deferred tax liabilities not recognised in prior financial year	–	–	(70,215)	–
	2,158,109	1,297,198	65,191	–

The amounts of temporary differences for which not deferred tax assets have been recognised in the statement of financial position are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deductible temporary differences	(1,606,437)	(1,189,672)	(205,374)	(123,250)
Unabsorbed capital allowance	2,339,083	1,834,181	291,523	111,699
Unutilised tax losses	2,891,369	1,332,715	159,815	550,078
	3,624,015	1,977,224	245,964	538,527

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profit of the company will be available against which the deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the consolidated profit/(loss) for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021	**2020**
	RM	**RM**
(Loss)/Profit attributable to the owners of the parent for basis earnings/(loss)	(1,176,283)	2,657,679
	Unit	**Unit**
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	481,447,200	421,250,200
Effect of ordinary shares issued during the financial year	433,084,530	3,453,926
Weighted average number of ordinary shares in issue at 31 December	914,531,730	424,704,126
Basic (loss)/earnings per ordinary share (sen)	(0.13)	0.63

(b) Diluted earnings/(loss) per share

The Group has no dilution in their earnings/(loss) per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

31. DIVIDENDS

	Group/ Company	
	2021	**2020**
	RM	**RM**
Dividends recognised as distribution to ordinary shareholders of the Company:		
Final dividends paid in respect of the financial year ended:		
- 31 December 2019 (single tier dividend of 0.10 sen per ordinary share)	–	421,250

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. STAFF COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fees	242,903	12,000	206,903	–
Salaries, bonuses and allowances	12,112,833	10,825,028	1,994,901	1,546,792
Defined contribution plan	1,340,817	1,327,231	243,809	177,789
Social security contributions	98,594	97,736	19,966	15,106
Other employee benefits	312,142	300,910	4,258	3,168
	14,107,289	12,562,905	2,469,837	1,742,855

The staff costs do not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM144,907 and RM43,908 (2020: RM229,430 and RM11,975) respectively.

Included in staff costs is the aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Directors of the Company				
Fees	12,000	12,000	–	–
Salaries and other emoluments	1,003,095	2,134,286	583,081	399,668
Defined contribution plan	120,527	233,351	69,809	36,498
Social security contributions	3,725	4,385	2,340	1,665
Other benefits	2,100	–	2,100	–
	1,141,447	2,384,022	655,230	437,831

The Directors' remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM59,875 and RM43,908 (2020: RM94,675 and RM11,975) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTY DISCLOSURES

(a) Key management personnel compensation

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' fee	218,903	188,790	206,903	164,790
Directors' salaries and other emoluments	4,105,269	3,447,486	663,681	486,268
Defined contribution plan	449,658	390,532	79,481	47,443
Social security contributions	11,551	9,002	3,263	2,588
Other benefits	2,100	–	2,100	–
	4,787,481	4,035,810	955,428	701,089

(b) Related party transaction

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Sales of goods/services rendered to				
Entities over which the Group has control, joint control or significant influence	–	–	2,759,692	2,306,679
Purchase of goods/assets from				
Entities over which the Group has control, joint control or significant influence	–	–	–	45,233
Other income received from				
Entities over which the Group has control, joint control or significant influence	–	-	408,262	204,131
Entities in which directors have interest	–	6,910	–	1,960
Expenses paid to				
Entities over which the Group has control, joint control or significant influence	–	–	–	–
Entities in which directors have interest	200,002	111,000	–	31,572

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes.

	At 1 January RM	Financing cash flows (i) RM	New Lease [Note 4(b) & 5(b)] RM	Acquisition of subsidiary company [Note 19] RM	Other changes (ii) RM	At 31 December RM
2021						
Group						
Lease liabilities	2,917,942	(1,922,008)	1,523,763	429,229	(354,810)	2,594,116
Banker acceptance	1,252,000	1,286,456	–	920,251	–	3,458,707
Terms loans	2,623,578	(412,759)	–	4,952,229	–	7,163,048
Trust receipts	1,794,587	(1,794,587)	–	–	–	–
	8,588,107	(2,842,898)	1,523,763	6,301,709	(354,810)	13,215,871
Company						
Lease liabilities	486,862	(252,619)	447,288	–	–	681,531
2020						
Group						
Lease liabilities	3,634,991	(1,629,574)	1,134,678	–	(222,153)	2,917,942
Banker acceptance	371,000	881,000	–	–	–	1,252,000
Terms loans	2,872,830	(249,252)	–	–	–	2,623,578
Trust receipts	711,797	1,082,790	–	–	–	1,794,587
	7,590,618	84,964	1,134,678	–	(222,153)	8,588,107
Company						
Lease liabilities	211,170	(131,021)	408,673	408,673	(1,960)	486,862

(i) The financing cash flows represent payment of lease liabilities and net proceeds from/repayment of bank borrowings in the statements of cash flows.

(ii) Other changes include expiration of lease contracts and income from Covid-19 rent concessions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable segments as follows:

Segment	Description of the Segment
Investment holding	Investment holding
Commercial laundry equipment	Supply, install, testing and commission of commercial laundry equipment
Medical devices	Supply, install, testing and commission of medical devices
Healthcare products	Trading and distribution of healthcare and clinical devices
Laundry services	Business of launderers cleaners, dry cleaners and carpet beaters
Food and beverage	Trading of healthy food and supplements, hair and body care products
Others	Represented the entity which yet to commence operation

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

35. SEGMENT INFORMATION (CONT'D)

Group	Investment holding RM	Commercial Laundry equipment RM	Medical Devices RM	Healthcare products RM	Laundry services RM	Foods and beverage RM	Others RM	Adjustments and eliminations RM	Consolidation RM
2021									
Revenue									
External customers	–	18,602,316	25,774,607	26,873,838	743,899	3,263,852	–	–	75,258,512
Inter-segement	3,167,954	390,750	73,295	390	–	–	–	(3,632,389)	–
Total revenue	3,167,954	18,993,066	25,847,902	26,874,228	743,899	3,263,852	–	(3,632,389)	75,258,512
Results									
Segnment results	47,904	1,311,926	2,413,971	2,780,967	(284,025)	(357,584)	(3,427,822)	(429,068)	2,056,269
Interest income	553,100	39,240	38,842	38,883	–	17,498	68,247	–	755,810
Finance costs	(45,209)	(64,862)	(162,171)	(116,705)	(10,147)	(156,698)	(337)	–	(566,129)
Profit/(Loss) before tax	555,795	1,286,304	2,290,642	2,703,145	(294,172)	(496,784)	(3,359,912)	(429,068)	2,255,950
Taxation	(65,191)	(395,145)	(635,191)	(1,046,203)	–	–	(16,379)	–	(2,158,109)
Profit/(Loss) for the financial year	490,604	891,159	1,655,451	1,656,942	(294,172)	(496,784)	(3,376,291)	(429,068)	97,841
Assets									
Capital expenditure	490,658	220,908	817,279	1,422,432	299,384	14,669	647,809	(91,521)	3,821,618
Segment assets	159,899,718	33,733,701	36,645,336	36,230,639	3,205,849	7,657,606	47,867,251	(101,946,411)	223,293,689
Liabilities									
Segment liaiblities	5,206,156	11,226,847	15,488,924	29,053,778	3,893,034	6,565,310	51,155,374	(81,906,058)	40,683,365

35. SEGMENT INFORMATION (CONT'D)

Group 2021	Investment holding RM	Commercial Laundry equipment RM	Medical Devices RM	Healthcare products RM	Laundry services RM	Foods and beverage RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Other non-cash items									
Bad debts written off	–	–	–	5,656	–	–	–	–	5,656
Depreciation of property, plant and equipment	95,707	266,142	314,045	168,698	345,172	7,589	11,022	(50,275)	1,158,100
Depreciation of right of use assets	314,158	329,300	447,763	184,988	230,080	15,109	8,820	–	1,530,218
Depreciation of investment properties									
- Current financial year	–	–	8,840	–	–	–	–	–	8,840
- Overprovision in prior financial year	–	–	–	–	–	(36,969)	–	–	(36,969)
Loss on disposal of property, plant and equipment	–	–	4,279	–	–	–	–	–	4,279
Gain on disposal of right of use assets	–	(20,087)	(128,918)	–	–	–	–	–	(149,005)
Gain on disposal of property, plant and equipment	–	–	–	–	–	(49,851)	–	–	(49,851)
Inventories written down	–	10,146	–	–	–	–	–	–	10,146
Inventories written off	–	–	7,253	–	–	1,876	–	–	9,129
Loss on impairment of trade receivables	–	–	–	129,274	–	90,249	–	–	219,523
Property, plant and equipment written off	3,185	–	150	2,251	–	94,746	–	–	100,332
Unrealised gain on foreign exchange	(81,256)	(93,214)	(116,155)	(6,950)	–	–	–	–	(297,575)
Unrealised loss on foreign exchange	–	–	–	2,697	–	–	–	–	2,697
Reversal of inventories written down	–	–	(5,091)	–	–	–	–	–	(5,091)
Reversal of impairment losses on other receivables	–	–	(375,000)	–	–	–	–	–	(375,000)
Reversal of impairment losses on trade receivables	–	(102,885)	(138,143)	(21,705)	–	(32,147)	–	–	(294,880)

35. SEGMENT INFORMATION (CONT'D)

Group	Investment holding RM	Commercial Laundry equipment RM	Medical Devices RM	Healthcare products RM	Laundry services RM	Foods and beverage RM	Others RM	Adjustments and eliminations RM	Consolidation RM
2020									
Revenue									
External customers	–	24,809,681	30,375,322	12,231,770	710,437	–	–	–	68,127,210
Inter–segement	2,510,810	444,674	82,335	3,543	–	–	–	(3,041,362)	–
Total revenue	2,510,810	25,254,355	30,457,657	12,235,313	710,437	–	–	(3,041,362)	68,127,210
Results									
Segnment results	(423,374)	1,532,888	2,180,173	1,781,651	(198,198)	–	(6,494)	(179,681)	4,686,965
Interest income	69,885	148,622	71,868	30,044	–	–	–	–	320,419
Finance costs	(22,054)	(81,242)	(217,868)	(54,639)	(18,656)	–	–	–	(394,459)
(Loss)/Profit before tax	(375,543)	1,600,268	2,034,173	1,757,056	(216,854)	–	(6,494)	(179,681)	4,612,925
Taxation	–	(392,553)	(491,367)	(413,278)	–	–	–	–	(1,297,198)
(Loss)/Profit for the financial year	(375,543)	1,207,715	1,542,806	1,343,778	(216,854)	–	(6,494)	(179,681)	3,315,727
Assets									
Capital expenditure	967,307	476,852	613,173	125,313	640,086	–	–	(93,336)	2,729,395
Segment assets	49,036,994	29,436,994	34,654,628	10,774,808	3,523,703	–	8,673	(32,694,819)	94,740,981
Liabilities									
Segment liaiblities	1,048,104	9,612,385	17,960,841	4,474,889	3,916,716	–	12,000	(13,743,753)	23,281,182

35. SEGMENT INFORMATION (CONT'D)

Group	Investment holding RM	Commercial Laundry equipment RM	Medical Devices RM	Healthcare products RM	Laundry services RM	Foods and beverage RM	Others RM	Adjustments and eliminations RM	Consolidation RM
2020									
Other non-cash items									
Bad debts written off	–	–	–	12,044	–	–	–	–	12,044
Depreciation of property, plant and equipment	24,113	282,187	361,428	88,795	320,349	–	–	(46,408)	1,030,464
Depreciation of right of use assets	169,467	503,204	471,056	179,924	246,285	–	–	–	1,569,936
Depreciation of investment properties	–	–	8,840	–	–	–	–	–	8,840
(Gain)/Loss on disposal of property, plant and equipment	–	(7,000)	607	(983)	–	–	–	–	(7,376)
Gain on disposal of right of use assets	–	(205,395)	–	–	–	–	–	–	(205,395)
Inventories written down	–	19,831	–	–	–	–	–	–	19,831
Loss on impairment of trade receivables	–	70,715	82,709	30,036	–	–	–	–	183,460
Property, plant and equipment written off	–	–	68,309	–	–	–	–	–	68,309
Unrealised loss on foreign exchange	–	3,251	2,585	1,451	–	–	–	–	7,287
Reversal of inventories written down	–	–	(4,582)	–	–	–	–	–	(4,582)
Reversal of impairment losses on trade receivables	–	(10,000)	–	–	–	–	–	–	(10,000)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. SEGMENT INFORMATION (CONT'D)

Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment and right of use assets including assets from the acquisition of subsidiary companies.

Inter-segment revenues are eliminated on consolidation.

Geographic information

Revenue information based on the geographical location of customers is as follow:

	Group	
	2021 RM	2020 RM
Malaysia	75,248,193	67,635,961
Oversea	10,319	491,249
	75,258,512	68,127,210

Major customers

No disclosure on major customer information as no customer represents equal or more than ten percent of Group's revenue.

36. CATEGORIES OF FINANCIAL INSTRUMENTS

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

(a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9
- Designated upon initial recognition ("DUIR")

(b) Amortised cost ("AC")

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets				
Measured at amortised costs				
Trade receivables	18,963,629	15,226,701	–	–
Other receivables and deposits	37,998,802	1,036,491	18,380	235,441
Amount due from subsidiary companies	–	–	73,564,241	9,817,724
Fixed deposits with licensed banks	39,686,347	1,814,623	36,836,227	–
Cash and cash equivalents	25,932,446	45,756,091	932,849	19,301,632
	122,581,224	63,833,906	111,351,697	29,354,797

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as follows: (cont'd)

(b) Amortised cost ("AC") (cont'd)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial liabilities				
Measured at amortised costs				
Trade payables	17,469,406	5,201,356	–	–
Other payables and accruals	8,548,719	8,879,292	278,228	561,242
Amount due to subsidiary companies	–	–	4,235,642	–
Lease liabilities	2,594,116	2,917,942	681,531	486,862
Bank borrowings	10,877,722	5,670,165	–	–
	39,489,963	22,668,755	5,195,401	1,048,104

37. FINANCIAL INSTRUMENTS

The Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) 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 obligation. The exposure of the Company to credit risk arises principally from trade receivables and other receivables. For other financial assets (including cash and bank balances), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The objective of the Company is to seek continual revenue growth while minimising losses incurred due to increase in credit risk exposure. The Company trade with all third parties but will only provide credit terms upon approval of the management.

At each reporting date, the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine 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. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and Company's maximum exposure to credit risk.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit risk (cont'd)

Financial guarantees

The Company provides unsecured financial guarantees to licensed banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Company's maximum exposure in this respect is RM2,298,930 (2020 RM5,670,165), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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

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

Analysis of financial liabilities by remaining contractual maturity obligations

The table below summarises the maturity profile of the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations:-

Group	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 - 5 years RM	Over 5 years RM
2021					
Non-derivative financial liabilities					
Trade payables	17,469,406	17,469,406	17,469,406	–	–
Other payables and accruals	8,548,719	8,548,719	8,548,719	–	–
Lease liabilities	2,594,116	2,791,500	1,448,438	1,343,062	–
Bank borrowings	10,877,722	13,932,965	4,646,913	1,877,393	7,408,659
	39,489,963	42,742,590	32,113,476	3,220,455	7,408,659
2020					
Non-derivative financial liabilities					
Trade payables	5,201,356	5,201,356	5,201,356	–	–
Other payables and accruals	8,879,292	8,879,292	8,879,292	–	–
Lease liabilities	2,917,942	3,166,831	1,225,557	1,941,274	–
Bank borrowings	5,670,165	4,659,067	1,949,355	1,010,849	1,698,863
	22,668,755	21,906,546	17,255,560	2,952,123	1,698,863

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity obligations (cont'd)

The table below summarises the maturity profile of the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations:-

Company	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	1 - 5 years RM
2021				
Non-derivative financial liabilities				
Other payables and accruals	278,228	278,228	278,228	–
Amount due to subsidiary companies	4,235,642	4,235,642	4,235,642	–
Lease liabilities	681,531	742,771	221,623	521,148
	5,195,401	5,256,641	4,735,493	521,148
2020				
Non-derivative financial liabilities				
Other payables and accruals	561,242	561,242	561,242	–
Lease liabilities	486,862	548,547	187,328	361,219
	1,048,104	1,109,789	748,570	361,219

(c) Market risk

The Company's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their bank borrowings.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign currency risk on business transactions, receivables, payables are mainly denominated in currencies other than respective functional currencies of the Group entities. The currencies giving rise to the risk are primarily United States Dollar (USD), Euro (EUR) and Singapore Dollar (SGD). Presently the Company has no intention of hedging its foreign exchange risk profile.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Market risk (cont'd)

(i) Foreign currency risk (cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in			
	USD	**EUR**	**SGD**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
2021				
Trade receivables	7,288,750	–	–	7,288,750
Cash and cash equivalents	26,859	–	–	26,859
Trade payables	(12,195,646)	(2,275,151)	(2,778)	(14,473,575)
	(4,880,037)	(2,275,151)	(2,778)	(7,157,966)
2020				
Trade receivables	12,761	–	–	12,761
Cash and cash equivalents	32,090	–	–	32,090
Trade payables	(2,325,726)	(36,892)	(412,175)	(2,774,793)
	(2,280,875)	(36,892)	(412,175)	(2,729,942)

Currency risk sensitivity analysis

A 10% strengthening of the following currencies against the at the end of the reporting period would have decreased equity and increased post-tax loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		Effect on profit after tax	
		2021	**2020**
		RM	**RM**
US Dollar	Strengthen by 10%	(488,003)	(228,088)
	Weaken by 10%	488,003	228,088
European Dollar	Strengthen by 10%	(227,515)	(3,689)
	Weaken by 10%	227,515	3,689
Singapore Dollar	Strengthen by 10%	(278)	(41,218)
	Weaken by 10%	278	41,218

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Market risk (cont'd)

(ii) 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 reporting period was:

	Group	
	2021 RM	**2020 RM**
Fixed rate		
Financial assets		
Fixed deposits with licensed banks	39,686,347	1,814,623
Financial liabilities		
Lease liabilities	2,594,116	2,917,942
Bank borrowings	3,714,674	3,046,587
	6,308,790	5,964,529
Floating rate		
Financial liabilities		
Bank borrowings	7,163,048	2,623,578

	Company	
	2021 RM	**2020 RM**
Fixed rate		
Financial asset		
Fixed deposits with licensed banks	36,836,227	–
Financial liability		
Lease liabilities	681,531	486,862

Sensitivity analysis for interest rate risk

The Group's borrowings at variable rates are denominated in Ringgit Malaysia ("RM"). At reporting date, if the RM interest rates had been 25 basis point ("b.p.") higher/lower with all other variable including tax rate being held constant, the profit after tax will be lower/higher by RM17,908 (2020: RM6,559) for the Group as a result of higher/lower interest expenses on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. FINANCIAL GUARANTEES

	Group	
	2021 RM	2020 RM
Unsecured		
Corporate guarantee given to licensed bank for banking facilities granted to subsidiary companies	2,298,930	5,670,165

39. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern and to maintain a capital structure, so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company managers need determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies and processes during the financial year.

The Group and the Company monitors capital based on gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt. As at 31 December 2021, the gearing ratio are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Contract liabilities	358,417	472,462	–	–
Trade payables	17,469,406	5,201,356	–	–
Other payables and accruals	8,548,719	8,879,292	278,228	561,242
Amount due to subsidiary companies	–	–	4,235,642	–
Lease liabilities	2,594,116	2,917,942	681,531	486,862
Bank borrowings	10,877,722	5,670,165	–	–
Less : Cash and cash equivalents	(63,516,956)	(45,756,091)	(37,769,076)	(19,301,632)
Net debt	(23,668,576)	(22,614,874)	(32,573,675)	(18,253,528)
Total equity	178,010,763	68,374,718	154,693,562	47,988,890
Gearing ratio	-13%	-33%	-21%	-38%

The Company is not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FAIR VALUE OF ASSETS AND LIABILITIES

The group and the company does not account for any fixed rate financial assets and financial 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.

Fair value of financial instruments that are carried at fair value:

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximate fair value.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate fair value.

Trade and other receivables, cash and cash equivalents, trade and other payables, the carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature of that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

41. SUBSEQUENT EVENTS

Subsequent to the financial year, the following subsequent events took place for the Company and its subsidiary companies:

(a) On 12 January 2022, the Board of Directors of the Group announced that an offer of options under Employees' Share Option Scheme ("ESOS") has been made to the eligible employees of the Group. The number of options offered by the Group is up to 469,410,000 units of RM0.0291 each.

(b) On 19 January 2022, the Group's issued share capital has increased up to 2,034,112,087 units of ordinary shares with total consideration of RM167,230,258,660 after the exercised of the ESOS which announced on 12 January 2022.

(c) On 6 April 2022, Century Pavilion International Sdn. Bhd. has incorporated with the ordinary shares of 1,000 units of RM1 each, which is a wholly owned subsidiary of CS Laundry System Sdn. Bhd.

LIST OF PROPERTIES
As at 31 December 2021

No.	Owner	Title Details	Postal Address	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area (sq m)	Net Book Value 31 December 2021 (RM)	Approximate age of buildings (Years)	Date of issuance of certificate of fitness for occupation
(1)	Best Contact (M) Sdn. Bhd.	GRN 67311, Lot No. 44501 (formerly known as HS(D) 112374, No. PT 12975) Mukim of Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	No. 13-12, Jalan Jalil Perkasa 13, Aked Esplanad,Bukit Jalil, 57000 Kuala Lumpur.	Two (2)-storey plus a mezzanine floor shop office unit/Head office of our Company as well as office premises and storage space of Best Contact (M) Sdn. Bhd./ Freehold/Building.	178/ 454.8	2,791,461	14	4 February 2008
(2)	Best Contact (M) Sdn. Bhd.	PN 57354, Lot 95647, Mukim and District of Petaling, Selangor.	No. 1, Jalan Perindustrian PP2, Taman Perindustrian Putra Permai, Bandar Putra Permai, 43300 Seri Kembangan, Selangor.	Three (3)-storey terrace factory corner lot/ storage space for our inventories/ Leasehold expiring on 16 August 2104/Industrial.	317/ 489.6	2,283,884	7	3 June 2014
(3)	CS Laundry System Sdn. Bhd.	GRN 60915, Lot 4063 (formerly known as HS(D) 104781 PT 5712) Mukim of Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	No. 21-1, 21-2 & 21-3, Jalan 5/152, Batu 6, Jalan Puchong, Taman Perindustrian OUG, 58200 Kuala Lumpur.	Three (3)-storey corner terraced shop office unit/ Office premises of CS Laundry System Sdn. Bhd. and storage space/ Freehold/ Building.	242/ 726	2,888,127	21	28 March 2001
(4)	Maymedic Technology Sdn. Bhd.	GRN 60914, Lot 40635 (formerly known as HS(D) 104780 PT 5711) Mukim of Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	No. 19-1, No. 19-2 & No. 19-3, Jalan 5/152, Batu 6, Jalan Puchong, Taman Perindustrian OUG, 58200 Kuala Lumpur.	Three (3)-storey intermediate unit shop office/Office premises of Maymedic Technology Sdn. Bhd. and storage space/Freehold/Building.	156/ 474.9	1,793,885	21	28 March 2001

No.	Owner	Title Details	Postal Address	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area (sq m)	Net Book Value 31 December 2021 (RM)	Approximate age of buildings (Years)	Date of issuance of certificate of fitness for occupation
(5)	Maymedic Technology Sdn. Bhd.	GRN 114209, Lot 13148 (formerly known as HS(D) 24416 PT11638, Mukim of Rawang, District of Gombak, Selangor.	No. 7, Jalan Johan 7, Taman Industrial Belmas Johan, Rawang-Gateway Industrial Park, 48000 Rawang, Selangor.	One and a half (1½)-storey terrace factory office building/storage space for our inventories/ Freehold/ Industrial.	232/ 301.9	592,280	24	30 August 1997
(6)	Foodict Maker Sdn. Bhd.	HS(D) 154670, PT 74132, Mukim Kapar, Daerah Klang, Negeri Selangor.	No. 91 Jalan Perindustrian 4/KU 8, Kawasan Perindustrian Meru Selatan, 41050 Klang, Selangor.	A double storey terraced factory intermediate unit/ Tenanted/Freehold/Light industrial.	273.9/ 406.9	2,441,846	4	31 March 2017
(7)	Foodict Maker Sdn. Bhd.	HS(D) 154708, PT 74170, Mukim Kapar, Daerah Klang, Negeri Selangor.	No. 17 Jalan Perindustrian 4/KU 8, Kawasan Perindustrian Meru Selatan, 41050 Klang, Selangor.	A double storey terraced factory intermediate unit/ Tenanted/Freehold/Light industrial.	273.9/ 406.9	2,466,439	4	31 March 2017
						15,257,922		

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2022

Total Number of Issued Shares	:	2,034,112,087 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote for every ordinary share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	18	0.19	690	0.00
100-1,000	510	5.39	323,190	0.02
1,001-10,000	2,395	25.30	15,828,249	0.78
10,001-100,000	4,510	47.65	195,872,169	9.63
100,001-Less than 5% of the issued shares	2,030	21.45	1,352,677,789	66.50
5% and above of the issued shares	2	0.02	469,410,000	23.08
TOTAL	**9,465**	**100.00**	**2,034,112,087**	**100.00**

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Datuk Chin Goo Chai	–	–	–	–
Datin Latiffah Binti Endot	–	–	–	–
Hoo Swee Guan	10,000	0.00	–	–
Yap Kim Choy	3,800,000	0.19	–	–
Ho Kee Wee	1,000	0.00	–	–
Khor Ben Jin	–	–	–	–

CHIEF EXECUTIVE OFFICER'S ("CEO") SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name of the CEO	No. of Shares	%	No. of Shares	%
Liaw Chong Lin	300,000	0.01	–	–
Subsidiary of BCM Alliance Berhad				
Cypress Medic Sdn. Bhd.	399,902	9.72	–	–

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

	Direct		Indirect	
Name of Substantial Shareholder	No. of Shares	%	No. of Shares	%
Kiu Cu Seng	305,116,500	15.00	–	–
Cheng Li Ping	164,293,500	8.08	–	–
Sanichi Technology Berhad	123,300,800	6.06	–	–

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF THIRTY LARGEST SECURITIES HOLDERS AS AT 31 MARCH 2022

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1.	Kiu Cu Seng	305,116,500	15.00
2.	Cheng Li Ping	164,293,500	8.08
3.	Sanichi Technology Berhad	73,810,000	3.63
4.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeoh Poh Choo*	51,300,000	2.52
5.	Sanichi Technology Berhad	44,000,800	2.16
6.	Lau Ting Hwa	27,250,000	1.34
7.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Choon Eek (E-TAI/KKR)*	17,857,600	0.88
8.	Ling Ai Lang	16,016,500	0.79
9.	Happy Health Marketing Sdn. Bhd.	13,249,000	0.65
10.	Ong Ngoh Ing @ Ong Chong Oon	13,000,000	0.64
11.	Chai Mee King	12,100,000	0.59
12.	Chung Kin Chuan	12,000,000	0.59
13.	Chen Fook Wah	11,500,000	0.57
14.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeoh Poh Choo*	11,000,000	0.54
15.	AMSEC Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Yong Siang*	11,000,000	0.54
16.	Oh Chwee Hoe	11,000,000	0.54
17.	AMSEC Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Chit Soon*	10,350,750	0.51
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)*	10,000,000	0.49
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Boon Poh (008)*	10,000,000	0.49
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Lap Hing (021)*	9,900,000	0.49
21.	Soon Kok Thiam	9,083,200	0.45
22.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeoh Poh Choo*	9,000,000	0.44
23.	Yong Jee Patt	8,234,489	0.40
24.	Lem Tien Guan	7,875,000	0.39
25.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Phua Sin Mo*	7,000,000	0.34
26.	Tan Paen Khong	6,662,000	0.33
27.	Chen Foong Szeen	6,650,000	0.33
28.	Low Yoon Ying	6,100,000	0.30
29.	Ang Kian You	6,000,000	0.29
30.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chang Tiang Pow (E-BCG)*	6,000,000	0.29

ANALYSIS OF WARRANT A HOLDINGS

As at 31 March 2022

Type of Securities	:	Warrants A 2021/2024
No. of Warrants Issued	:	782,350,787
Exercise Price	:	RM0.10
Exercise Period	:	25 August 2021 to 24 August 2024

DISTRIBUTION OF WARRANTS HOLDERS

Size of Holdings	No. of Holders	Percentage (%)	No. of Warrants	Percentage (%)
Less than 100	109	3.71	5,425	0.00
100-1,000	40	1.36	18,621	0.00
1,001-10,000	327	11.14	1,899,462	0.24
10,001-100,000	1,580	53.81	65,718,737	8.40
100,001-Less than 5% of the issued warrants	880	29.97	714,708,542	91.35
5% and above of the issued warrants	0	0.00	0	0.00
TOTAL	**2,936**	**100.00**	**782,350,787**	**100.00**

DIRECTORS' WARRANTS HOLDINGS

(As per the Register of Directors' Warrant Holdings)

	Direct		Indirect	
Name of Directors	No. of Warrants	%	No. of Warrants	%
Datuk Chin Goo Chai	–	–	–	–
Datin Latiffah Binti Endot	–	–	–	–
Hoo Swee Guan	–	–	–	–
Yap Kim Choy	–	–	–	–
Ho Kee Wee	–	–	–	–
Khor Ben Jin	–	–	–	–

CHIEF EXECUTIVE OFFICER'S ("CEO") WARRANTS HOLDINGS

	Direct Interest		Indirect Interest	
Name of the CEO	No. of Warrants	%	No. of Warrants	%
Liaw Chong Lin	250,000	0.03	–	–

ANALYSIS OF WARRANT A HOLDINGS (CONT'D)

LIST OF THIRTY LARGEST WARRANTS HOLDERS AS AT 31 MARCH 2022

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrants Held	%
1.	Chai Mee King	32,130,000	4.11
2.	M & A Nominee (Tempatan) Sdn. Bhd. *Majestic Salute Sdn. Bhd. for Liow Wei Kim*	31,250,000	3.99
3.	M & A Nominee (Tempatan) Sdn. Bhd. *Majestic Salute Sdn. Bhd. for Ong Yee Lung*	31,250,000	3.99
4.	M & A Nominee (Tempatan) Sdn. Bhd. *Majestic Salute Sdn. Bhd. for Florence Wong Wei Wei*	31,250,000	3.99
5.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeoh Poh Choo*	27,250,000	3.48
6.	Chin Yat Yin	24,000,000	3.07
7.	Lau Ting Hwa	18,125,000	2.32
8.	AMSEC Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Yong Siang*	12,500,000	1.60
9.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Kho Chong Yau (E-TSA)*	11,492,400	1.47
10.	Ong Ngoh Ing @ Ong Chong Oon	10,500,000	1.34
11.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)*	10,000,000	1.28
12.	Yap Tiam Chi	8,476,200	1.08
13.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeoh Poh Choo*	7,500,000	0.96
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Julian Cheah Wai Meng*	7,500,000	0.96
15.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Teo Kwee Hock*	7,033,333	0.90
16.	Yong Jee Patt	6,862,074	0.88
17.	Tan Wah Kiong	6,740,200	0.86
18.	Chung Kin Chuan	6,550,000	0.84
19.	Wong Kong Wai	6,390,000	0.82
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Lap Hing (021)*	6,250,000	0.80
21.	AMSEC Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Chit Soon*	5,625,375	0.72
22.	Tan Lee Kuan	5,312,750	0.68
23.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Phua Sin Mo*	5,000,000	0.64
24.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ng Wai Yuan (MY0867)*	4,900,066	0.63
25.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ong Kok Keong*	4,750,000	0.61
26.	Koh Chit Khoon	4,416,666	0.56
27.	Chen Fook Wah	4,354,900	0.56
28.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Loo Kian Kwong (E-BPJ)*	4,250,000	0.54
29.	Chen Fook Wah	4,220,400	0.54
30.	Happy Health Marketing Sdn. Bhd.	4,000,000	0.51

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting ("7th AGM" or "Meeting") of BCM ALLIANCE BERHAD ("BCM" or "the Company") will be held at Zamrud Room, Ground Floor, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 23 June 2022 at 10:30 a.m. or at any adjournment thereof, to transact the following businesses:-

A G E N D A

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. — ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees and benefits of up to RM216,000.00 for the period from 24 June 2022 until the next Annual General Meeting ("AGM") of the Company. — ***Ordinary Resolution 1***

3. To re-elect the following Directors who retire by rotation in accordance with Clause 105 of the Company's Constitution:-

   i. Datin Latiffah Binti Endot; and — ***Ordinary Resolution 2***
   ii. Mr. Yap Kim Choy — ***Ordinary Resolution 3***

4. To re-appoint ChengCo PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. — ***Ordinary Resolution 4***

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — ***Ordinary Resolution 5***

   "THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any 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 to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier."

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

6. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** ***Special Resolution***

"THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in "Appendix A" with immediate effect AND THAT the Directors and/or the Secretary of the Company be authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No. 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
29 April 2022

Notes:

(a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, or via fax at +603 2094 9940 or +603 2095 0292 or emailed to eservices@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 69 of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 June 2022. Only members whose names appear in the General Meeting Record of Depositors as at 16 June 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration and voting process for the Meeting.

(j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at www.bcmalliance.com.my for the latest updates on the status of the Meeting.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2021

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefit for the period from 24 June 2022 until the next AGM of the Company to be held in the year 2023. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 105 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of six (6) Directors of the Company are to retire in accordance with Clause 105 of the Company's Constitution.

Datin Latiffah Binti Endot and Mr. Yap Kim Choy ("Retiring Directors") who were appointed to the Board on 2 November 2015 and 4 January 2021 respectively, will retire and being eligible, have offered themselves for re-election at the 7th AGM in accordance with Clause 105 of the Company's Constitution.

The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile on Pages 6 and 8 of the Company's Annual Report 2021.

4. Item 5 of the Agenda – General Authority for the Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act

The Company had at its Sixth AGM held on 24 June 2021 ("6th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any 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 to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this 7th AGM.

As at the date of this Notice, no new ordinary shares were issued and allotted by the Company via private placement pursuant to the 20% General Mandate granted to the Directors at the 6th AGM.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate and on 23 December 2021 further extended the implementation and utilisation of this 20% General Mandate to 31 December 2022 to allow a listed issuer to seek a higher general mandate under Rule 6.04 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities.

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act. This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares until 31 December 2022 and thereafter, unless extended by Bursa Securities, the 10% limit under Rule 6.04(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The Board of Directors' Statement

The Board of Directors of BCM ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

5. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company

The proposed amendments to the Constitution of the Company under item 6 of the Agenda are mainly for the following purposes:-

(a) To ensure compliance with the Listing Requirements of Bursa Securities and the Act; and

(b) To enhance administrative efficiency.

This Special Resolution if passed, will allow the Company to alter or amend the whole of the existing Constitution by the replacement with the proposed new Constitution as per "Appendix A" in accordance with Section 36(1) of the Act. The proposed amendments to the Constitution of the Company shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

BCM ALLIANCE BERHAD

[Registration No. 201501009903 (1135238-U)]

PROXY FORM

I/We* _____ NRIC/Registration No.* _____
(full name in capital letters)

of _____
(full address)

Email Address _____ Mobile Phone No. _____

being (a) member(s) of BCM ALLIANCE BERHAD [201501009903 (1135238-U)] ("the Company") hereby appoint _____

_____ NRIC No. _____
(full name in capital letters)

of _____
(full address)

Email Address _____ Mobile Phone No. _____

and/or*, _____ NRIC No. _____
(full name in capital letters)

of _____
(full address)

Email Address _____ Mobile Phone No. _____

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Seventh Annual General Meeting ("Meeting") of the Company to be held at Zamrud Room, Ground Floor, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 23 June 2022 at 10:30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits of up to RM216,000.00 for the period from 24 June 2022 until the next Annual General Meeting of the Company.		
2.	To re-elect Datin Latiffah Binti Endot as a Director who retires by rotation in accordance with Clause 105 of the Company's Constitution.		
3.	To re-elect Mr. Yap Kim Choy as a Director who retires by rotation in accordance with Clause 105 of the Company's Constitution.		
4.	To re-appoint ChengCo PLT as Auditors of the Company.		
5.	To approve the authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

No.	Special Resolution	FOR	AGAINST
1.	To approve the proposed amendments to the Constitution of the Company.		

** delete whichever is not applicable*

CDS Account No.	
No. of Shares Held	

Signed this _____ day of _____ 2022

Percentage of shareholdings to be represented by the proxies:		
	No. of Shares	%
Proxy 1		
Proxy 2		
TOTAL		100

_____
Signature of Member(s)/ Common Seal

Notes:

(a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, or via fax at +603 2094 9940 or +603 2095 0292 or emailed to eservices@sshsb.com.my, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 69 of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 June 2022. Only members whose names appear in the General Meeting Record of Depositors as at 16 June 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration and voting process for the Meeting.

(j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at www.bcmalliance.com.my for the latest updates on the status of the Meeting.

Fold This Flap For Sealing

2nd Fold Here

AFFIX
STAMP

The Share Registrar

BCM ALLIANCE BERHAD
[Registration No. 201501009903 (1135238-U)]

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

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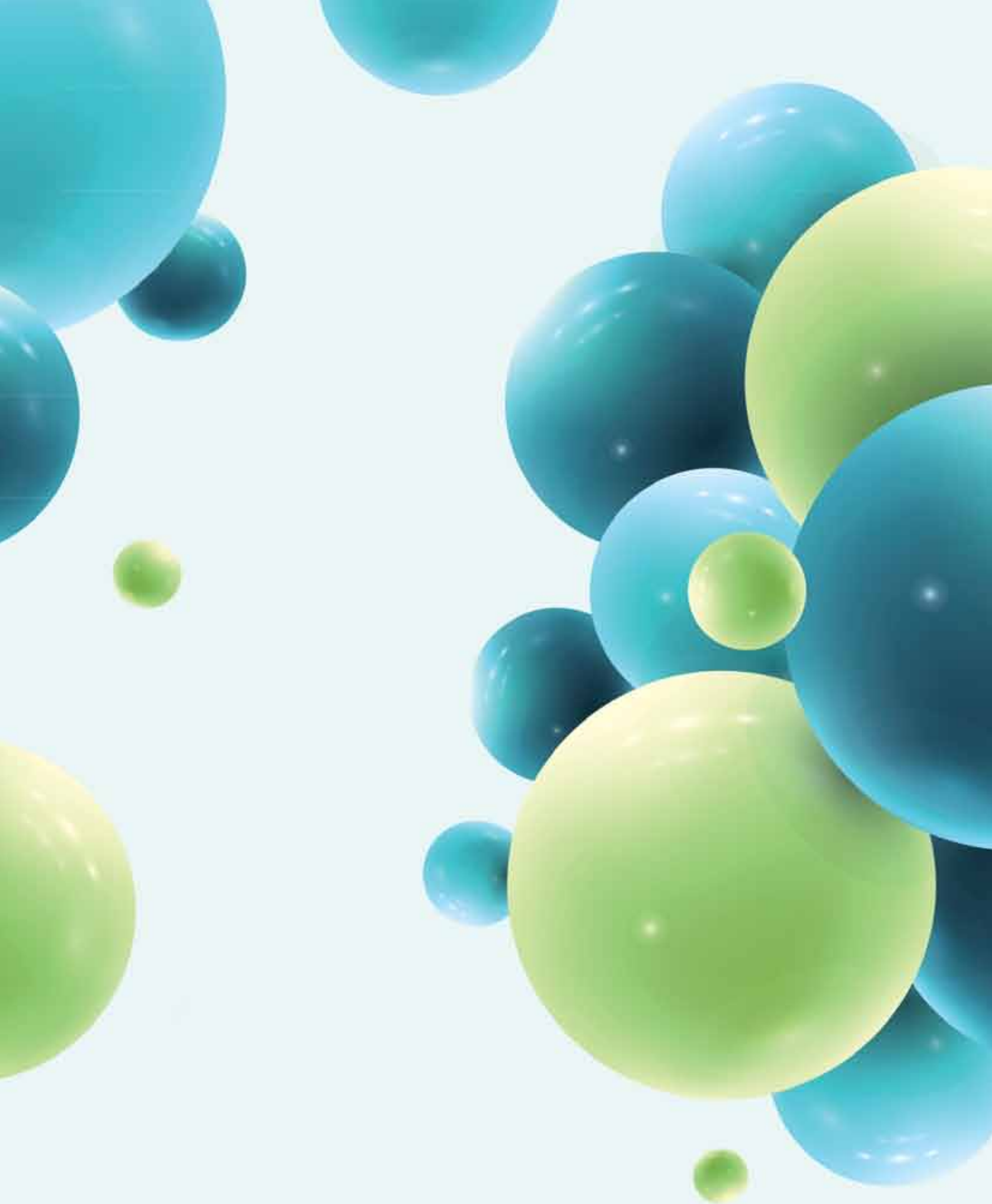

BCM ALLIANCE BERHAD Registration No. 201501009903 (1135238-U)

HEAD OFFICE
No. 73-2, Jalan Equine 10, Taman Equine, 43300 Seri Kembangan, Selangor Darul Ehsan.
Tel. No. : +603 8953 0031 **Fax No. :** +603 8957 0936 **www.bcmalliance.com.my**