



PROSPECTUS

BCM ALLIANCE BERHAD



BCM ALLIANCE BERHAD

(Company No. 1135238-U)

(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF BCM ALLIANCE BERHAD ("BCM" OR THE "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:-

(I) PUBLIC ISSUE OF 84,250,000 NEW ORDINARY SHARES OF RM0.05 EACH ("SHARES") IN BCM IN THE FOLLOWING MANNER:-

- 22,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 9,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- 53,250,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

(II) OFFER FOR SALE OF 42,125,000 SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE/OFFER PRICE OF RM0.19 PER SHARE, PAYABLE IN FULL UPON APPLICATION

Adviser, Sponsor, Underwriter and Placement Agent



M&A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 4 HEREIN.

YOU ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET OF BURSA SECURITIES MAY BE OF HIGH INVESTMENT RISK.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

This Prospectus is dated 28 September 2016

HEAD OFFICE

No. 13 - 12, Jalan 13/155B, Aked Espalanad, Bukit Jalil 57000 Kuala Lumpur.
Tel : +603 8993 9139 Fax : +603 8993 9039 Website : www.bcmalliance.com.my



PROSPECTUS

Our Directors, Promoters and Offerors (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

A copy of this Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Prospectus should not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss that you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. A copy of this Prospectus, together with the Application Form (as defined herein), has also been lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

Companies listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") may have a limited operating history or may not have any profit track record prior to listing. Such companies may be of high investment risk. As with all investments, you should be aware of all potential risks in investing in such companies and should make the decision to invest after giving due and careful consideration by referring to, among others, this Prospectus, latest financial statements and corporate announcements. You are strongly recommended to seek advice from securities professional/adviser.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND YOUR INVESTMENT IN OUR SHARES. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Our IPO is an exempt transaction under Section 212(8) of the Capital Markets and Services Act, 2007 ("CMSA") and is therefore not subject to the approval of the SC.

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the CMSA.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 15 June 2016. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO for which any of the persons set out in Section 236 of the CMSA, e.g. Directors and Advisers, are responsible.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

Our securities are classified as Shariah-compliant by the Shariah Advisory Council of the SC ("SAC") based on our latest consolidated audited financial statements for the financial year ended 31 December 2015. This classification remains valid until the next Shariah compliance review to be undertaken by the SAC based on our consolidated audited financial statements for the following financial year. The new status is released in the updated list of Shariah-compliant securities on the last Friday of May and November of each year.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You may also obtain a copy of the Electronic Prospectus from the websites of Malayan Banking Berhad at www.maybank2u.com.my, RHB Bank Berhad at www.rhbbank.com.my, CIMB Investment Bank Berhad at www.ejocimb.com, CIMB Bank Berhad at www.cimbclicks.com.my, Affin Bank Berhad at www.affinonline.com and Public Bank Berhad at www.pbebank.com.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or issuing house, a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the third party internet sites, you acknowledge and agree that:-

- (a) We and our Adviser do not endorse and is not affiliated in any way with the Third Party Internet Sites and is not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (b) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and
- (c) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:-

- (a) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities is set out below:-

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application	28 September 2016
Closing of Application for our IPO	10 October 2016
Balloting of the Application	13 October 2016
Allotment of our IPO Shares to successful applicants	20 October 2016
Date of Listing	24 October 2016

This timetable is subject to changes which may be necessary to facilitate the implementation procedures. The application period for our IPO will close at the date stated above or such later date as our Directors, Promoters, Offerors and Underwriter in their absolute discretion may mutually decide.

In the event the closing date of the application is extended, we will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the application for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used are defined under "Definitions" commencing from page vii.

All references to "BCM" and the "Company" in this Prospectus are to BCM Alliance Berhad (1135238-U). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors, key management and key technical personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or one (1) decimal place. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in "Definitions" appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from us.

In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third party projections, including the projections from the Independent Market Researcher, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

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FORWARD LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:-

- (a) Demand for our products and services;
- (b) Our business strategies;
- (c) Our future plans and objectives for future operations;
- (d) Our financial position;
- (e) Our future earnings, cash flows and liquidity; and
- (f) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:-

- (a) The economic, political and investment environment in Malaysia and globally; and
- (b) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 4 - "Risk Factors" and **Section 12-"Management Discussion And Analysis Of Financial Condition And Results Of Operations"** of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:-

COMPANIES WITHIN OUR GROUP:-

"BCM" or "Company"	: BCM Alliance Berhad (1135238-U)
"BCM Group" or "Group"	: BCM and its wholly-owned subsidiaries, collectively
"Best Contact"	: Best Contact (M) Sdn Bhd (293091-M)
"CS Laundry"	: CS Laundry System Sdn Bhd (401562-A)
"Maymedic"	: Maymedic Technology Sdn Bhd (729933-U)

GENERAL:-

"ACE Market"	: ACE Market of Bursa Securities
"Acquisitions"	: Collectively, the Acquisition of Best Contact, Acquisition of CS Laundry and Acquisition of Maymedic
"Acquisition of Best Contact"	: Acquisition by BCM of the entire equity interest of Best Contact, comprising 400,000 ordinary shares of RM1.00 each in Best Contact for a total purchase consideration of RM5,750,000 satisfied via the issuance of 115,000,000 new Shares at par
"Acquisition of CS Laundry"	: Acquisition by BCM of the entire equity interest of CS Laundry, comprising 201,000 ordinary shares of RM1.00 each in CS Laundry for a total purchase consideration of RM8,400,000 satisfied via the issuance of 168,000,000 new Shares at par
"Acquisition of Maymedic"	: Acquisition by BCM of the entire equity interest of Maymedic, comprising 200,000 ordinary shares of RM1.00 each in Maymedic for a total purchase consideration of RM2,700,000 satisfied via the issuance of 54,000,000 new Shares at par
"Act"	: Companies Act, 1965, as amended from time to time, and any re-enactments thereof
"ADA(s)"	: Authorised Depository Agent(s)
"Alliance Laundry"	: Alliance Laundry Systems LLC
"Amirdic"	: Amirdic Sdn Bhd (314851-X)
"Application"	: The application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form(s)"	: The printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM(s)"	: Automated Teller Machine(s)
"Board"	: Board of Directors of BCM

DEFINITIONS (Cont'd)

"Bursa Depository" or "Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"CAGR"	: Compounded annual growth rate
"CCM"	: Companies Commission of Malaysia
"CDS"	: Central Depository System
"CDS Account"	: An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
"Chief Frontier"	: Chief Frontier Sdn Bhd (903698-M)
"China"	: The People's Republic of China
"CIDB"	: Construction Industry Development Board
"Closing Date"	: Means the date adopted in the Prospectus as the last date for acceptance and receipt of application for the subscription to our IPO Shares or such other later date as our Board, Offerors, Promoters and Underwriter may agree upon
"CMSA"	: Capital Markets & Services Act 2007, as amended from time to time, and any re-enactments thereof
"CMSB"	: Cypress Medic Sdn Bhd (1035345-X)
"DBKL"	: Dewan Bandaraya Kuala Lumpur
"Depository Rules"	: The Rules of Bursa Depository and any appendices thereto, as amended from time to time
"Director(s)"	: Either an executive director or a non-executive director of our Company within the meaning of Section 4 of the Act
"EBIT"	: Earnings before interest and taxation
"EBITDA"	: Earnings before interest, taxation, depreciation and amortisation
"ECU"	: Equity Compliance Unit of the SC
"Electronic Prospectus"	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application"	: Application for our IPO Shares through a Participating Financial Institution's ATM
"EPS"	: Earnings per share
"FPE"	: Financial period ended

DEFINITIONS (Cont'd)

"FASB"	: Focus Aspect Sdn Bhd (928606-X)
"FYE"	: Financial year(s) ended/ending 31 December, as the case may be
"GDP"	: Gross domestic product
"GST"	: Goods and services tax
"Goodwood"	: Goodwood Ventures Sdn Bhd (104310-H)
"GP"	: Gross profit
"IMR" or "Protégé Associates"	: Protégé Associates Sdn Bhd (675767-H)
"IMR Report"	: Independent Market Research Report titled "Strategic Analysis of the Commercial Laundry Equipment and Medical Devices Industries in Malaysia"
"Internet Share Application"	: Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
"Internet Participating Financial Institutions"	: The participating financial institutions for Internet Share Application as listed in Section 16 of this Prospectus
"Initial Public Offering" or "IPO"	: Our initial public offering comprising our Public Issue and Offer for Sale
"IPO Price"	: The issue/offer price of RM0.19 per Share pursuant to our Public Issue and Offer for Sale
"IPO Share(s)"	: The Issue Share(s) and Offer Share(s), collectively
"ISO"	: International Organization for Standardization
"Issue Share(s)"	: The 84,250,000 new Share(s) to be issued pursuant to our Public Issue
"Issuing House" or "Tricor"	: Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
"kg"	: kilogramme
"LPD"	: 30 August 2016, being the latest practicable date for ascertaining certain information contained in this Prospectus
"Listing"	: Listing of and quotation for our entire enlarged issued and paid-up share capital of RM21,062,510 comprising 421,250,200 Shares on the ACE Market of Bursa Securities
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	: Comprising our Public Issue, Offer for Sale and Listing, collectively

DEFINITIONS (Cont'd)

"M&A Securities" or "Placement Agent" or "Principal Adviser" or "Sponsor"	: M&A Securities Sdn Bhd (15017-H)
"Malaysian Public"	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	: Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MSB"	: Metrotube Sdn Bhd (411052-U)
"MOH"	: Ministry of Health, Malaysia
"NA"	: Net assets
"NBV"	: Net book value
"NTA"	: Net tangible assets
"Offerors"	: Koh Lap Hing, Hew Chun Shun, Chung Eng Lam, Liaw Chong Lin, Lim Jit Wei, Kew Kin Chee, Chong Wai Mun, Chung Mei Sun and Lim Tow Keng, being the offerors pursuant to our Offer for Sale
"Offer for Sale"	: The offer for sale of 42,125,000 Offer Shares by our Offerors at our IPO Price
"Offer Share(s)"	: The 42,125,000 existing Shares to be offered pursuant to our Offer for Sale
"Official List"	: The list specifying all securities which have been admitted for listing of Bursa Securities and not removed
"Participating Financial Institution(s)"	: Participating financial institution(s) for Electronic Share Application, as listed in Section 16 of this Prospectus
"PAT"	: Profit after taxation
"PBT"	: Profit before taxation
"PE Multiple"	: Price-to-earnings multiple
"Pink Form Allocations"	: The allocation of 9,000,000 new Shares to our eligible Directors and employees who have contributed to the success of our Group pursuant to our IPO
"Pristine Niche"	: Pristine Niche Sdn Bhd (924481-V)
"Promoters"	: Comprising collectively, Koh Lap Hing, Liaw Chong Lin, Hew Chun Shun, Chung Eng Lam and Lim Jit Wei
"Prospectus"	: This prospectus dated 28 September 2016 in relation to our IPO

DEFINITIONS (Cont'd)

"Public Issue"	: Public issue of 84,250,000 Issue Shares at the IPO Price
"R&D"	: Research and development
"ROC"	: Registrar of Companies
"SAC"	: Shariah Advisory Council of the SC
"SC"	: Securities Commission Malaysia
"Share(s)" or "BCM Share(s)"	: Ordinary share(s) of RM0.05 each in BCM
"SICDA" or "Depository Act"	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time, and any re-enactments thereof
"sq ft"	: Square feet
"sq m"	: Square meter
"STSB"	: Sunto Trading Sdn Bhd (368427-K)
"TLMSB"	: Trio Link Marketing Sdn Bhd (830336-X)
"UK"	: United Kingdom
"UMMC"	: Universiti Malaya Medical Centre, Kuala Lumpur
"Underwriter"	: M&A Securities
"Underwriting Agreement"	: The underwriting agreement dated 22 August 2016 entered into between our Company and M&A Securities pursuant to our IPO
"USA" or "US"	: United States of America
"Vendors"	: Koh Lap Hing, Liaw Chong Lin, Hew Chun Shun, Chung Eng Lam, Lim Jit Wei, Kew Kin Chee, Chong Wai Mun, Chung Mei Sun, Lim Tow Keng and Shet Lai Choo, collectively
"Vendors' Shareholdings Reorganisation"	: The reorganisation of the shareholdings of the Vendors in BCM after the Acquisitions but before the IPO as set out in Section 5.3.5 of this Prospectus

Currencies

"EUR"	: Euro
"RM" or "sen"	: Ringgit Malaysia and sen respectively
"SGD"	: Singapore Dollar
"USD"	: United States Dollar

TECHNICAL GLOSSARY

"CT"	:	Computerised tomography, a diagnostic imaging technology that combines multiple X Ray projections taken from different angles to produce cross-sectional images of areas inside the body
"C Arm"	:	Imaging scanner intensifier used primarily for fluoroscopic imaging during surgical, orthopedic, critical care, and emergency care procedures
"CR"	:	Computed radiography, a diagnostic imaging technology that digitises images produce in medical imaging devices such as X-Ray machines
"distributor"	:	A distributor refers to an appointed party (<i>via a</i> distributive agreement and/or letter of appointment) by manufacturer(s) to distribute products to third parties including suppliers, trading companies and/or end-users
"Establishment License"	:	A license granted under the MDA Act to an establishment carrying on business or practice principally in Malaysia who is a manufacturer, authorised representative of manufacturer, importer or distributor and is responsible for placing any medical device in the market with a view to distribute, use, supply or putting it into service
"GDPMD"	:	Good Distribution Practice for Medical Devices sets out the requirements for a quality management system to be established, implemented and maintained by an establishment (as defined under the MDA Act) in carrying out activities in the medical device supply-chain to comply with Malaysian medical device regulatory requirements, as stipulated in the MDA Act and MDR Act. GDPMD requires an establishment to demonstrate its ability to maintain quality, safety and performance of medical devices in compliance with the Malaysian medical device regulatory requirements throughout the supply-chain, which include, but not limited to, product sourcing and procurement, transportation and delivery, storage, installation, commissioning, service and maintenance, calibration of medical devices at the point of use and after sales service, tracking, documentation and record-keeping practices
"Instrument chemistries and disinfectant"	cleaning and	: Instrument cleaning chemistries and disinfectants are used for cleaning, decontamination and sterilisation of surgical instruments. They can be used manually and in automated washers/disinfectors and ultrasonic cleaners
"IT"	:	Information technology
"IVD"	:	In-vitro diagnostics, is a method of performing a diagnostic test outside of a living body
"MDA"	:	Medical Device Authority, MOH
"MDA Act"	:	Medical Devices Act, 2012, the legislation providing the framework for the registration of medical devices in Malaysia

TECHNICAL GLOSSARY (Cont'd)

"MDR Act"	:	Medical Devices Regulation, 2012, the regulation governing the registration of medical devices in Malaysia
"MRI"	:	Magnetic resonance imaging, a diagnostic imaging technology that uses radio waves and a magnetic field to create detailed images of tissues and organs
"OEM"	:	Original equipment manufacturer
"QMS"	:	Quality management system
"RFID"	:	Radio-frequency identification, commonly utilised for sorting and organising
"supplier"	:	A supplier refers to a party that obtains the supply of products from manufacturer(s) or distributor(s) for subsequent sales to third parties including other suppliers, trading companies and/or end-users
"Washers/Disinfectors"	:	Washers/disinfectors are used in the cleaning of soiled reusable utensils, trays, glassware, bedpans and urinals, rubber and plastic goods, simple hard-surfaced rigid surgical instruments (i.e. forceps and clamps), theatre shoes and other similar and related items found in healthcare facilities
"X Ray"	:	A electromagnetic wave utilised in amongst others, medical imaging and diagnostic imaging technology

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential Address	Nationality/ Profession	Gender
Datuk Chin Goo Chai	Independent Non-Executive Chairman	10, Jalan Damai Kasih 10 Alam Damai 56000 Kuala Lumpur	Malaysian/ Director	Male
Koh Lap Hing	Non- Independent Executive Deputy Chairman	1272, Jalan Jiran 5 Taman Gembira Off Jalan Kuchai Lama 58200 Kuala Lumpur	Malaysian/ Director	Male
Liaw Chong Lin	Managing Director	57, Jalan Tiara 9 Mutiara Bukit Jalil 58200 Kuala Lumpur	Malaysian/ Director	Male
Lim Jit Wei	Executive Director	B12-12, Plaza Metro Prima Jalan Metro 1 Metro Prima Kepong 52100 Kuala Lumpur	Malaysian/ Director	Male
Chung Eng Lam	Executive Director	72A, Jalan PT 7 Taman Prima Tropika 43300 Seri Kembangan Selangor	Malaysian/ Director	Male
Hew Chun Shun	Executive Director	7, USJ 6/6P 47600 Subang Jaya Selangor	Malaysian/ Director	Male
Datin Latiffah Endot	Binti Independent Non-Executive Director	19, Jalan Platinum 7/43C Seksyen 7 40000 Shah Alam Selangor	Malaysian/ Director	Female
Ng Kok Wah	Independent Non-Executive Director	25, Jalan Sungai 9/11 Taman Sri Gombak 68100 Selangor	Malaysian/ Director	Male

1. CORPORATE DIRECTORY (Cont'd)**AUDIT COMMITTEE**

Name	Designation	Directorship
Ng Kok Wah	Chairman	Independent Non-Executive Director
Datuk Chin Goo Chai	Member	Independent Non-Executive Chairman
Datin Latiffah Binti Endot	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Datin Latiffah Binti Endot	Chairman	Independent Non-Executive Director
Koh Lap Hing	Member	Non-Independent Executive Deputy Chairman
Datuk Chin Goo Chai	Member	Independent Non-Executive Chairman

NOMINATION COMMITTEE

Name	Designation	Directorship
Datuk Chin Goo Chai	Chairman	Independent Non-Executive Chairman
Datin Latiffah Binti Endot	Member	Independent Non-Executive Director
Ng Kok Wah	Member	Independent Non-Executive Director

REGISTERED OFFICE

: Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone No: +603-2279 3080

HEAD OFFICE

: No. 13-12
Jalan 13/155B
Aked Esplanad
Bukit Jalil
57000 Kuala Lumpur

Telephone No: +603-8993 9139

EMAIL ADDRESSES AND WEBSITES

: Email: admin@cslaundry.com.my
info@bestcontact.com.my
info@maymedic.com.my

Websites: <http://www.bcmalliance.com.my>
<http://www.cslaundry.com.my>
<http://www.bestcontact.com.my>
<http://www.maymedic.com.my>

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Tan Tong Lang (MAICSA 7045482)
Chong Voon Wah (MAICSA 7055003)
Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone No: +603-2279 3080
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO** : UHY (AF1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone No: +603-2279 3088
- SOLICITORS FOR OUR IPO** : Ilham Lee
Suite 7.1C, Level 7 Work@Clearwater
Changkat Semantan
Damansara Heights
50490 Kuala Lumpur

Telephone No: +603-2011 3221
- PRINCIPAL BANKER** : Alliance Bank Malaysia Berhad (88103-W)
Alliance SME, Group Business Banking
3 Alliance
No. 3, 2nd Floor
Jalan SS15/2A
47500 Subang Jaya
Selangor

Telephone No: +603 5632 5768
- INDEPENDENT MARKET RESEARCHER** : Protégé Associates Sdn Bhd (675767-H)
Suite C-06-06, Plaza Mont' Kiara
2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Telephone No: +603 6201 9301
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : M&A Securities Sdn Bhd (15017-H)
No. 45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone No: +603-2284 2911

1. CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE AND SHARE REGISTRAR	: Tricor Investor & Issuing House Services Sdn Bhd (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No.8 Jalan Kerinchi 59200 Kuala Lumpur Telephone No: +603-2783 9299
LISTING SOUGHT	: ACE Market of Bursa Securities
SHARIAH STATUS	: Approved by the SAC

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2. INFORMATION SUMMARY

THE INFORMATION CONTAINED IN THIS SECTION IS INTENDED ONLY TO BE A SUMMARY OF SOME SALIENT INFORMATION RELATING TO US AND OUR IPO, AND THE INFORMATION CONCERNED IS DERIVED FROM AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN OUR SHARES. YOU ARE ALSO ADVISED TO READ THE RISK FACTORS DESCRIBED IN SECTION 4 OF THIS PROSPECTUS FOR AN UNDERSTANDING OF THE RISKS ASSOCIATED WITH THE INVESTMENT IN OUR GROUP.

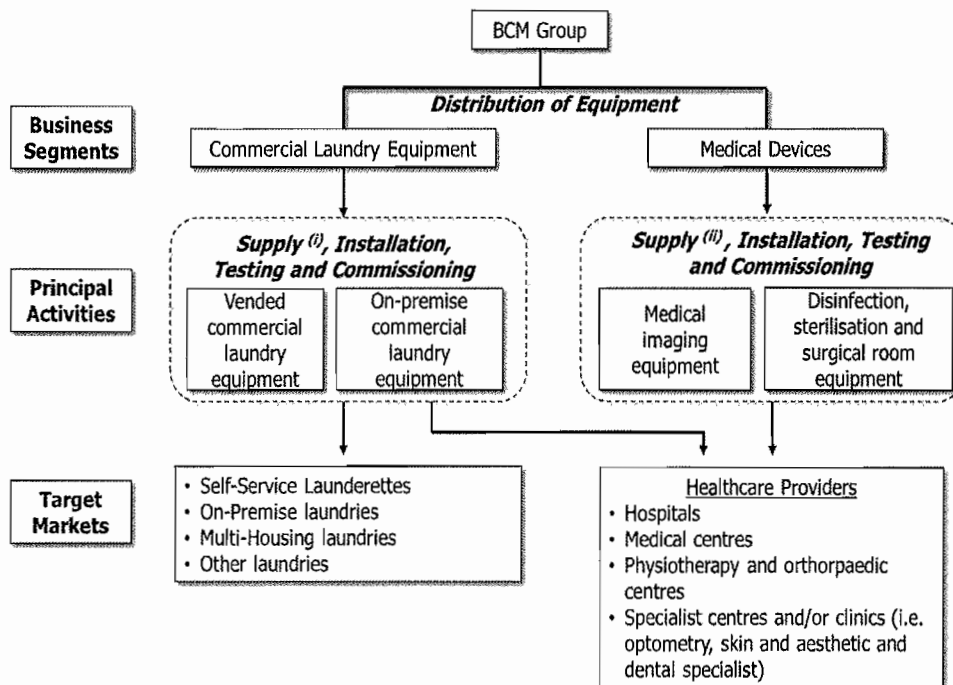
2.1 HISTORY AND BUSINESS

We were incorporated in Malaysia on 13 March 2015 under the Act as a public limited company under our present name.

We are principally involved in the distribution of equipment specialising in the commercial laundry equipment and medical devices industries in Malaysia. The scope of our business activities are as follows:-

- (a) Supply, installation, testing and commissioning of the following commercial laundry equipment:-
- (i) vended commercial laundry equipment; and
 - (ii) on-premise commercial laundry equipment.
- (b) Supply, installation, testing and commissioning of the following medical devices:-
- (i) medical imaging equipment; and
 - (ii) disinfection, sterilisation and surgical room equipment.

Our business activities are depicted as follows:-



2. INFORMATION SUMMARY (Cont'd)

Notes:-

- (i) Our distribution activities include value-added services ranging from designing and planning layout for self-service laundrettes and on-premise laundries, recommending the appropriate type of commercial laundry equipment, to after-sales services such as training as well as repair and maintenance works; and
- (ii) Our distribution activities include value-added services ranging from product recommendations, operation workflow design, obtaining relevant approvals from authorities for use of medical devices, to after-sales services such as training, repair and maintenance works.

Our history can be traced back to 1978 with the formation of Syarikat Sunto Trading by Koh Lap Hing together with three (3) other partners, namely Wong Fai Nam, Chee Wooi Chi and the late Hew Foh @ Hew Foh Yew (the father of Hew Chun Shun) to provide general maintenance, repair and installation services for various types of electrical equipment, including commercial laundry equipment and medical devices across Peninsular Malaysia. Chung Eng Lam joined Syarikat Sunto Trading as its Technical Personnel in 1986 whilst Hew Chun Shun joined Syarikat Sunto Trading in 1996 to assist his father, Hew Foh @ Hew Foh Yew in running the operations of Syarikat Sunto Trading. During that time, Koh Lap Hing, Chung Eng Lam and Hew Chun Shun developed a good working relationship together and later decided to expand their capabilities to not only provide maintenance, repair and installation services, but also include the distribution of equipment. This is achieved by bringing new talents that have the necessary sales and technical expertise in the equipment distribution business to jointly move up the value chain in the distribution of equipment business segment, in addition to providing maintenance, repair and installation services.

CS Laundry was established on 10 September 1996 by Koh Lap Hing and Abdul Halim bin Jamaludin with the intention to seek new business opportunities in the provision of laundry cleaning services. The Directors and shareholders of CS Laundry as at 10 September 1996 was Koh Lap Hing and Abdul Halim Bin Jamaludin. However, from the period from 10 September 1996 to 1 December 1998, CS Laundry did not commence its business activity.

In December 1998, CS Laundry underwent a change in shareholding structure that saw the entry of Chung Eng Lam, Hew Chun Shun and Lim Jit Wei as shareholders alongside Koh Lap Hing and Yap Soon Guan. Following the changes in the shareholding structure, CS Laundry ventured into the business related to the distribution and supply of commercial laundry equipment which tapped on our Executive Directors' technical expertise and experiences in the area of maintenance, repair and installation of equipment. This business venture is spearheaded and lead by Lim Jit Wei, who at that point in time already had more than ten (10) years of sales and technical experience in the commercial laundry equipment business segment during his working tenure at I.E Candid Sdn Bhd from 1988 to 1998. He has held various positions at I.E Candid Sdn Bhd, including as its Senior Technician (1988), Technical Supervisor (1991) and Sales and Technical Design Executive (1994).

Our Group's foray into the distribution and supply of medical devices business segment began in 2004 via Best Contact. Best Contact was established on 30 March 1994 by Koh Lap Hing, Chung Eng Lam, Yap Soon Guan and Hew Foh @ Hew Foh Yew to supply electronic control systems to electronic manufacturers. In 2004, Best Contact underwent a rationalisation of its business to focus on the distribution of medical devices. The rationalisation of Best Contact's business saw changes in its shareholdings structure and key management team, whereby Liaw Chong Lin was invited to become the Managing Director of Best Contact to spearhead the expansion of the medical devices business segment.

2. INFORMATION SUMMARY (Cont'd)

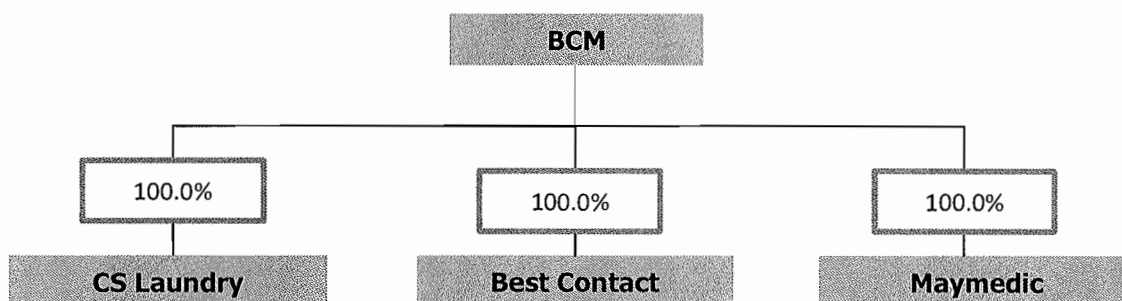
Between 2004 to 2010, we continued to build our commercial laundry equipment business segment in terms of expanding our customer base and improving our quality of service to our customers.

In 2006, Maymedic was established to venture into the distribution of sterilisation, disinfection and surgical room equipment as part of our expansion drive to further expand our range of medical devices products to the healthcare sector in Malaysia.

Over the last four (4) FYE 2012 to 2015, our revenue has increased at a CAGR of 50.0% (comprising of the CAGR of the commercial laundry business segment of 141.7% and CAGR of the medical devices business segment of 15.3%) and we pride ourselves as a reputable equipment distribution company servicing the commercial laundry equipment and medical devices industries.

Over the years, CS Laundry has successfully broaden its portfolio of equipment, accessories, consumables, spare parts and services by securing new distributorships of various brands of commercial laundry equipment from reputable international suppliers and brand manufacturers. Best Contact and Maymedic have also continued their expansion by serving more hospitals and medical centres nationwide as well as securing more distribution rights from other medical devices manufacturers to cater to their customers' requirement.

As at the LPD, our Group structure is as follows:-



The details of our Group as at the LPD are summarised as follows:-

Company	Principal activities
BCM	Investment holding company
CS Laundry	Supply, installation, testing and commissioning of commercial laundry equipment
Best Contact	Supply, installation, testing and commissioning of medical devices
Maymedic	Supply, installation, testing and commissioning of medical devices

As at the LPD, our Company does not have any associated company.

Further details of our Group and our business overview are set out in Sections 5 and 6 of this Prospectus, respectively.

2. INFORMATION SUMMARY (Cont'd)

2.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

Our Promoters, substantial shareholders, Directors and key management are as follows:-

Name	Designation
<u>Promoters and substantial shareholders</u>	
Koh Lap Hing	Non-Independent Executive Deputy Chairman
Liaw Chong Lin	Managing Director
Lim Jit Wei	Executive Director
Chung Eng Lam	Executive Director
Hew Chun Shun	Executive Director
<u>Directors</u>	
Datuk Chin Goo Chai	Independent Non-Executive Chairman
Koh Lap Hing	Non-Independent Executive Deputy Chairman
Liaw Chong Lin	Managing Director
Lim Jit Wei	Executive Director
Chung Eng Lam	Executive Director
Hew Chun Shun	Executive Director
Datin Latiffah Binti Endot	Independent Non-Executive Director
Ng Kok Wah	Independent Non-Executive Director
<u>Key management personnel</u>	
Chong Wai Mun	General Manager
Lim Tow Keng	Sales Manager
Kew Kin Chee	Technical Manager
Tang Fook Choy	Financial Controller

Further details of the aforementioned persons are set out in Section 8 of this Prospectus.

2.3 COMPETITIVE STRENGTHS

Set out below are our competitive strengths which we believe allows our Group to compete effectively within the industry we operate in:-

- (a) We are the distributor for well-established and well-known brands of commercial laundry equipment and medical devices such as Alliance Laundry, Hitachi and STERIS;
- (b) We are able to distribute a comprehensive range of commercial laundry equipment and medical imaging equipment as well as disinfection, sterilisation and surgical room products. We are also able to provide comprehensive solutions to our customers such as conceptualisation of design, supply and installation;
- (c) We are able to provide efficient and reliable after-sales services;
- (d) We have an established track record in the commercial laundry equipment business segment for more than fifteen (15) years and in the distribution of medical devices business segment for more than ten (10) years; and
- (e) We have a team of experienced key management personnel and skilled employees.

Further details on our Group's competitive strengths are set out in Section 6.2 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.4 FUTURE PLANS

Our future plans and strategies are as follows:-

- (a) We plan to set up eleven (11) new Speed Queen self-service launderette outlets as concept stores across Malaysia as part of our marketing strategy to showcase and promote the Speed Queen brand of vended commercial laundry equipment;
- (b) We plan to continuously expand our existing portfolio of products and brands by obtaining additional product distributorships; and
- (c) We plan to expand our sales and marketing activities as well as expand our market into the South East Asian region.

Further details on our Group's future plans are set out in Section 6.3 of this Prospectus.

2.5 RISK FACTORS

Before applying for our IPO Shares, you should carefully consider the following material risk factors in addition to the other information contained elsewhere in this Prospectus.

(a) Risks relating to the industry in which our Group operates:-

- Our Group is exposed to the inherent business risk associated to the commercial laundry equipment and medical devices industries in Malaysia;
- Our Group faces competition from both existing and new distributors and suppliers of commercial laundry equipment and medical devices;
- Our Group is exposed to the developments of the political, economic and regulatory risk in the Malaysian market;
- We may face liability and/or disruption to our medical devices business segment in the event of non-renewal or revocation of the Establishment Licenses and failure to register medical devices under the MDA Act and MDR Act;
- Our Group is subject to the evolving industry standards and new product introductions, improvements, innovations and enhancements as well as changes in customer preference and spending; and
- Our Group is exposed to the fluctuations in the foreign currency exchange rates, as a significant proportion of our purchases are transacted in foreign currencies.

(b) Risks relating to our business and our operations:-

- We are dependent on the leadership and contributions of our experienced Executive Directors and key management personnel;
- We are dependent on our key major customers for the commercial laundry equipment and medical devices business segments;
- We have not entered into any long-term sales contracts with our customers;
- We are dependent on our international brand manufacturers for those products that we distribute;
- We are exposed to product warranty and liability claims by our customers or by third parties for manufacturing defects and product liability claims;
- We are dependent on obtaining adequate financing to fund our operations;
- We face credit risks of our customers to make payment for our products and services;
- Our Group's future plans as set out in Section 6.3 of this Prospectus may not be commercially successful; and
- Our chain of Speed Queen concept stores may compete directly with our existing customers' self-service launderette outlets, which may discourage our existing or new customers from expanding or setting up their self-service laundrette outlets

2. INFORMATION SUMMARY (Cont'd)

via the purchase of Speed Queen brand of vended commercial laundry equipment from us, which in turn may affect our revenue.

(c) Risks relating to the investment in our Shares:-

- There has been no prior market for the public trading of our Shares on any stock market;
- There is a risk of failure/delay in or termination/abortion of our Listing;
- There is uncertainty in future dividend payment by our Group to shareholders; and
- There is risk of fluctuations in the performance of our Shares' trading price and trading volume.

(d) Other risks:-

- We are subject to control by our Promoters, who will collectively control 60.2% of our Group's enlarged issued and paid-up share capital upon our Listing;
- We may require additional fund raising for our future growth, which may dilute shareholders' equity or have restrictions imposed on us; and
- Forward-looking/prospective statements stated in this Prospectus which are based on historical data may not be reflective of future results and are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable.

For more detailed commentaries on our risks, please refer to Section 4 of this Prospectus.

2.6 PRINCIPAL STATISTICS RELATING TO OUR IPO

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:-

Details	No. of Shares	Par value RM	RM
Authorised share capital	500,000,000	0.05	25,000,000
Issued and fully paid-up			
- As at the date of this Prospectus	337,000,200	0.05	16,850,010
- To be issued pursuant to our Public Issue	84,250,000	0.05	4,212,500
Enlarged issued and paid-up share capital upon our Listing	421,250,200	0.05	21,062,510
IPO Price per Share (RM)			0.19
Market capitalisation (RM)⁽¹⁾			80,037,538
Pro forma NA based on our pro forma consolidated statements of financial position as at 31 March 2016			
Pro forma NA upon Listing (RM'000) ⁽²⁾			32,814
Pro forma NA per Share upon Listing (RM) ⁽³⁾			0.08

2. INFORMATION SUMMARY (Cont'd)

Notes:-

- (1) Based on our IPO Price and our enlarged issued and paid-up share capital upon Listing.
- (2) After taking into account the Acquisitions and Public Issue as well as the utilisation of proceeds.
- (3) Based on our enlarged issued and paid-up share capital of 421,250,200 Shares upon Listing.

Further details on our IPO are set out in Section 3 of this Prospectus.,

2.7 UTILISATION OF PROCEEDS

The estimated gross proceeds to be raised from our Public Issue of approximately RM16.01 million shall accrue entirely to us and will be utilised in the following manner:-

No.	Utilisation of proceeds	RM'000	%	Estimated timeframe for use (from the listing date)
(a)	Setting up chain of eleven (11) new Speed Queen self-service laundrette outlets	2,600	16.2	Up to 24 months
(b)	Working capital requirements, comprising:-			
	(i) Purchase of brand new commercial laundry equipment and medical devices	7,700	48.1	Up to 24 months
	(ii) Day-to-day working capital expenses	3,208	20.1	Up to 12 months
(c)	Estimated listing expenses	2,500	15.6	Within 1 month
	Total	16,008	100.0	

There is no minimum subscription to be raised from our IPO. Detailed information on our utilisation of proceeds is set out in Section 3.10 of this Prospectus.

2.8 FINANCIAL HIGHLIGHTS

For detailed financial information relating to our Group, please refer to Sections 11, 12 and 13 of this Prospectus, respectively.

2.8.1 Historical combined financial information

The following table sets forth an extract of the audited combined financial information for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016. The following selected historical financial information should be read in conjunction with the "Management Discussion and Analysis of Financial Condition and Results of Operations" set out in Section 12 of this Prospectus and the Accountants' Report and related notes set out in Section 13 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

	Combined Group					
	Audited	Audited	Audited	Audited	Unaudited	Audited
	FYE	FYE	FYE	FYE	FPE	FPE
	2012	2013	2014	2015	31 March 2015	31 March 2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	19,063	35,379	51,027	64,335	20,847	14,841
Less: Cost of sales	(11,738)	(25,693)	(33,361)	(45,308)	(15,077)	(9,541)
GP	7,325	9,686	17,666	19,027	5,770	5,300
Other operating income	148	225	354	220	31	156
Administrative expenses	(5,894)	(6,738)	(9,409)	(10,267)	(2,395)	(2,810)
Depreciation	(529)	(349)	(523)	(547)	(119)	(154)
Profit from operations	1,050	2,824	8,088	8,433	3,287	2,492
Finance costs	(271)	(336)	(351)	(362)	(87)	(90)
PBT	779	2,488	7,737	8,072	3,200	2,402
Taxation	(570)	(480)	(2,114)	(1,945)	(775)	(590)
PAT	209	2,008	5,623	6,126	2,425	1,812
No. of Shares assumed to be in issue ('000) ⁽¹⁾	337,000	337,000	337,000	337,000	337,000	337,000
EBIT (RM'000)	1,050	2,824	8,088	8,433	3,287	2,492
EBITDA (RM'000)	1,579	3,173	8,611	8,980	3,406	2,646
GP margin (%)	38.4	27.4	34.6	29.6	27.7	35.7
PBT margin (%)	4.1	7.0	15.2	12.5	15.3	16.2
PAT margin (%)	1.1	5.7	11.0	9.5	11.6	12.2
Effective tax rate (%)	73.2	19.3	27.3	24.1	24.2	24.6
Net EPS (sen)	0.06	0.60	1.67	1.82	0.72	0.54
No. of Shares assumed to be in issue ('000) ⁽²⁾	421,250	421,250	421,250	421,250	421,250	421,250
Diluted net EPS (sen) ⁽³⁾	0.05	0.48	1.33	1.45	0.58	0.43

Notes:-

- (1) Based on the number of Shares in issuance before our IPO.
- (2) Based the enlarged number of Shares in issuance after our IPO.
- (3) The diluted net EPS is computed by dividing PAT over the enlarged number of Shares after our IPO.

There were no exceptional or extraordinary items during the respective financial years/period under review. Our audited combined financial statements for the respective financial years/period under review were not subject to any audit qualifications.

2.8.2 Pro forma consolidated statements of financial position

The following table sets out a summary of the pro forma consolidated statements of financial position of our Group based on our audited combined financial statements as at 31 March 2016 to show the effects of the Acquisitions and Public Issue.

The pro forma consolidated statements of financial position is presented for illustrative purposes only and should be read in conjunction with the Reporting Accountants' letter on the pro forma consolidated statements of financial position as set out in Section 11 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

	(I)	(II)	(III)
As at 31 March 2016	After Acquisitions	After Pro forma (I) and Public Issue	After Pro forma (II) and utilisation of proceeds
RM'000	RM'000	RM'000	RM'000
<u>Non-Current Assets</u>			
Property, plant and equipment	2	7,453	7,453
Total Non-Current Assets	2	7,453	10,053
<u>Current Assets</u>			
Inventories	-	11,364	11,364
Trade receivables	-	6,301	6,301
Other receivables	237	954	954
Tax recoverable	-	294	294
Fixed deposits with licensed banks	-	5,093	5,093
Cash and bank balances	112	4,043	20,051
Total Current Assets	349	28,049	44,057
Total Assets	351	35,502	51,510
<u>Equity</u>			
Share capital	*	16,850	21,063
Share premium	-	-	11,795
Consolidation reserve	-	(16,049)	(16,049)
(Accumulated losses)/ Retained profits	(51)	18,505	18,505
Total (deficit)/equity attributable to equity holders of the Company	(51)	19,306	35,314
<u>Non-Current Liabilities</u>			
Hire purchase payables	-	975	975
Bank borrowings	-	3,550	3,550
Deferred tax liabilities	-	175	175
Total Non-Current Liabilities	-	4,700	4,700
<u>Current Liabilities</u>			
Trade payables	-	3,619	3,619
Other payables	392	6,528	6,528
Amount owing to Directors	10	372	372
Hire purchase payables	-	327	327
Bank borrowings	-	650	650
Total Current Liabilities	402	11,496	11,496
Total Liabilities	402	16,196	16,196
Total Equity and Liabilities	351	35,502	51,510
Par value per Share (RM)	0.05	0.05	0.05
Number of Shares ('000)	#	337,000	421,250
(Net liability)/NA (RM'000)	(51)	19,306	35,314
(Net liability)/NA per share (RM)	^	0.06	0.08
Borrowings (All interest bearing debts) (RM'000)	-	5,502	5,502
Gearing (times)	-	0.28	0.16

2. INFORMATION SUMMARY (Cont'd)

Notes:-

- * Represents RM10.
- # Represents 200 Shares.
- ^ Represents net liability of RM255 per share.

Detailed information on our pro forma consolidated statements of financial position is set out in Section 11 of this Prospectus.

2.8.3 Dividend policy

As our Company is an investment holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend on their operational results, financial conditions, capital expenditure plans, business expansion plans and other factors that their respective Board deem relevant.

Further details of our dividend policy are set out in Section 12.8 of this Prospectus.

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3. PARTICULARS OF OUR IPO

3.1 INTRODUCTION

This Prospectus is dated 28 September 2016. Our IPO is subject to the terms and conditions of this Prospectus.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the CCM. Neither the SC nor the CCM takes any responsibility for its contents.

We have obtained the approval from Bursa Securities vide its letter dated 15 June 2016, for, *inter-alia*, our admission to the Official List of the ACE Market of Bursa Securities and for the permission to deal in and for the listing of and quotation for all our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities.

Our Shares will be admitted to the Official List of the ACE Market of Bursa Securities and an official quotation will commence after, *inter-alia*, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Our securities are classified as Shariah-compliant by the SAC based on our latest consolidated audited financial statements for the FYE 2015. This classification remains valid until the next Shariah compliance review to be undertaken by the SAC based on our consolidated audited financial statements for the following financial year. The new status is released in the updated list of Shariah-compliant securities on the last Friday of May and November of each year.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25.0% of our enlarged issued and paid-up share capital for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares each upon admission to the ACE Market of Bursa Securities. We expect to meet the public shareholding requirement at the point of our Listing. In the event we fail to meet the said requirement pursuant to our IPO, we may not be allowed to proceed with our Listing on the ACE Market of Bursa Securities. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within fourteen (14) days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely only on the information contained in this Prospectus or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

3. PARTICULARS OF OUR IPO (Cont'd)

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus and the making of our IPO in certain jurisdictions outside Malaysia may be restricted by law.

The distribution of this Prospectus and the sale of any part of our IPO Shares are subject to the Malaysian laws and we, together with M&A Securities as our Adviser, Sponsor, Underwriter and Placement Agent, take no responsibility for the distribution of this Prospectus and the offer of any part of our IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions.

You must have a CDS Account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS Account number in the space provided in the Application Form. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for our IPO Shares. Please refer to Section 16 of this Prospectus for further details on the procedures for application for our IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application. You shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

In the case of an Application by way of Internet Share Application, only an applicant who has a CDS Account and an existing account to their internet financial services with the Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS Account number to the Internet Participating Financial Institutions by keying your CDS Account number into the online application form. A corporation or institution cannot apply for our IPO Shares by way of Internet Share Application.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

The SC and Bursa Securities assume no responsibility for the correctness of any statement made or of any opinion or report expressed in this Prospectus. Our admission to the Official List of the ACE Market of Bursa Securities shall not be taken as an indication of the merits of our Group, our Shares and/or our IPO exercise. This Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

3. PARTICULARS OF OUR IPO (Cont'd)

3.2 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 28 September 2016 and will remain open until at 5.00 p.m. on 10 October 2016 or such further period or periods as our Directors, Promoters, Offerors and Underwriter may in their absolute discretion mutually decide. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

3.3 IMPORTANT TENTATIVE DATES

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application	28 September 2016
Closing of Application	10 October 2016
Balloting of the Application	13 October 2016
Allotment of our IPO Shares to successful applicants	20 October 2016
Date of Listing	24 October 2016

These dates are tentative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors, Promoters, Offerors and Underwriter may, in their absolute discretion, mutually decide to extend the closing date of the Application to a further date or dates. Should the closing date of the Application be extended, the dates for the balloting, allotment of our IPO Shares and the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities would be extended accordingly. Any changes to the closing date of the Application will be advertised in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original closing date of the Application.

3.4 DETAILS OF OUR IPO

3.4.1 Public Issue

A total of 84,250,000 Issue Shares, representing approximately 20.0% of our enlarged issued and paid-up share capital are offered at the IPO Price. Our Public Issue is subject to the terms and conditions of this Prospectus. The Issue Shares shall be allocated in the following manner:-

(a) Malaysian Public

22,000,000 Shares, representing approximately 5.2% of our enlarged issued and paid-up share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process.

(b) Eligible Directors and employees who have contributed to the success of our Group

9,000,000 Shares, representing approximately 2.1% of our enlarged issued and paid-up share capital, will be reserved for our eligible Directors and employees who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 3.4.4 of this Prospectus.

3. PARTICULARS OF OUR IPO (Cont'd)**(c) Private placement to selected investors**

53,250,000 Shares, representing approximately 12.7% of our enlarged issued and paid-up share capital, have been reserved for private placement to selected investors to be identified.

The basis of allocation for the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares.

Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or 'greenshoe' option that will result in an increase in the number of our Issue Shares.

3.4.2 Offer for Sale

42,125,000 Offer Shares, representing 10.0% of our enlarged issued and fully paid-up share capital, are offered by our Offerors to selected investors by way of private placement at the IPO Price. Our Offer for Sale is subject to the terms and conditions as set out in this Prospectus.

The details of our Offerors and their relationship with our Group are as follows:-

Name/ Address	Material relationship with our Group	As at the LPD ⁽¹⁾		Offer Shares offered			After Offer for Sale	
		No. of Shares	%	No. of Offer Shares	% ⁽²⁾	% ⁽³⁾	No. of Shares	% ⁽⁴⁾
Koh Lap Hing 1272, Jalan Jiran 5 Taman Gembira Off Jalan Kuchai Lama 58200 Kuala Lumpur	Non- Independent Executive Deputy Chairman, Promoter and substantial shareholder	60,660,000	18.0	7,582,500	2.3	1.8	53,077,500	12.6
Liaw Chong Lin 57, Jalan Tiara 9 Mutiara Bukit Jalil 58200 Kuala Lumpur	Managing Director, Promoter and substantial shareholder	57,290,000	17.0	7,161,300	2.1	1.7	50,128,700	11.9
Hew Chun Shun 7, USJ 6/6P 47600 Subang Jaya Selangor	Executive Director, Promoter and substantial shareholder	60,660,000	18.0	7,582,500	2.3	1.8	53,077,500	12.6
Chung Eng Lam 72A, Jalan PT 7 Taman Prima Tropika 43300 Seri Kembangan Selangor	Executive Director, Promoter and substantial shareholder	57,290,000	17.0	7,161,300	2.1	1.7	50,128,700	11.9

3. PARTICULARS OF OUR IPO (Cont'd)

Name/ Address	Material relationship with our Group	As at the LPD ⁽¹⁾		Offer Shares offered			After Offer for Sale	
		No. of Shares	%	No. of Offer Shares	% ⁽²⁾	% ⁽³⁾	No. of Shares	% ⁽⁴⁾
Lim Jit Wei B12-12 Plaza Metro Prima Jalan Metro 1 Metro Prima Kepong 52100 Kuala Lumpur	Executive Director, Promoter and substantial shareholder	53,920,000	16.0	6,740,000	2.0	1.6	47,180,000	11.2
Kew Kin Chee⁽⁵⁾ 16, Jalan 27/147 Bandar Tasik Selatan 57100 Kuala Lumpur	Offeror and Technical Manager of Maymedic	16,850,000	5.0	2,106,300	0.6	0.5	14,743,700	3.5
Chong Wai Mun⁽⁶⁾ No. 38, Jalan TMP 3 Taman Mutiara Puchong 47160 Puchong Selangor	Offeror and General Manager of Best Contact	16,850,000	5.0	2,106,300	0.6	0.5	14,743,700	3.5
Chung Mei Sun⁽⁷⁾ 122, Jalan SS3/41 47300 Petaling Jaya Selangor	Offeror	6,740,000	2.0	842,300	0.2	0.2	5,897,700	1.4
Lim Tow Keng⁽⁸⁾ A-0-8, Tiara Court Jalan 1/19C Taman Mastiara Batu 6, Off Jalan Ipoh 51200 Kuala Lumpur	Offeror and Sales Manager of Maymedic	6,740,000	2.0	842,500	0.3	0.2	5,897,500	1.4
Total		337,000,000	100.0	42,125,000	12.5	10.0	294,875,000	70.0

Notes:-

- (1) After the completion of the Acquisitions and Vendors' Shareholdings Reorganisation.
- (2) Based on our issued and paid-up share capital of 337,000,200 Shares before our IPO.
- (3) Based on our enlarged issued and paid-up share capital of 421,250,200 Shares after our IPO.
- (4) Based on our enlarged issued and paid-up share capital of 421,250,200 Shares after our IPO and completion of the Offer for Sale.
- (5) Kew Kin Chee is presently the Technical Manager of Maymedic. Pursuant to the Vendors' Shareholding Reorganisation, Kew Kin Chee has received 7,930,000 Shares which resulted in him becoming our substantial shareholder (prior to the Offer for Sale). These Shares were transferred to Kew Kin Chee in recognition of his past services and contributions to our Group. He was not involved in other business activities that are similar to that of our Group in the past five (5) years, other than disclosed in Section 10.2 of this Prospectus. He does not have any family relationships with our Promoters, substantial shareholders and/or our Directors, as defined under Section 122A of the Act.

3. PARTICULARS OF OUR IPO (Cont'd)

- (6) Chong Wai Mun is presently the General Manager of Best Contact. Pursuant to the Vendors' Shareholding Reorganisation, Chong Wai Mun has received 8,800,000 Shares which resulted in him becoming our substantial shareholder (prior to the Offer for Sale). These Shares were transferred to Chong Wai Mun in recognition of his past services and contributions to our Group. He was not involved in other business activities that are similar to that of our Group in the past five (5) years, other than disclosed in Section 10.2 of this Prospectus. He does not have any family relationships with our Promoters, substantial shareholders and/or our Directors, as defined under Section 122A of the Act.
- (7) Chung Mei Sun is presently our shareholder. She was previously the substantial shareholder of Maymedic (prior to the acquisition of Maymedic by our Company) via her direct shareholdings of 10.0% held in Maymedic since September 2013. Pursuant to the Vendors' Shareholding Reorganisation, Chung Mei Sun has received 1,340,000 Shares (prior to the Offer for Sale). She was not involved in other business activities that are similar to that of our Group in the past five (5) years. She does not have any family relationships with our Promoters, substantial shareholders and/or our Directors, as defined under Section 122A of the Act.
- (8) Lim Tow Keng is presently the Sales Manager of Maymedic. Pursuant to the Vendors' Shareholding Reorganisation, Lim Tow Keng has received 4,040,000 Shares (prior to the Offer for Sale), in recognition of his past services and contributions to our Group. He was not involved in other business activities that are similar to that of our Group in the past five (5) years. He does not have any family relationships with our Promoters, substantial shareholders and/or our Directors, as defined under Section 122A of the Act.

Our Offerors shall bear all the expenses such as placement and miscellaneous fees estimated to be approximately RM0.20 million relating to their respective portion of the Offer Shares. The Offer Shares are not underwritten by our Underwriter.

3.4.3 Underwriting and placement

Our Underwriter will underwrite 31,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The 53,250,000 Issue Shares and 42,125,000 Offer Shares available for application by selected investors shall be placed out by our Placement Agent.

Any of our Issue Shares not subscribed for under Section 3.4.1(a) and Section 3.4.1(b) shall be subject to the following clawback and reallocation provisions:-

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated to our eligible Directors and employees of our Group. Likewise, any Issue Shares which are not taken up by our eligible Directors and employees of our Group will be allocated to the Malaysian Public.
- (b) Subject to (a) above and in the event there are Issue Shares not subscribed by the Malaysian Public as well as our eligible Directors and employees of our Group, the remaining portion will be made available for application by way of private placement to selected investors to be identified under Section 3.4.1(c) of this Prospectus. Thereafter, any remaining Issue Shares that are still not subscribed for will be underwritten based on the terms and conditions of the Underwriting Agreement.
- (c) In the event of an over-subscription by the Malaysian Public and a corresponding under-subscription under Sections 3.4.1(b), 3.4.1(c) and/or 3.4.2 of this Prospectus, the remaining portion will be clawed-back and be allocated to the Malaysian Public to increase the participation of retail investors.

3. PARTICULARS OF OUR IPO (Cont'd)

The clawback and reallocation shall not apply in the event of over-application under Sections 3.4.1(a), 3.4.1(b), 3.4.1(c) and 3.4.2 of this Prospectus.

3.4.4 Pink Form Allocations

We have allocated 9,000,000 Issue Shares to our eligible Directors and employees who have contributed to the success of our Group under the Pink Form Allocations as follows:-

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	2	700,000
Eligible employees	48	8,300,000
Total	50	9,000,000

The criteria of allocation to our eligible employees (as approved by our Board) are based on, *inter-alia*, the following factors:-

- The employee must be at least eighteen (18) years of age;
- The employee must have his/her employment confirmed in writing; and
- The employees' seniority, position, length of service and contribution to our Group.

Details of the proposed allocation to our eligible Directors are as follows:-

Names	Designation	No. of Issue Shares allocated
Datuk Chin Goo Chai	Independent Non-Executive Chairman	500,000
Ng Kok Wah	Independent Non-Executive Director	200,000
Total		700,000

3.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

Upon completion of our IPO exercise, our share capital would be as follows:-

Details	No. of Shares	Par value RM	RM
Authorised share capital	500,000,000	0.05	25,000,000
Issued and fully paid-up share capital			
• As at the date of this Prospectus	337,000,200	0.05	16,850,010
• To be issued pursuant to our Public Issue	84,250,000	0.05	4,212,500
Enlarged issued and paid-up share capital upon our Listing	421,250,200	0.05	21,062,510
Offer for Sale⁽¹⁾	42,125,000	0.05	2,106,250
Market capitalisation (RM)⁽²⁾			80,037,538

3. PARTICULARS OF OUR IPO (Cont'd)

Notes:-

- (1) Our Offer for Sale would not have any effect on our issued and paid-up share capital.
- (2) Based on the IPO Price and our enlarged issued and paid-up share capital upon Listing.

As at the date of this Prospectus, we have only one (1) class of shares, being ordinary shares of RM0.05 each, all of which rank *pari passu* amongst one another.

The Issue Shares will, upon allotment and issue, rank *pari passu* in all respects with our existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

The Offer Shares rank *pari passu* in all respects with our existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus in the event of the liquidation of our Group, in accordance with our Memorandum and Articles.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. In the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of our Group and the provisions of Section 149(1)(b) of the Act shall not apply to our Group.

3.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:-

- (a) To enable our Group to gain recognition and market visibility to enhance our Group's profile through our listing status and further augment our corporate reputation and also expand and grow our customer base;
- (b) To provide an opportunity for the Malaysian Public, our eligible Directors and our employees to participate in our equity;
- (c) To enable our Group to raise funds for the purposes specified in Section 3.10 herein;
- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise; and
- (e) To enhance our Group's reputation in the marketing of our products and services, and to retain and attract new, skilled employees particularly in the commercial laundry equipment and medical devices industries in Malaysia.

3. PARTICULARS OF OUR IPO (Cont'd)

3.7 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:-

- (a) The net PE Multiple of approximately 11.00 times based on our Group's pro forma annualised net EPS of approximately 1.72 sen for the FPE 31 March 2016 and our enlarged issued and paid-up share capital of 421,250,200 Shares upon Listing;
- (b) Our pro forma consolidated NA per Share as at 31 March 2016 after our IPO is RM0.08 based on our pro forma audited consolidated NA as at 31 March 2016 of approximately RM32.80 million (after utilisation of proceeds) and our enlarged issued and paid-up share capital of 421,250,200 Shares upon Listing;
- (c) Our historical financial track record for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016, summarised as follows:-

	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FPE 31 March 2016
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	19,063	35,379	51,027	64,335	14,841
Gross profit	7,325	9,686	17,666	19,027	5,300
PBT	779	2,488	7,737	8,072	2,402
PAT	209	2,008	5,623	6,126	1,812
Net EPS (sen) ⁽¹⁾	0.06	0.60	1.67	1.82	0.54
Diluted net EPS (sen) ⁽²⁾	0.05	0.48	1.33	1.45	0.43

Notes:-

- (1) Based on our issued and paid-up share capital of 337,000,200 Shares before our IPO.
 - (2) Based on our issued and paid-up share capital of 421,250,200 Shares after our IPO.
- (d) Our competitive strengths as set out in Section 6.2 of this Prospectus; and
 - (e) Our Group's future plans and prospects as further described in Sections 6.3 and 6.4 of this Prospectus.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 4 of this Prospectus before deciding to invest in our Shares.

3.8 TOTAL MARKET CAPITALISATION UPON LISTING

Based on the IPO Price and our enlarged issued and paid-up share capital of 421,250,200 Shares upon Listing, our total market capitalisation is estimated to be RM80,037,538 upon our Listing.

3. PARTICULARS OF OUR IPO (Cont'd)

3.9 DILUTION

Dilution is the amount by which the IPO Price exceeds the consolidated NA per Share immediately after our IPO. Our pro forma consolidated NA per Share as at 31 March 2016 before adjusting for the gross proceeds to be raised from our IPO and based on the issued and fully paid-up share capital as at the date of this Prospectus of 337,000,200 Shares was RM0.06.

Our pro forma consolidated NA per Share as at 31 March 2016 after giving effect to the Acquisitions and Public Issue including adjustments for the estimated listing expenses and based on the enlarged issued and paid-up share capital upon our Listing of 421,250,200 Shares is RM0.08.

This represents an immediate increase in the pro forma consolidated NA per Share to our existing shareholders of RM0.02, and an immediate dilution in the pro forma consolidated NA per Share of RM0.11 to our new public investors. The following table illustrates such dilution on a per Share basis:-

	RM
IPO Price	0.19
Our pro forma consolidated NA per Share as at 31 March 2016 before taking into account the Public Issue	0.06
Increase in the pro forma consolidated NA per Share attributable to existing shareholders	0.02
Our pro forma consolidated NA per Share as at 31 March 2016 after taking into account our Public Issue and after utilisation of proceeds	0.08
Dilution in the pro forma consolidated NA per Share to our new public investors	0.11
Dilution in the pro forma consolidated NA per Share as a percentage of the IPO Price	57.9%

Further details of our pro forma consolidated NA per Share as at 31 March 2016 is set out in Section 11 of this Prospectus.

The following table shows the average effective cost per Share paid by our existing shareholders for Shares acquired by them since our incorporation prior to the date of this Prospectus:-

Shareholders	⁽¹⁾No. of Shares	Total consideration RM	Average effective cost per Share RM
Koh Lap Hing	60,660,000	3,033,000	0.05
Hew Chun Shun	60,660,000	3,033,000	0.05
Chung Eng Lam	57,290,000	2,864,500	0.05
Liaw Chong Lin	57,290,000	2,864,500	0.05
Lim Jit Wei	53,920,000	2,696,000	0.05
Kew Kin Chee	16,850,000	842,500	0.05
Chong Wai Mun	16,850,000	842,500	0.05
Chung Mei Sun	6,740,000	337,000	0.05
Lim Tow Keng	6,740,000	337,000	0.05
Total	337,000,000	16,850,000	0.05

3. PARTICULARS OF OUR IPO (Cont'd)**Note:-**

- (1) Issued pursuant to the Acquisitions and after the Vendors' Shareholdings Reorganisation.

Save for the:-

- (a) Shares received by our Vendors pursuant to the Acquisitions;
- (b) the Shares transferred under the Vendors' Shareholdings Reorganisation; and
- (c) the Shares granted to eligible Directors and employees under the Pink Form Allocations,

there has been no acquisition or subscription of any of our Shares by our Directors or key management personnel, substantial shareholders or persons connected to them, or any transactions entered into by them which grants them the right to acquire any of our existing Shares, in the past three (3) years up to the LPD.

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

3.10 UTILISATION OF PROCEEDS**3.10.1 Public Issue**

No.	Utilisation of proceeds	RM'000	%	Estimated timeframe for use (from the listing date)
(a)	Setting up chain of eleven (11) new Speed Queen self-service launderette outlets	2,600	16.2	Up to 24 months
(b)	Working capital requirements, comprising:-			
	(i) Purchase of brand new commercial laundry equipment and medical devices	7,700	48.1	Up to 24 months
	(ii) Day-to-day working capital expenses	3,208	20.1	Up to 12 months
(c)	Estimated listing expenses	2,500	15.6	Within 1 month
	Total	16,008	100.0	

The estimated gross proceeds to be raised from our Public Issue of approximately RM16.01 million shall accrue entirely to us and will be utilised in the following manner:-

Notes:-**(a) Setting up chain of eleven (11) new Speed Queen self-service launderette outlets**

We intend to utilise RM2.60 million or 16.2% of our gross proceeds to fully finance the establishment of our proposed chain of eleven (11) new Speed Queen self-service launderette outlets around Malaysia, which would showcase the Speed Queen brand of

3. PARTICULARS OF OUR IPO (Cont'd)

vended commercial laundry equipment. This chain of self-service launderette outlets shall be designed to feature the Speed Queen brand colours and style, using various branding material and stickers incorporating Speed Queen 'Q' logo as a branding tool to showcase the Speed Queen brand of vended commercial laundry equipment. These Speed Queen self-service launderette outlets shall be operated as a self-service launderette outlet and will service walk-in customers to do their laundries.

These Speed Queen self-service launderette outlets will enable us to increase brand awareness and visibility of the Speed Queen brand of vended commercial laundry equipment and enable potential customers to have a conceptual visual of the design and layout as well as to gain insight into the operations of the Speed Queen self-service launderette outlets. Such awareness and accessibility are expected to attract new customers to set up their own self-service launderette outlets within the regions where we set-up our Speed Queen self-service launderette outlets. This gives us the opportunity to establish and expand our market presence and distribution coverage network by penetrating further into other areas in the Klang Valley, Northern, Southern and East Coast regions of Malaysia as we believe there are still growth prospects in these areas, as outlined in the IMR Report.

In September 2015, we established our first Speed Queen self-service launderette outlet at Taman United, Kuala Lumpur at the setup cost of approximately RM0.19 million. We estimate that the breakeven period (i.e. payback period) for our investment in this outlet is between three (3) to five (5) years.

We plan to continue establishing our chain of eleven (11) new Speed Queen self-service launderette outlets to enlarge our customer base. We intend to establish and set up eleven (11) new outlets by the end 2018 in several states in Peninsular Malaysia, namely Klang Valley, Johor, Penang, Melaka, Negeri Sembilan, Terengganu and Kelantan. However, we have not identified the exact location in these states and our business development team is in the process of identifying the suitable sites for setting up the eleven (11) new Speed Queen self-service launderette outlets in these states.

We estimate that the opening of each Speed Queen self-service launderette outlet will take between one (1) to two (2) months to complete, and the average cost estimated to be up to RM0.23 million per Speed Queen self-service launderette outlet. The estimated cost of RM0.23 million per outlet excludes the rental cost of each respective outlet, which shall be funded via the revenue generated from the operations of each outlet. The estimated cost of RM0.23 million per outlet will be funded from the proceeds of our Public Issue. This includes the following:-

- (i) Purchase and installation of Speed Queen vended commercial laundry equipment which include washers, dryers, accessories, consumables and its related equipment;
- (ii) Installation of basic facilities such as fixtures and fittings and related facilities for use by consumers while waiting for their laundry cleaning process to be completed; and
- (iii) Cost of renovation of the launderette premises.

Although our first Speed Queen self-service launderette outlet was set up at a cost of approximately RM0.19 million, we anticipate that there will be an increase in the set up cost from RM0.19 million to RM0.23 million. This is mainly attributable to the inclusion of an additional unit of higher capacity dryer as well as the general increase in the purchase cost of various machines and renovation cost of each outlet. Kindly refer to Section 6.3 of this Prospectus for further details of our future expansion plans.

3. PARTICULARS OF OUR IPO (Cont'd)

In the event that the total actual cost exceeds the amount of proceeds allocated for this purpose, we will fund the difference from the amount allocated for working capital. Conversely, in the event that the amount of proceeds allocated exceeds total actual costs, the excess amount will be utilised for working capital purposes.

(b) General working capital requirements

We intend to utilise RM10.91 million or 68.2% of our gross Public Issue proceeds to fully finance the working capital requirements of our Group, in the following manner:-

(i) Purchase of brand new commercial laundry equipment and medical devices

We intend to utilise RM7.70 million of 48.1% from our Public Issue proceeds to purchase brand new commercial laundry equipment and medical devices. The breakdown shall be in the following proportion (based on the anticipated market demand as assessed by our management):-

No.	Categories	No. of units	Sub-total (RM'000)	Total (RM'000)	%
(i)	Commercial laundry equipment:-				
	- On-premise laundry equipment (50 kg)	20	900		
	- On-premise laundry equipment (100 kg)	21	1,680	2,580	16.1
(ii)	Medical devices				
	- Low temperature sterilisation system	8	1,600		
	- Medical printing system and its related consumables	33	1,320		
	- Table top steam steriliser	110	2,200	5,120	32.0
	Total			7,700	48.1

Presently, we purchase the above types of equipment from our international brand manufacturers only after we have received purchase orders by our customers. We are currently financing the purchases of the above types of equipment by utilising trade facilities. Generally, our international brand manufacturers will take between three (3) to four (4) months from the date that we place the orders to deliver the equipment.

The proceeds will be our "war chest" as we shall have readily available cash-in-hand to immediately make the purchase of brand new commercial laundry equipment and medical devices as and when we have received purchase orders from our customers. This gives us the flexibility to make our purchases as and when required and enable us to reduce reliance on bank borrowings/trade facilities. In addition, we shall be able to purchase these equipment in advance without orders from the customers and retain it as inventories. These readily available inventories would enable us to shorten the time to delivery of the brand new commercial laundry equipment and medical devices to our customers so as to minimise the disruption of their operations. Under this arrangement, we would be able to shorten the delivery time by up to three (3) to four (4) months. This would ultimately lead to higher customer satisfaction as we are able to deliver their orders in a timely manner, which is crucial for their operations.

The actual purchase cost of these commercial laundry equipment and medical devices can only be determined at a later stage, i.e. upon confirmation of orders received from our customers, due to the fluctuation in foreign currency exchange which will affect the purchase cost in RM. In the event that its actual purchase cost is higher than

3. PARTICULARS OF OUR IPO (Cont'd)

budgeted, the deficit will be funded out of the portion allocated for working capital and vice versa.

(ii) Day-to-day working capital expenses

Our requirement for day-to-day working capital expenses will increase in tandem with our business growth, expected expansion, strategies and future plans. Therefore, we expect to utilise RM3.21 million or 20.1% from our Public Issue proceeds to finance our day-to-day operations in the following manner:-

No.	Details	RM'000
(i)	Staff salaries	800
(ii)	Administrative cost	700
(iii)	Marketing, promotion and branding activities (such as print medias, billboards, Internet marketing and other mediums for marketing and branding purposes)	1,708
	Total	3,208

(c) Estimated listing expenses

The amount of RM2.50 million or approximately 15.6% of our Public Issue proceeds is allocated to meet the estimated cost for our Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements. The following summarises the estimated expenses incidental to our Listing to be borne by us:-

No.	Details	RM'000
(i)	Professional fees ⁽¹⁾	1,600
(ii)	Fees payable to the authorities	100
(iii)	Underwriting, placement and brokerage fees	700
(iv)	Contingencies ⁽²⁾	100
	Total	2,500

Notes:-

- (1) Includes advisory fees for, amongst others, our Adviser, Reporting Accountants, Solicitors, IMR and other professional advisers as well as Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

Pending full utilisation, we intend to place the proceeds raised from our Public Issue (including accrued interest, if any) or the balance thereof in interest-bearing accounts with licensed financial institution(s) or in short-term money market instruments.

3. PARTICULARS OF OUR IPO (Cont'd)

3.10.2 Offer for Sale

Our Offer for Sale is expected to raise gross proceeds of approximately RM8.00 million which will accrue entirely to our Offerors and we will not receive any of the proceeds.

Our Offerors shall bear all of the expenses such as stamp duty, placement fee, registration and share transfer fee relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.20 million.

3.10.3 Financial impact from utilisation of proceeds

The utilisation of proceeds raised from our IPO is expected to have a financial impact on our Group in the following manner:-

(a) Financing of working capital requirements

We intend to utilise approximately RM10.91 million or 68.2% from our IPO proceeds for the financing of our working capital requirements, details of which are as follows:-

- (i) to finance our day-to-day operations such as payment of salaries, operating expenses and office overheads deemed necessary for the smooth running of our operations; and
- (ii) to purchase brand new commercial laundry equipment and medical devices.

The allocation of RM10.91 million or 68.2% of our IPO proceeds for our working capital purposes would result in the following:-

- (i) allow us to fund our daily operational activities without being dependent on external funding and allow our daily operational activities to be more efficient which will improve our overall financial performance; and
- (ii) provide us with savings on our cost of purchase via the bulk discounts provided by our international brand manufacturers. In addition, we are able to enjoy interest savings by not utilising bank borrowings/trade facilities to finance our purchase of inventories. Hence, we would not need to incur additional interest costs and we are able to improve/sustain our gearing ratio.

(b) Enhancement of revenue

The setting up of our chain of Speed Queen self-service launderette outlets is expected to strengthen our market presence and customer base in the commercial laundry equipment industry. With the plan to fully finance the establishment of eleven (11) Speed Queen self-service launderette outlets around Peninsular Malaysia, it is expected to enhance our marketing and increase brand awareness of the Speed Queen brand of vended commercial laundry equipment in Malaysia. Hence it will enhance the revenue of our Group by providing business growth prospects, brand expansion and brand presence in those states in which we expand to. This will in turn provide growth and increase in revenue.

(c) Improvement in cash and cash balances

Our cash and cash balances will increase from RM4.04 million to approximately RM7.25 million immediately after our Public Issue and utilisation of proceeds.

3. PARTICULARS OF OUR IPO (*Cont'd*)

3.11 BROKERAGE, PLACEMENT AND UNDERWRITING COMMISSION

(a) Underwriting commission

Our Underwriter has agreed to underwrite 31,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 2.0% of the total value of the underwritten Shares at the IPO Price.

(b) Placement fees

Our Placement Agent has agreed to place out 53,250,000 Issue Shares from the Public Issue and 42,125,000 Offer Shares to be offered to selected investors. We are obliged to pay our Placement Agent a placement fee at the rate of 2.0% of the value of 53,250,000 Issue Shares placed out to investors selected by our Placement Agent, at the IPO Price. The placement fee for the 42,125,000 Offer Shares placed out to investors selected by our Placement Agent will be entirely borne by our Offerors.

(c) Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of the IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities to underwrite 31,000,000 Issue Shares ("Underwritten Shares") as set out in Section 3.4.3 of this Prospectus.

The salient terms of the Underwriting Agreement are as follows:-

- 1.1 Subject to the terms and conditions of the Underwriting Agreement, M&A Securities has agreed to underwrite 31,000,000 IPO Shares as set out in Section 3.4.3 of this Prospectus.
- 1.2 The obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon *inter alia* the following ("Conditions Precedent"):-
 - (a) The Underwriter being provided with such reports or confirmation and being satisfied on the Closing Date that:-
 - (i) no material adverse change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of our Group from the date of the Underwriting Agreement; or
 - (ii) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings by our Company materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company;

3. PARTICULARS OF OUR IPO (Cont'd)

- (b) the Underwriter receiving a certificate in the form or substantially in the form dated the Closing Date signed by the duly authorised officers of our Company stating inter alia that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in the Underwriting Agreement;
- (c) the Underwriter receiving copies certified by a director or our Company Secretary of our Company to be a true and accurate copy and in full force and effect of a resolution of the directors:-
 - (i) approving the Prospectus and the application forms, the Underwriting Agreement and the transactions contemplated by it;
 - (ii) authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;
- (d) the Issue Shares not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the Public Issue, Offer for Sale and the Listing have been obtained and are in force on the Closing Date or the Underwriter being reasonably satisfied that the same will be in force on the Closing Date;
- (e) the Underwriter being satisfied that our Company has complied with and that the Shares are in compliance with the policies, guidelines and requirements of the SC and Bursa Securities and all revisions, amendments and/or supplements to it;
- (f) the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") being not lower than ninety percent (90%) of the level of the Index for at least three (3) consecutive Market Days between the date of the Underwriting Agreement and prior to the allotment of the Issue Shares, both dates inclusive;
- (g) the Prospectus being in form and substance satisfactory to the Underwriter;
- (h) the offering of the Issue Shares having been approved by Bursa Securities and any other relevant authority or authorities and remaining in full force and effect and that all conditions precedent to the approvals, to the extent possible have been complied with;
- (i) the listing of and quotation for the Issue Shares / issued and paid-up share capital of our Company on the ACE Market of Bursa Securities having been unconditionally approved-in-principle by Bursa Securities or subject only to conditions which are acceptable to the Underwriter and such approval is not withdrawn;
- (j) the launching of Prospectus taking place within three (3) months from the date of the Underwriting Agreement or such other later date as the Underwriter and our Company may from time to time agree in writing;
- (k) the Prospectus having been lodged with the ROC and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;

3. PARTICULARS OF OUR IPO (Cont'd)

- (I) The Listing within one (1) month from the Closing Date or any later date as may be approved by the authorities and agreed in writing by the Underwriter.
- 1.3 If after the Conditions Precedent has been complied with and our Company decides not to proceed with the IPO, the Underwriter may treat itself as so released or discharged from its obligations.
- 1.4 The Underwriter may waive all or any of the conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.
- 1.5 Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if:-
- (a) any of the Conditions Precedent under the Underwriting Agreement are not duly satisfied by the Closing Date; or
 - (b) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the reasonable satisfaction of the Underwriter within ten (10) Market Days from the date our Company is notified by the Underwriter of such breach; or
 - (c) there is withholding of material information by our Company which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have a material adverse effect on the business or operations of our Group, the success of the IPO, or the distribution or sale of the Issue Shares; or
 - (d) the approval of Bursa Securities in respect of the IPO or the approval-in-principle of Bursa Securities for the listing and quotation of its entire issued and paid-up share capital on the ACE Market of Bursa Securities is withdrawn; or
 - (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or our Group; or
 - (f) our Company or any of its subsidiaries becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or
 - (g) there shall have occurred, or happened any of the following circumstances:-
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rates (including but not limited to conditions on the stock market in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, national disorder, declaration of a state of national emergency,

3. PARTICULARS OF OUR IPO (Cont'd)

pandemics, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or our Group as a whole, the success of the IPO, or the distribution or sale of the Issue Shares, or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

(h) there is any failure on the part of the Company to perform any of its obligations under the Underwriting Agreement.

1.6 In the event that the Underwriting Agreement is terminated pursuant to the terms and conditions therein, the Underwriter and our Company may confer with a view to deferring the Public Issue by amending its terms or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.

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4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL THE OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

4.1 RISKS RELATING TO THE INDUSTRIES IN WHICH OUR GROUP OPERATES

4.1.1 Inherent business risk associated with the commercial laundry equipment and medical devices industries in Malaysia

Our Group is principally involved in the distribution of equipment specialising in the commercial laundry equipment and medical devices industries in Malaysia. As such, our Group is exposed to market fluctuations caused by economic cycles, political environment, inflation as well as fluctuations in foreign currencies, which could in turn, adversely affect our business, operations and financial performances. Thus, the viability of our business depends to a large extent on the current and future demand and supply conditions of both the commercial laundry equipment and medical devices industries in Malaysia. However, there can be no assurance that any changes in the market conditions impacting the commercial laundry equipment and medical devices industries in Malaysia caused by economic slowdown or shifts in demand, which are beyond our control will not occur.

Specific examples of inherent business risk associated to the commercial laundry equipment and medical devices industries in Malaysia are as follows:-

(a) Commercial laundry equipment industry

In the commercial laundry equipment industry, the level of demand can also be influenced by the performance of the general Malaysian economy which affects the decision by launderette operators to make investments to set-up new launderette outlets or replace their old commercial laundry equipment. In this regard, our Group will continue to monitor changes in market conditions as well as adopt prudent management and efficient operating procedures to adapt to any negative changes in the commercial laundry equipment industry.

We have taken note that the commercial laundry equipment industry in Malaysia stood at RM201.1 million in 2015 and is expected to reach RM271.3 million in 2020. The commercial laundry equipment industry in Malaysia is projected to grow at a CAGR of 4.3% for the 2016 to 2020 period. The positive outlook on the demand for commercial laundry equipment in Malaysia is mainly attributed to the fundamental societal changes that drive demand for commercial laundry services. The commercial appeal of launderettes also drives investment in vended commercial laundry equipment. In addition, the increasing demand from the hospitality industry and healthcare sector also contributes to the growth of this industry. Besides that, the steady population growth, automation innovation (such as the introduction of tunnel or continuous batch washers that has led to the increase in productivity as well as reduction in the usage of water and energy by two-thirds as compared with old-style batch washers) and replacement of aging commercial laundry equipment are also expected to drive the future growth of the commercial laundry equipment industry. On the supply side, the push for greener commercial laundry equipment is also expected to have a positive impact on the commercial laundry equipment industry as it will appeal to modern consumers who are more inclined to adopt environmentally friendly practices, while also patronising businesses that boast eco-friendly products and services.

4. RISK FACTORS (Cont'd)

(b) Medical devices business segment

Growth in the medical devices industry depends on various factors, such as demographic factors (which are driven by factors such as a rise in incidences in chronic diseases, growing ageing population, and increased accessibility to healthcare services due to growth in income levels) increases in public and private healthcare expenditure on healthcare products and services, as well as growth in medical tourism. Any changes in public and private healthcare expenditure may have an impact on the spending on medical devices and equipment. In private hospitals, the purchase of our products could be reduced due to lowering or tightening of hospital budgets. In addition, any reduction on public healthcare expenditure could negatively impact the sales of our products. In this regard, our Group will continue to monitor changes in market conditions as well as adopt prudent management and efficient operating procedures to adapt to any negative changes in the medical devices industry.

We have taken note that the medical devices industry in Malaysia is valued at RM10.24 billion in 2015 and is expected to reach RM17.41 billion in 2020. The medical devices industry in Malaysia is projected to grow at a CAGR of 11.2% for the 2016 to 2020 period. The positive outlook on the demand for medical devices in Malaysia stems mainly from Malaysia's growing and ageing population, the growing prevalence of chronic lifestyle diseases and increasing healthcare expenditure on healthcare services, leading to greater demand for use of medical devices, the increasing number of healthcare providers and a growing healthcare travel industry. On the supply side, the industry is expected to be boosted by strong government support and the presence of established supporting industries. The availability of more medical devices in the market is expected to further support the growth of distribution segment as authorised representatives and distributor remain vital in their role as an integral link between the manufacturers and end-users.

4.1.2 Competition from other industry players

We face competition from both existing and new distributors and suppliers of commercial laundry equipment and medical devices who carry other competing brands of commercial laundry equipment and medical devices, including imports.

Some may have longer operating histories, international brand name recognition and greater financial, technical and marketing resources than what is available to us. Generally, the biggest challenge for a distributor is to maintain and increase its market share. Stiff competition from other new and existing distributors and suppliers may result in competitive pricing strategies that would affect our profit margin.

Our continued success depends on numerous critical factors which include the ability to strategise the pricing and marketing for our range of products, spare parts, accessories and consumables, improved after-sales and customer services, nurture customer loyalty, ensuring prompt delivery, as well as offering high quality range of products that meet the demand at competitive prices.

Increase in competition may potentially cause us to lose market share and consequently, a negative impact on our competitive strengths and pricing strategies. If we are unable to compete effectively with existing or future competitors and adapt quickly to changing market conditions and trends, our business and financial performance could be materially and adversely affected. Failure to do so may negatively impact our Group's track record and industry reputation, leading to a loss of business to our competitors and damage to our overall business performance.

There can be no assurance that our Group will continue to be able to compete successfully with the other competitors and new entrants in the future, which could have a material adverse effect on our business, financial condition and results of operations.

4. RISK FACTORS (Cont'd)

Nevertheless, we believe that our competitive advantages and key strengths, as disclosed under Section 6.2 of this Prospectus, would provide us with the platform to compete effectively within the industries we operate in and continue to grow our business.

4.1.3 Political, economic and regulatory risk in the Malaysian market

Our financial and business prospects, and the prospects of the industries in which we operate, will depend to some degree on the developments of the political, economic and regulatory front in the Malaysian market. Amongst the political, economic and regulatory factors are 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 materially affect the financial position and business prospects of our Group.

Notwithstanding the above, we have not experienced any adverse political, economic and regulatory changes which have had a material adverse impact on our business operations in the past. However, there can be no assurance that adverse political, economic and regulatory changes, which are beyond our control, will not materially affect our Group's businesses in the future.

4.1.4 Potential liability and/or disruption to our medical devices business segment in the event of non-renewal or revocation of the Establishment Licenses and failure to register medical devices under the MDA Act and MDR Act

Under the MDA Act and MDR Act, we are required to obtain the Establishment License to carry on our business activities in importing, exporting and placing medical devices in Malaysia. In addition, we are also required to register each and every medical device which falls within the specific categories under the MDA, prior to its placement in the market.

As at the LPD, although we have obtained Establishment Licenses for the operations of Best Contact and Maymedic, failure to fulfil the conditions attached thereto, as well as the relevant laws, rules and regulations that the Establishment Licences are subject to, may result in fines, penalties being imposed on us and/or the revocation of the Establishment Licences by the MDA. Additionally, upon expiry of the Establishment Licenses, there may also be a risk of non-renewal by the MDA. In such instances, our business, financial condition and results of operations may be adversely affected as we would no longer be legally permitted to act as importers and distributors of medical devices in Malaysia.

We have also submitted various applications to register the medical devices that we are currently distributing with the MDA, within the timeframe stipulated under the MDA Act and the ministerial orders issued by the Minister of Health, Malaysia thereunder, which was by 30 June 2016. As at the LPD, we have submitted a total of one hundred and ten (110) applications in total to the MDA, of which fifteen (15) applications have been approved by the MDA. Pending the results of our application, we are permitted to continue distributing our medical devices for which submissions have been made on or before 30 June 2016. However, in the event any of our applications is rejected by the MDA, we will be forced to cease the distribution of such medical device (which application has been rejected) and this may adversely affect our revenue and sales as well as our business operations.

We recognise the importance of obtaining the Establishment Licenses and the successful registrations of our medical devices as well as the timely renewal of these Establishment Licenses and registrations of medical devices upon its expiry. We will strive to fulfil all conditions imposed by the relevant authorities for the issuance and/or approval as well as the renewal of the aforesaid Establishment Licenses and registrations of medical devices. Whilst we continuously ensure compliance with the relevant regulatory requirements, there can be

4. RISK FACTORS (Cont'd)

no assurance that any fines or penalties, if imposed, will not have a material adverse impact on our financial performance in the future. There can also be no assurance that an event will not arise in the future which will lead to the revocation of our Establishment Licences by the MDA. As at the LPD, we are awaiting the results of the remaining ninety (95) applications for the registration of our medical devices. There can be no assurance that the MDA will approve the registration of such medical devices to enable us to continue distributing and placing all of our products in the market.

4.1.5 Adoption of new technologies and anticipate changes in customer preferences

Our products and services are subject to the evolving industry standards and new product introductions, improvements, innovations and enhancements. Demand for our products is influenced by customer preference and spending trend. For the commercial laundry equipment business segment, our customers have shown preference for products and technologies that feature new electronic controls facilitating ease of use, efficiency in terms of performance, have environmentally friendly features and require low energy and water consumption. For the medical devices business segment, our customers requires updated development on the medical devices including the material that it is made of, the design of the machine as well as its application in diagnosing, preventing, monitoring of illnesses and diseases, in order to keep up with the latest healthcare trend.

Demand for our range of products and services are also affected by the technological advancement which may alter the demand for our range of products and services. Demand is also influenced by external factors including, amongst others, the state of the economy (i.e. Malaysia's GDP), the income level of consumers (i.e. launderette outlets' customers and hospital patients) and changes in the consumers' demographic profiles (i.e. economic status, level of education, age and employment). As such, the industries that our Group participates in require us to continuously keep abreast with the latest models and brands introduced in the market as well as to keep updated with the latest customer preferences to remain relevant and in demand.

Sales of our range of products and marketing strategies may be significantly impacted in the event our competitors introduce new products' that has newer technologies resulting in better features. This may in turn lead to a lower demand for our range of products. Our Group's prospects, financial position, operating results and profitability may be materially and adversely affected in the event that our range of products is unable to appeal to the changing requirements of our customers. Furthermore, the need for replacement, upgrading or maintenance of such product may result in an increase of the cost of providing, or reduce the demand for our products and services. Hence, our Group's future growth and success would significantly depend on continuing market acceptance of the portfolio of our products and services to meet the needs of our customers.

To minimise this risk, we are working very closely with our international brand manufacturers to gain a good understanding and guidance on the latest or up-and-coming commercial laundry equipment and medical devices models as well as its related spare parts, accessories and consumables, to match our customers' preferences and trends. In addition, we have established marketing strategies to maintain and increase our customer base, to capture a bigger market share and increase our revenue. Additionally, we will continuously seek to improve our customer service in order to obtain feedback from our customers for our service standards and marketing strategies.

However, there can be no assurance that we will be able to successfully anticipate technological changes and to introduce new products and services in a timely and cost effective manner. Such circumstances may in turn adversely affect our business operations and financial performances.

4. RISK FACTORS (*Cont'd*)

4.1.6 Exposure to fluctuation in the foreign currency exchange rates

A significant proportion of our purchases are transacted in foreign currencies such as the USD and EUR, whilst our revenues are mainly denominated in RM. Hence, our Group's profitability will be affected by foreign currency exchange rates fluctuation. The following is the breakdown of our Group's purchases made during the financial years/period under review:-

	FYE 2012		FYE 2013		FYE 2014		FYE 2015		FPE 31 March 2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases transacted in foreign currencies (mainly USD and EUR)	7,109	59.6	21,226	72.2	26,641	75.2	36,410	75.2	7,612	81.8
Purchases transacted in RM	4,819	40.4	8,170	27.8	8,774	24.8	12,035	24.8	1,694	18.2
Total purchases	11,928	100.0	29,396	100.0	35,415	100.0	48,445	100.0	9,306	100.0

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

At present, we do not use any financial instruments to hedge our exposure against transactions in foreign currencies. However, we will continue to monitor our exposure to foreign currency movements on a regular basis for our management's assessment on the need to utilise financial instruments to hedge our currency exposure, taking into account factors such as the foreign currencies involved, exposure periods and transaction costs.

There can be no assurance that increases in our product costs (to the extent we are unable to pass on such higher costs to customers) or future price fluctuations will not have a material adverse effect on our business, financial condition and results of operations.

4.2 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

4.2.1 Dependency on our experienced Executive Directors and key management personnel

We attribute our success to the leadership and contributions of our experienced Executive Directors and key management personnel. Our Group's success also depends on our ability to hire, train and retain qualified and competent personnel. The loss of any of our Executive Directors or key management simultaneously or within a short span of time without any suitable and timely replacement, and our inability to attract or retain qualified and competent personnel may adversely affect our continued ability to compete and grow in the industries.

We recognise the importance of attracting and retaining our Directors and key management and have in place competitive remuneration packages and rewards schemes. At the management level, we have also initiated succession planning for our Group whereby we groom the younger members of our management team to gradually take on more responsibilities. We have also put in place various measures as set out in Section 8.12 of this Prospectus to ensure a smooth management succession plan.

4. RISK FACTORS (*Cont'd*)

However, there can be no assurance that the above measures will always be successful in retaining our Directors and key management or ensuring a smooth succession should changes occur. If we are unable to retain our Directors and key management and ensuring a successful management succession plan, our business operations may be adversely affected.

4.2.2 Dependency on our major customers

Our Group's major customer for the commercial laundry equipment business segment, namely City Coin Laundry Sdn Bhd had contributed approximately 25.9% and 16.5% to our Group's revenue for FYE 2014 and FYE 2015, respectively. Our Group's major customer for the medical devices business segment, namely KPJ Healthcare Group had contributed approximately 27.7%, 14.0%, 11.6%, 7.7% and 10.0% to our Group's total revenue for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016, respectively. The loss of any of these major customers, if not replaced, may adversely affect our financial condition and results of our operations.

(a) Mitigating factors on our dependency on City Coin Laundry Sdn Bhd

We expect to reduce our dependency on City Coin Laundry Sdn Bhd in view of the setting up of various chains of laundrettes by our other customers using Speed Queen brand of vended commercial laundry. Our Group's continuous marketing efforts since FYE 2013 to create better awareness and increasing market acceptance by the self-service launderette operators for the Speed Queen brand of vended commercial laundry equipment (both washers and dryers), has enabled our Group to increase our distribution of the Speed Queen brand of vended commercial laundry equipment.

In order to mitigate our dependency on City Coin Laundry Sdn Bhd, we plan to sustain our growth in the commercial laundry equipment business via the following:-

- (i) Potential increase in the sales of Speed Queen brand of vended commercial laundry equipment in Malaysia resulting from our future plans to set up eleven (11) new Speed Queen self-service launderette outlets around Malaysia within the next twenty four (24) months from the date of our Listing. These new Speed Queen self-service launderette outlets will put us in a better position to increase our visibility as a distributor of Speed Queen brand of vended commercial laundry equipment, particularly targeting prospective investors seeking commercial opportunities in the investments of self-service laundrettes in Malaysia.
- (ii) Continuing our Group's brand building, sales and marketing efforts to strengthen our market position by undertaking promotional, advertising and marketing activities of our range of products and services. These include campaigns, promotions, online advertisements, billboards and other target based marketing activities. We believe our efforts in expanding our existing sales and marketing activities would increase brand awareness of our range of products and services in Malaysia.
- (iii) According to IMR Report, the size (revenue) of the commercial laundry equipment industry in Malaysia is projected to grow at a CAGR of 4.3% for the 2016 to 2020 period and reach RM271.3 million in 2020.

Based on the above, our management are of the view that the prospects of our Group in the commercial laundry equipment business segment would remain favourable. Furthermore, our competitive strengths and advantages are expected to ensure our business sustainability as well as providing a sound platform for our continued business growth.

4. RISK FACTORS (Cont'd)

(b) Mitigating factors on our dependency on KPJ Healthcare Group

According to the IMR Report, the number of hospitals and medical centres in Malaysia is expected to continue to increase steadily. The increasing number of these healthcare providers can only lead to an increasing pool of potential demand for medical devices. Under the 11th Malaysian Plan, the Malaysian Government has planned for the construction of six (6) new hospitals in Kemaman, Bentong, Pendang, Pasir Gudang and Maran in the Peninsular Malaysia. Upgrading works are expected to be implemented for three (3) existing hospitals, namely Hospital Tawau and Hospital Kota Marudu in Sabah and Hospital Miri in Sarawak. The Malaysian Government is also committed to the construction of the Sri Aman Hospital in Sarawak which is expected to be completed by 2018.

Furthermore, Khazanah Nasional Berhad, the strategic investment fund of the Malaysian Government, also announced in September 2015, to committing a capital expenditure of RM670 million between 2015 and 2017 through IHH Healthcare Berhad, for the expansion of existing private hospitals and construction of new hospitals in Medini Iskandar Johor, Johor, Kuala Lumpur, Wilayah Persekutuan, Klang, Selangor, Malacca and Kota Kinabalu. Khazanah Nasional Berhad also announced its intention to invest approximately RM100 million in a new in-patient rehabilitation hospital over the next two years. The in-patient rehabilitation hospital business will be collaboration between Khazanah Nasional Berhad and a foreign technical operator and equity partner. Additionally, KPJ Healthcare Group has also planned to establish a minimum of two (2) new private hospitals per annum for the next five (5) years from 2016 to 2020, as part of their strategy for continued growth.

In addition, the medical device industry in Malaysia has relatively high barriers to entry. A huge capital outlay is required to enter the medical devices industry largely due to the need to invest in manufacturing facility, high-end production equipment and machinery, technology licensing, marketing and branding activities, storage facility and manpower. New entrants in all segments of the Malaysian medical devices industry are likely to encounter difficulties competing with incumbent market players. A medical devices industry requires technically-skilled personnel and expertise from medicine and engineering background as well as from other related disciplines such as legal, regulatory, intellectual property and marketing. These specific expertise in relation to medical devices are required to develop a product, construct a medical facility for research and development and for use in hospitals and medical centres, to build network of suppliers and customers and to run a medical devices company.

The medical devices industry in Malaysia is regulated by the Malaysia Government, and it is mandatory for all manufacturers, authorised representatives, importers and distributors whether local or foreign to register with the MDA as an establishment before they can undertake activities involve manufacturing, import, distribution and/or advertising of medical devices in Malaysia.

(Source: IMR Report)

Based on the above developments, our management is of the opinion that these developments are favourable for our Group and stand to provide the impetus for further revenue growth in our medical devices business segment. Our Group plans to capitalise on our competitive strengths to secure potential new business

4. RISK FACTORS (Cont'd)

from the latest industry developments in order to sustain our growth in the medical device industry.

4.2.3 Non-existence of long-term sales contracts with our customers

We have not entered into long-term sales contracts with our customers, which are considered a normal practice in the industries that we participate in and prevailing customer practices. The absence of long-term sales contracts may result in the fluctuation of our Group's sales and overall business performance. Separately, we rely on a key customer in our commercial laundry equipment business segment, namely City Coin Laundry Sdn Bhd which had contributed to approximately 25.9% and 16.5% to our Group's total revenue for FYE 2014 and FYE 2015, respectively. The decision of City Coin Laundry Sdn Bhd to cease their product purchase from us may adversely affect our operating results.

Over the years, our Group has established good working relationships with our customers which provide us with the platform for sustained business continuity and growth.

Our Group will continue to enhance our value-added service proposition such as provision of on-site technical assistance, improve our after-sales service levels and maintain our competitiveness including broadening our product range and services as well as developing a more diversified portfolio of customers and markets in the future, both locally and internationally. In addition, our Group has maintained and will continue to maintain close business relationships with our customers and will continuously strive to meet our customers' expectations by paying closer attention to their feedbacks and working in tandem with their requirements to improve our product and service quality.

Notwithstanding the above, there can be no assurance that the absence of any long-term sales contracts with customers will not have an adverse effect on the business and financial performance of our Group in the long term.

4.2.4 Dependency on international brand manufacturers

Our Group's inventory consists of a comprehensive range of commercial laundry equipment and medical devices products. As at the LPD, our Group has been appointed as an exclusive distributor in Malaysia for a total of five (5) brands of medical devices, namely STERIS, Albert Browne, Hitachi, Medifa and Ziehm. As an exclusive distributor, our Group has secured a market for itself by ensuring that all retailers in Malaysia who want to purchase branded medical devices which are manufactured by the abovementioned international brand manufacturers, are required to purchase them from us.

We have also been appointed as the non-exclusive distributor in the Malaysian market for a total of ten (10) brands of commercial laundry equipment, namely Speed Queen, Huebsch, Lapauw, Maxi, Forenta, Renzacci, Jensen, Senking, Domus and Sea Lion as well as seven (7) brands of medical devices, namely Trilux Medical, CareStream, Quantum, MinXray, Newmed, General Electric and Elma.

Although we have not obtained:-

- (a) the exclusive distributorship rights for all ten (10) brands of commercial laundry equipment; and
- (b) the exclusive distributorship rights for other brands of medical devices, namely Trilux Medical, CareStream, Quantum, MinXray, Newmed, General Electric and Elma

in the Malaysian market, we face reduced competition in distributing these brands as typically only a limited number of distributors are appointed for the Malaysian market.

4. RISK FACTORS (Cont'd)

The loss of one or more of these distributorship arrangements could cause a reduction in the range of products distributed by our Group resulting in an adverse effect on our Group's business.

We face a risk of termination or withdrawal of our distributorship rights (exclusive and non-exclusive) from our international brand manufacturers. In the event that our distributorship rights (exclusive and non-exclusive) are being withdrawn for any reasons, there may be a negative impact on our Group's financial performance.

To mitigate the dependence on our international brand manufacturers, we have embarked on several initiatives such as hosting/making regular visits to their operation sites overseas. This would enable us to strengthen long-term relationship with our international brand manufacturers by creating close working relationship, understanding, cooperation and communications together in order to achieve fruitful and cordial manufacturer-distributor relationship in the long run. The strengthening of long-term relationship with our international brand manufacturers can help to raise the profile of our Group and provide valuable testimonials that underline our long-term commitment towards operating in the distribution of commercial laundry equipment and medical devices business segments.

We also stand to be in a better position to secure new distributorships from new distributors given our established profile and operating track record as an established distributor of various brands of equipment specialising in commercial laundry equipment and medical devices. This would translate into broadening our manufacturer base and potential dilution in the dependency on a single manufacturer. From the date that our Group has been appointed as a distributor, we have not received any termination of our distributorship rights. Our Group has also established long-term working relationships with our distributors, with more than half of our existing international brand manufacturers maintaining more than five (5) years business relationship with our Group and we have not encountered any major problems in sourcing for our supplies. Nevertheless, we recognise the importance of not only relying on a limited base of manufacturers and will continually seek to diversify our manufacturer base.

In addition, we are highly dependent on Alliance Laundry, which is one of our major international brand manufacturers for our commercial laundry equipment business segment. Alliance Laundry has accounted for 8.7%, 19.7%, 46.3%, 54.2% and 47.9% of our Group's total purchases during FYE 2012, FYE 2013, FYE 2014, FYE 2015 and FPE 31 March 2016, respectively. The continued distribution of Speed Queen brand of vended commercial laundry equipment from Alliance Laundry is important to our future as we embark on an expansion drive to grow our commercial laundry equipment business segment. Any termination of business relationship with Alliance Laundry would have a negative impact on our Group's future performance and prospects.

However, our Group's performance and relationship with Alliance Laundry have been strong and positive, whereby we have received various sales awards and recognitions from Alliance Laundry for the outstanding contribution to the sales volume of various brands of commercial laundry equipment in Malaysia. Kindly refer to Section 6.5.2 of this Prospectus of the various awards and recognitions received from Alliance Laundry.

While our Group has endeavoured to diversify our manufacturer base in order to reduce the risk of an interruption in supplies, there can be no assurance that such endeavours will be successful and that any disruption in distribution would not have a material adverse impact on the operations of our Group.

4. RISK FACTORS (Cont'd)

4.2.5 Exposure to product warranty and liability claims

We are involved in the distribution of third party brands of commercial laundry equipment and medical devices, spare parts accessories and consumables. As such, we are potentially exposed to the risk of product warranty and liability claims from our customers or by third parties for manufacturing defect and product liability claims for losses or damages suffered as a result of manufacturing defects, design defects or defective warnings or instructions, product contamination, inadvertent use of unsafe materials, sabotage and mechanical damages. Any substantial claims relating to our commercial laundry equipment and medical devices could have an adverse impact on our business operation and financial performance.

Should there be a manufacturing and/or design defect, our Group will have the recourse to claim any liabilities made by our customers from the respective international brand manufacturers of the products. It is a common practice for the international brand manufacturers to recall these products, should there be a manufacturing and/or design defect, without any liability to be incurred by our Group. As such, our Group's risk in relation to the product liabilities claims, defects, accidents and malfunctions is mitigated. As at the LPD, our Group has not been subjected to any material product warranty and liabilities claims which had adversely impacted our financial performance.

The range of products, spare parts and consumables that we distribute must meet our customers' requirements in terms of specifications and functionalities. Product warranties are given to our customers provided that similar warranties are obtained on a back-to-back basis from our international brand manufacturers, details of which are as follows:-

- (a) Product warranty period for commercial laundry equipment generally cover up to twelve (12) months;
- (b) Product warranty period for medical imaging equipment ranged up to twelve (12) months (depending of the type of equipment, spare parts or accessories); and
- (c) Product warranty period for disinfection, sterilisation and surgical room equipment ranged up to twelve (12) months (depending of the type of equipment, spare parts or accessories).

Our technical team has the necessary qualification and experiences and has received training from our international brand manufacturers to provide technical support and maintenance services for the range of products to our customers.

We have not purchased insurance coverage for product liability and we are thus not covered or compensated by insurance in respect of losses, claims and liability arising from or in connection with product liability. Should these events occur, our financial performance and position could be adversely affected.

We firmly believe that with the experience and expertise of our Group and by working closely with our international brand manufacturers to ensure that prescribed prescription of our range of products are met, any defects in these products distributed is minimised. To mitigate the risk of defects occurring, our Group seeks to ensure that all international brand manufacturers which we deal with are trustworthy and reliable and have a good track record of its quality. However, there is no assurance that any repair or replacement works to be carried out during the specified defects liability period will not have a material and adverse impact on our Group's financial performances.

4. RISK FACTORS (*Cont'd*)

4.2.6 Dependency on obtaining adequate financing to fund our operations

There may be timing differences between our trade collections from our customers and payments to our international brand manufacturers. Normally, we are granted trade credit facilities of between 30 to 90 days by our international brand manufacturers, whereas our trade collections are between collections on delivery to 90 days. In the event that there are timing differences between the collection from our customers and payment to our international brand manufacturers, we are required to fund our purchases from our international brand manufacturers, either from internal resources or borrowings. If we are unable to secure adequate financing, our cash flows, operations, growth and expansion plans will be adversely affected.

Our total borrowings as at LPD amounted to approximately RM5.29 million. Any increase in interest rates will adversely affect our profitability and financial position. We have not experienced any significant increase in interest rates levels which has resulted in a material adverse impact on our financial performance in the past.

Although we strive to mitigate this risk through careful cash flow management and stringent credit control, there can be no assurance that this risk would not have an adverse impact on our operations and financial performances.

4.2.7 Credit risks of our customers

Our financial performance and position are dependent, to a certain extent, on the creditworthiness of our customers. If circumstances arise that affect our customer's ability or willingness to pay us, we may experience payment delays or in more severe cases, we may not be able to collect payment from our customers. Accordingly, we would have to make provisions for doubtful debts, or incur debt write-offs, which may have an adverse impact on our profitability.

We generally grant our customers credit terms of 30 to 90 days for commercial laundry equipment and medical devices. We have in the past faced certain credit risk whereby our customers did not make payment within the credit period given to them. Details are as follows:-

Details	FPE 31 March 2016			Total RM'000
	Business segments			
	Commercial laundry equipment RM'000	Medical imaging equipment RM'000	Sterilisation, disinfection and surgical room equipment RM'000	
Amount owing beyond credit period (> 90 days) comprising:-				
- Impaired	-	-	-	-
- Not impaired	723	910	145	1,778
Subsequent collections up to LPD	297	810	59	1,166
As at LPD	426	100	86	612

Our trade receivables exceeding the credit period of more than 90 days, but not impaired, amounted to approximately RM1.8 million as at 31 March 2016. Such balances were mainly due to our customer's inability to obtain payments from their respective customers, thus they were unable to make payment to our Group on a timely basis. As at the LPD, approximately RM1.1 million (representing 63.3% of the unimpaired balances as at 31 March 2016) have

4. RISK FACTORS (Cont'd)

been repaid by our customers, whilst the balance of approximately RM0.7 million which remains outstanding are trade receivables mainly from the distribution of on-premise commercial laundry equipment and medical imaging equipment to Government hospitals. We expect to continue our business dealings with these customers as they have been dealing with our Group for at least two (2) years.

There is no assurance that we will be able to collect our debts on time, or at all. If our customers experience cash flow difficulties or a decline in their business performance, they may default in their payments to us. As a result, we may experience payment delays or in more severe cases, non-recovery of debts from our customers. We would then have to make provisions for doubtful debts, or incur debt write-offs, which may have a material adverse impact on our financial results.

In mitigating our exposure to credit risk, we will assess the credit standing of the existing and prospective customers prior to accepting their orders. In addition, we regularly review our trade receivable ageing and monitor subsequent collection of debts. Our Group maintains proper follow up procedures which include sending out reminder letters, calls and field visits to recover the long outstanding debts.

Although we strive to reduce this risk through our credit evaluation process, there can be no assurance that our customer's credit risk will not have an adverse impact on our Group's future financial performance.

4.2.8 No assurance that our future plans will be commercially successful

In order to achieve our future plans as set out in Section 6.3 of this Prospectus, we rely on the availability and sustainability of human capital, financial, customer support, operational and other resources. The success of our future plans will be dependent upon, amongst others, our ability to successfully expand our products and services in the target markets that we intend to expand into, to successfully monitor the effectiveness of our Speed Queen concept stores, to hire and retain skilled management, as well as to obtain adequate financing when needed.

However, there is no assurance that we will be successful in increasing our revenue through such future plans. Any failure to do so may lead to a material adverse effect on our financial performance and business operations. Further, to manage any future growth of our operations and personnel resulting from our future plans, we will be required to improve and effectively utilise our existing operational, management, marketing and financial systems as well as to hire, train and manage additional personnel.

Specifically, in relation to our future plans to establish eleven (11) Speed Queen concept stores, we have only successfully set-up and operated one (1) concept store as at the LPD. As such, there is no proven track record on the effectiveness of these concept stores in increasing our revenue. There is also no assurance that we will be able successfully set-up the eleven (11) Speed Queen concept stores within our targeted cost and timeframe.

4.2.9 Our chain of Speed Queen concept stores may compete directly with our existing customers' self-service launderette outlets

As part of our future plans, we intend to establish eleven (11) new Speed Queen concept stores. These stores may compete directly with our customer's self-service launderette outlets in the areas where we set up our Speed Queen concept stores. Such competition may discourage our existing or new customers from expanding or setting up their self-service laundrette outlets, which in turn may affect our revenue.

4. RISK FACTORS (Cont'd)

However, we only intend to establish and set up our new Speed Queen concept stores in major townships in several states such as the Klang Valley, Johor, Penang, Melaka, Negeri Sembilan, Terengganu and Kelantan. Hence, the abovesaid competition effect of each Speed Queen concept store is only limited to the said vicinity area of the township where our stores are set up. We also took note that the eleven (11) Speed Queen concept stores that we are planning to establish only represent less than 2.0% of the 900 self-service laundrettes in Malaysia, as estimated in 2015 by the IMR. In addition, our Group have supplied the Speed Queen brand of vended commercial laundry equipment to approximately 486 self-service laundrette outlets in Malaysia. Furthermore, our Speed Queen concept stores is set up with the primary purpose of show casing and promoting the Speed Queen brand of vended commercial laundry equipment.

However, there is no assurance that our chain of Speed Queen concept stores would not result in direct competition with our customers' existing and new self-service laundrette outlets. Such competition may have a negative impact on our revenue growth.

4.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES**4.3.1 No prior market for our Shares**

Prior to our Listing, there has been no public trading for our Shares on any stock market. Accordingly, there can be no assurance that an active market for our Shares will develop and continue to develop upon our Listing or, if developed, that such a market will be sustained. Our IPO Price was determined after taking into consideration a number of factors including but not limited to our Group's historical earnings, prospects and future plans, our financial and operating history and conditions. There can be no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market of Bursa Securities upon or subsequent to our Listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

The price at which our Shares will trade on the ACE Market of Bursa Securities after our IPO may be influenced by a number of factors including, amongst others, the depth and liquidity of the market for our Shares, investors' individual perceptions of our Group, market and economic conditions. There is no assurance that the market price may not decline below our IPO Price. Hence, there can be no assurance of the ability of the shareholders or the prices at which they would be able to sell their shares.

4.3.2 Failure/delay in or termination/abortion of our Listing

Our Listing is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:-

- (a) Our Underwriter exercising its rights pursuant to the Underwriting Agreement discharging itself from their obligations therein;
- (b) We are unable to meet the public shareholding spread requirement as determined by Bursa Securities, whereby at least 25.0% of our enlarged issued and paid-up share capital for which listing is sought must be held by a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of our Listing; and
- (c) The revocation of approvals from the relevant authorities for our Listing and/or admission to the Official List of the ACE Market of Bursa Securities for whatever reason.

4. RISK FACTORS (Cont'd)

In this respect, we will exercise our best endeavour to comply with the various regulatory requirements, including, *inter-alia*, the public shareholding spread requirement in paragraph (b) above for our successful Listing. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or non-implementation of our Listing. Upon the occurrence of any of these events, investors will not receive any Shares and our Offerors and us will return in full, without interest, all monies paid in respect of any application for our Shares within fourteen (14) days, failing which the provisions of sub-sections 243(2) and 243(6) of the CMSA will apply accordingly and we will be liable to repay the monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

In the event our Listing is aborted and/or terminated, and our Shares have been allotted to the shareholders, a return of monies to all of our shareholders could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaysia) and the confirmation of the High Court of Malaysia. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

4.3.3 Future dividend payment

Our Company, an investment holding company, derives its income mainly from dividends received from our subsidiaries. Hence, our ability to pay future dividend and our ability to sustain our dividend in the future is largely dependent on the performance of our subsidiaries.

In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, availability of distributable reserves and tax-exempt profits/tax credits, future expansion plans, loan covenants and compliance with regulatory requirements. Please refer to Section 12.8 of this Prospectus for further information on our dividend payment.

4.3.4 Performance of our Shares' trading price and trading volume

The trading prices and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of our Group have no direct correlation with the performance of securities listed on Bursa Securities.

4. RISK FACTORS (Cont'd)

4.4 OTHER RISKS

4.4.1 Continued control by our Promoters

Upon our Listing, our Promoters, as set out in Section 8.1 of this Prospectus will collectively control 60.2% of our Group's enlarged issued and paid-up share capital.

Thus, our Promoters will be able to exercise some influence over the business direction and matters governing our Group requiring the vote of our Company's shareholders unless they are required to abstain from voting by law and/or by the relevant guidelines or regulations. The interests of our Promoters may differ from or have conflict with the interests of other shareholders of our Company.

Nevertheless, as a step towards good corporate governance, we have appointed three (3) Independent Non-Executive Directors to our Board and an Audit Committee have been set up to ensure that all future transactions involving related parties, if any, are entered into on arms-length basis, or normal commercial terms that are not more favourable to the related parties than those generally available to third parties and are not to the detriment of our minority shareholders.

4.4.2 Future fund raising may dilute shareholders' equity or restrict our operations

We may require additional funding for our future growth. This may result in dilution of our shareholders' equity interest, or restrictions imposed by additional debt funding such as, amongst others, maintenance of a certain level of current ratio, gearing ratio and/or dividend payouts.

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our business activities. Thus, we may need additional capital expenditure for mergers and acquisitions or investments. An issue of Shares or other securities to raise funds will dilute shareholders' equity interest and may, in case of a rights issue, require additional investment by shareholders.

4.4.3 Forward-looking/prospective statements

Certain statements in this Prospectus are based on historical data of our Group which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable. Whether such statements would ultimately prove to be accurate depends upon a variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will prove to be correct in the future. Any deviation from the expectations may have a material adverse effect on our business and financial performance.

The above is not an exhaustive list of challenges we are currently facing or that may develop in the future. Additional risks whether known or unknown, may in the future have a material adverse effect on us and/or our IPO Shares.

5. GENERAL INFORMATION ON OUR GROUP

5.1 INCORPORATION AND HISTORY

We were incorporated in Malaysia on 13 March 2015 under the Act as a public limited company under our present name.

We are an investment holding company, while our subsidiaries are principally involved in the distribution of equipment specialising in the commercial laundry equipment and medical devices industries in Malaysia.

There have been no material changes in the manner in which our Company conducts its business or activities since our incorporation up to the LPD.

Please refer to Section 6.1 of this Prospectus for detailed information of our Group's history.

5.2 SHARE CAPITAL

Our authorised share capital is RM25,000,000 comprising 500,000,000 Shares, of which RM16,850,010 comprising 337,000,200 Shares have been issued and fully paid-up as at the LPD. The movements in our issued and paid-up share capital since the date of our incorporation are set out below:-

Date of allotment/ Subdivision	No. of Shares allotted/ Subdivided	Consideration/ Types of Issue	Par Value RM	Cumulative Issued and Paid-up Share Capital RM
13 March 2015	100	RM10/Subscribers' shares	0.10	10
23 September 2015	200	⁽¹⁾ N/A/Subdivision of shares	0.05	10
14 July 2016	337,000,000	RM16,850,000/Acquisitions	0.05	16,850,010

Note:-

(1) Not applicable as the subdivision of shares does not involve any consideration.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged issued and paid-up share capital will be increased to RM21,062,510 comprising 421,250,200 Shares from the issuance of 84,250,000 Issue Shares.

5.3 ACQUISITIONS

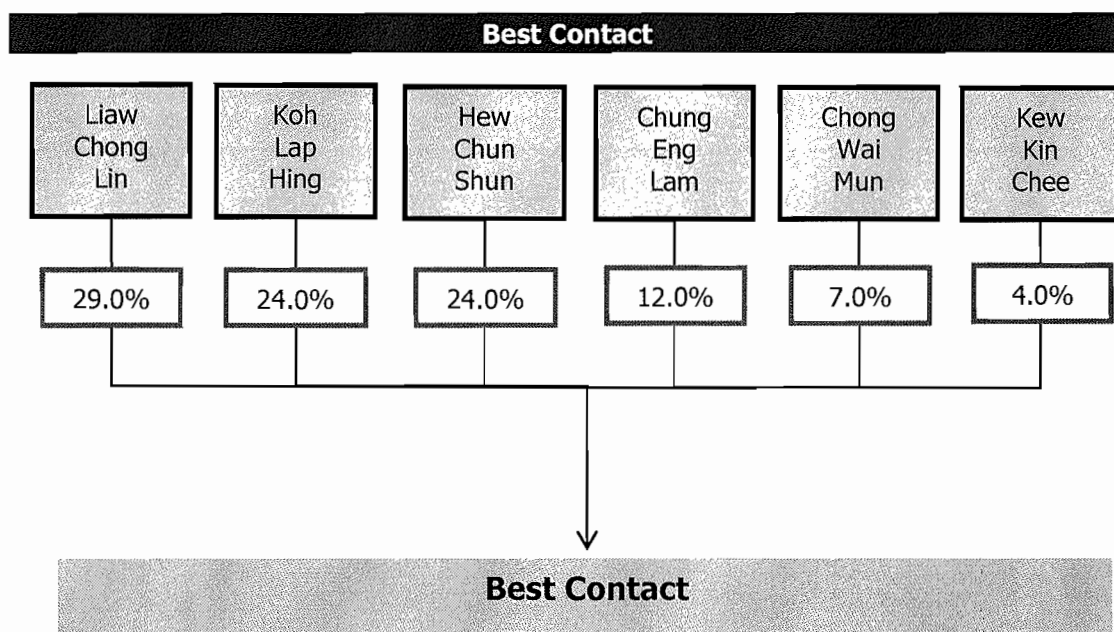
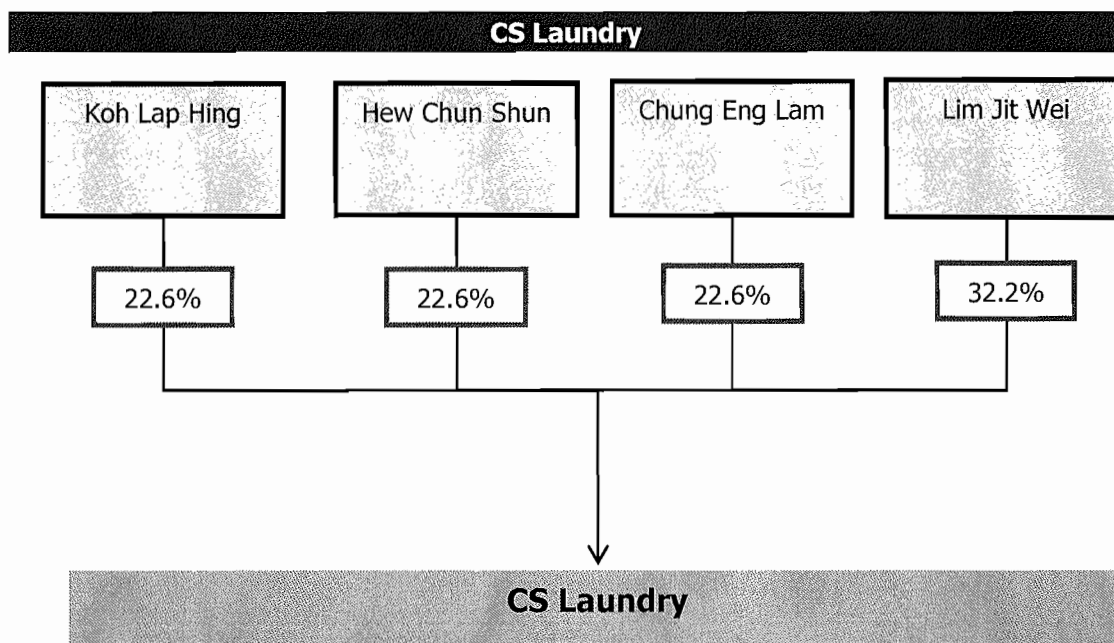
In preparation for our Listing, we have undertaken the Acquisitions. Under the Acquisitions, our Company entered into three (3) share purchase agreements on 30 October 2015 to acquire the entire equity interest in CS Laundry, Maymedic and Best Contact. The Acquisitions are conditional upon obtaining Bursa Securities' and other relevant regulatory approvals for our Listing.

The Acquisitions were completed on 14 July 2016. Thereafter, CS Laundry, Maymedic and Best Contact became our wholly-owned subsidiaries.

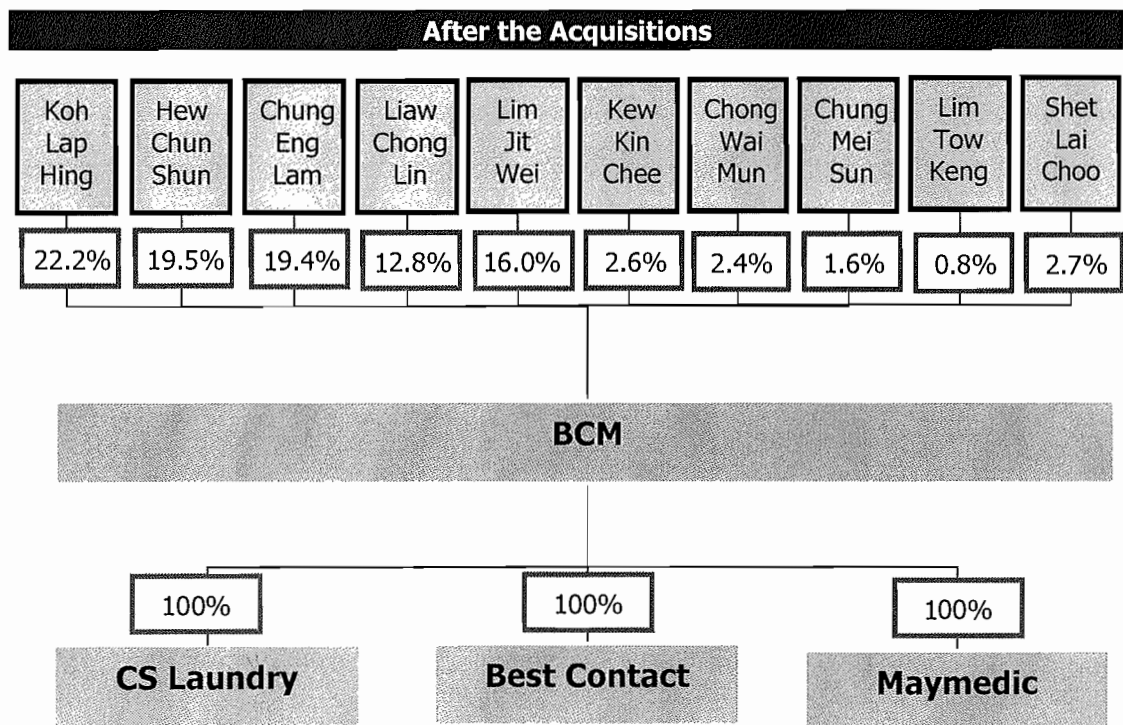
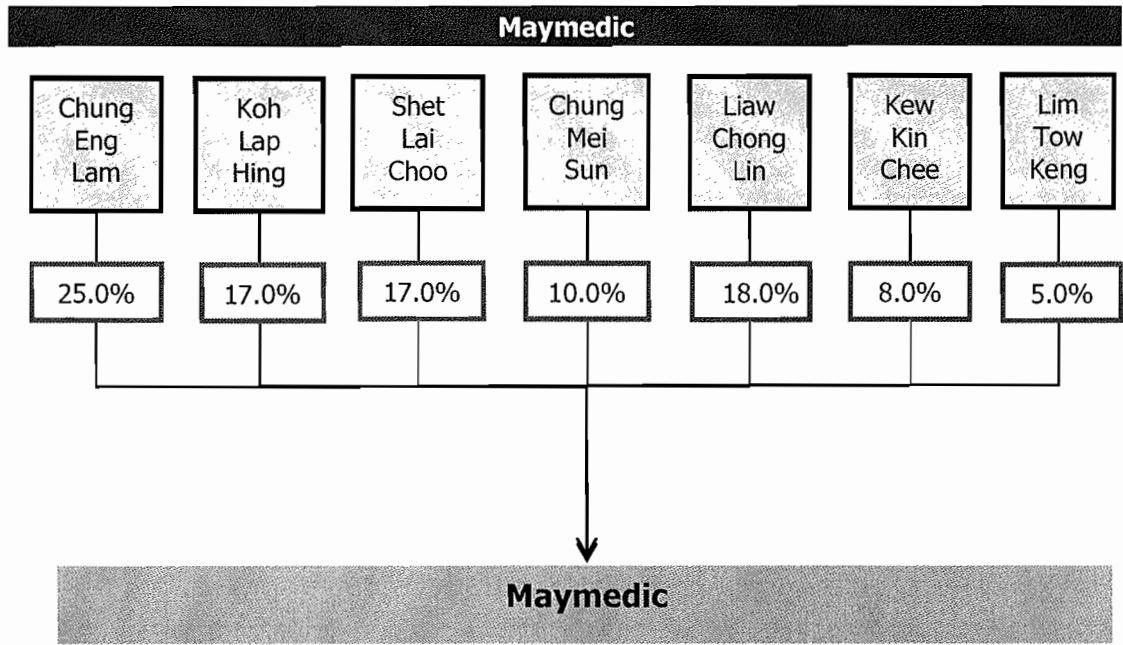
5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Our Group structure before and after the Acquisitions is as follows:-

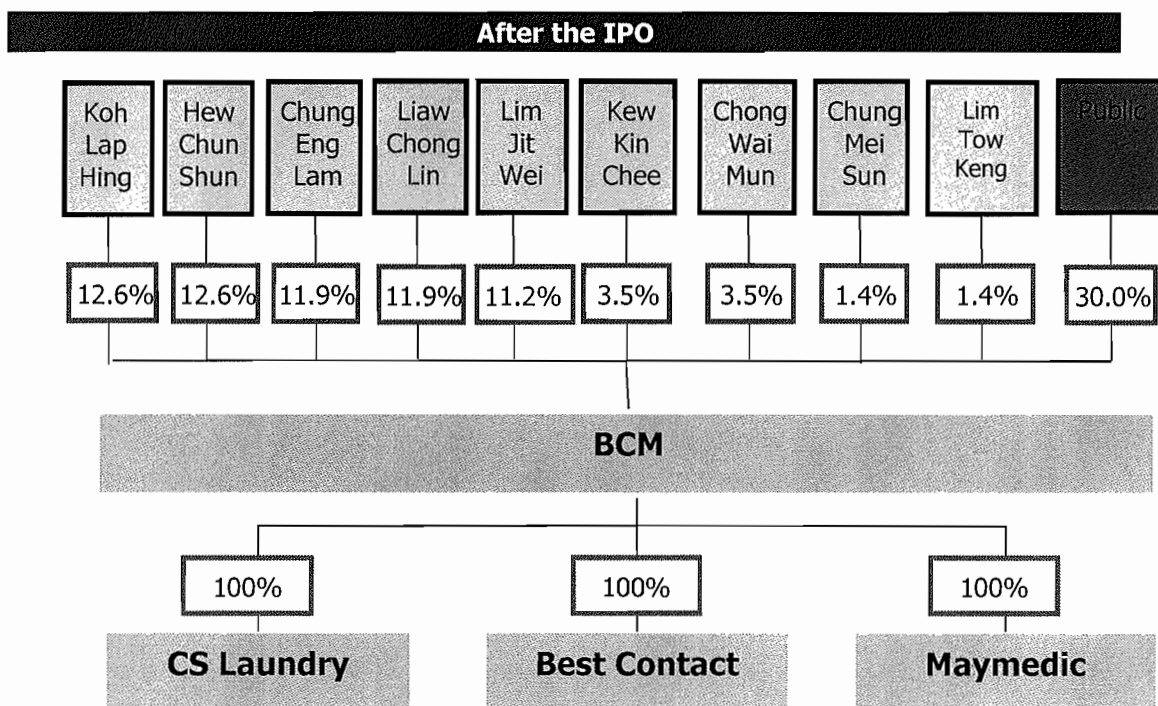
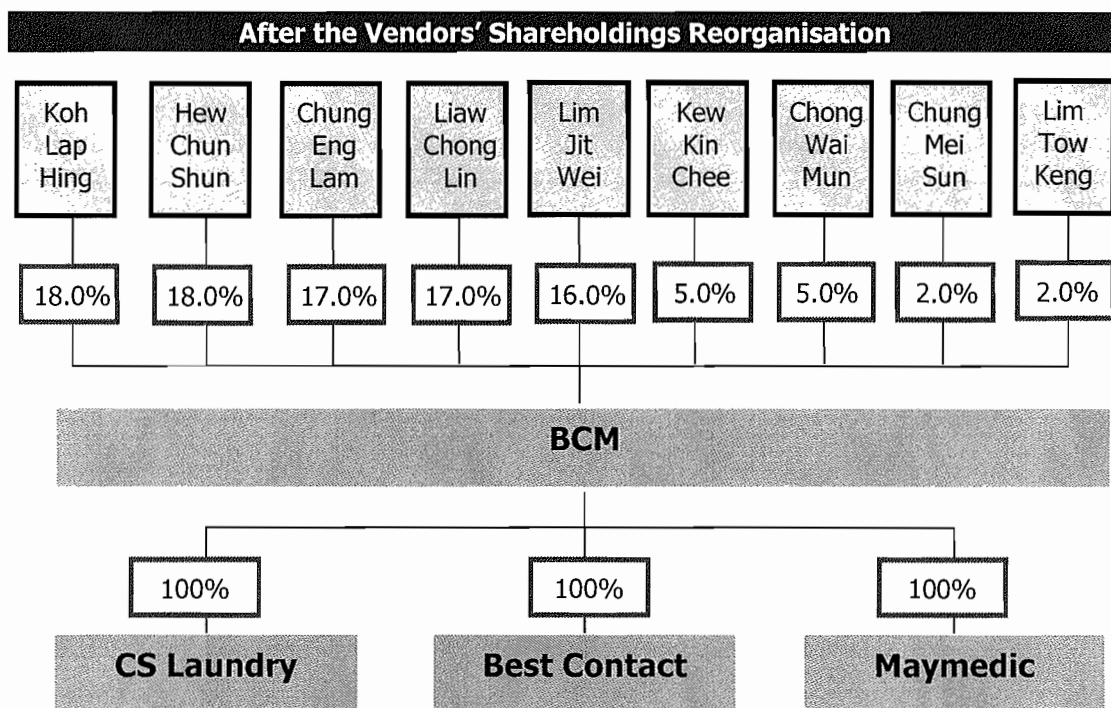
Before the Acquisitions



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.3.1 Acquisition of CS Laundry**

We had on 30 October 2015 entered into a share purchase agreement for the acquisition of the 100% equity interest in CS Laundry comprising 201,000 ordinary shares of RM1.00 each for a purchase consideration of RM8,400,000 which was wholly satisfied by the issuance of 168,000,000 new Shares at an issue price of RM0.05 per Share. Details are as follows:-

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Koh Lap Hing	45,494	22.6	1,901,242	38,024,836
Hew Chun Shun	45,494	22.6	1,901,242	38,024,836
Chung Eng Lam	45,494	22.6	1,901,242	38,024,836
Lim Jit Wei	64,518	32.2	2,696,275	53,925,492
Total	201,000	100.0	8,400,000	168,000,000

5.3.2 Acquisition of Best Contact

We had on 30 October 2015 entered into a share purchase agreement for the acquisition of the 100% equity interest in Best Contact comprising 400,000 ordinary shares of RM1.00 each for a total purchase consideration of RM5,750,000, satisfied by the issuance of 115,000,000 new Shares at an issue price of RM0.05 per Share. Details are as follows:-

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Liaw Chong Lin	116,000	29.0	1,667,500	33,350,000
Koh Lap Hing	96,000	24.0	1,380,000	27,600,000
Hew Chun Shun	96,000	24.0	1,380,000	27,600,000
Chung Eng Lam	48,000	12.0	690,000	13,800,000
Kew Kin Chee	16,000	4.0	230,000	4,600,000
Chong Wai Mun	28,000	7.0	402,500	8,050,000
Total	400,000	100.0	5,750,000	115,000,000

5.3.3 Acquisition of Maymedic

We had on 30 October 2015 entered into a share purchase agreement for the acquisition of the 100% equity interest in Maymedic comprising 200,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,700,000 which was wholly satisfied by the issuance of 54,000,000 new Shares at an issue price of RM0.05 per Share. Details are as follows:-

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Liaw Chong Lin	36,000	18.0	486,000	9,720,000
Koh Lap Hing	34,000	17.0	459,000	9,180,000
Shet Lai Choo	34,000	17.0	459,000	9,180,000
Chung Eng Lam	50,000	25.0	675,000	13,500,000
Kew Kin Chee	16,000	8.0	216,000	4,320,000
Chung Mei Sun	20,000	10.0	270,000	5,400,000
Lim Tow Keng	10,000	5.0	135,000	2,700,000
Total	200,000	100.0	2,700,000	54,000,000

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.3.4 Basis of arriving at the purchase consideration for the Acquisitions

The total purchase consideration of RM16,850,000 for the Acquisitions was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of CS Laundry, Best Contact and Maymedic as at 30 June 2015. Details are as follows:-

Company	% of equity interest acquired	No of Shares issued	Audited NA	Purchase consideration
			as at 30 June 2015 RM	RM
CS Laundry	100.0	168,000,000	8,386,489	8,400,000
Best Contact	100.0	115,000,000	5,732,611	5,750,000
Maymedic	100.0	54,000,000	2,662,148	2,700,000
Total			16,781,248	16,850,000

5.3.5 Vendors' Shareholdings Reorganisation

On 30 October 2015, the Vendors had entered into five (5) share transfer agreements to implement a shareholding reorganisation exercise involving the transfer of their shareholdings in our Company to certain key management personnel of our Group, details of which are as follows:-

Vendors	No. of Shares issued pursuant to the Acquisitions		Changes in no. of Shares held pursuant to Vendors' Shareholdings Reorganisation	After the Vendors' Shareholdings Reorganisation	
	No. of Shares	%	No. of Shares	No. of Shares	%
Koh Lap Hing	74,804,836	22.2	(14,144,836)	60,660,000	18.0
Hew Chun Shun	65,624,836	19.5	(4,964,836)	60,660,000	18.0
Chung Eng Lam	65,324,836	19.4	(8,034,836)	57,290,000	17.0
Liaw Chong Lin	43,070,000	12.8	14,220,000	57,290,000	17.0
Lim Jit Wei	53,925,492	16.0	(5,492)	53,920,000	16.0
Kew Kin Chee	8,920,000	2.6	7,930,000	16,850,000	5.0
Chong Wai Mun	8,050,000	2.4	8,800,000	16,850,000	5.0
Chung Mei Sun ⁽ⁱ⁾	5,400,000	1.6	1,340,000	6,740,000	2.0
Lim Tow Keng	2,700,000	0.8	4,040,000	6,740,000	2.0
Shet Lai Choo ⁽ⁱⁱ⁾	9,180,000	2.7	(9,180,000)	-	0.0
Total	337,000,000	100.0		337,000,000	100.0

Notes:-

- (i) Chung Mei Sun is an investor in Maymedic and is a business associate of the Promoters.
- (ii) Shet Lai Choo is the spouse of Hew Chun Shun.

Save for Chung Mei Sun and Shet Lai Choo, the Vendors' Shareholdings Reorganisation was undertaken to facilitate the transfer of shareholdings in our Company to reward our key management personnel for their past and recent services and contributions to our Company. The transfer consideration was based on a nominal consideration of RM1.00 for each of the share transfer agreement to reflect the agreed shareholdings to be amongst our Promoters and key management personnel, based on each individual's past and recent contributions to our Company.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.3.6 Status of the Shares issued pursuant to the Acquisitions

The new Shares issued pursuant to the Acquisitions rank *pari passu* in all respects with our existing issued and paid-up Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

5.4 LISTING SCHEME

In conjunction with, and as an integral part of our Listing, the details of our Listing Scheme are as follows:-

(a) Public Issue

Pursuant to our Public Issue, we shall issue 84,250,000 Issue Shares at the IPO Price to be allocated in the following manner:-

- (i) 22,000,000 Issue Shares available for application by the Malaysian Public to be allocated via balloting;
- (ii) 9,000,000 Issue Shares available for application by our eligible Directors and employees who have contributed to the success of our Group; and
- (iii) 53,250,000 Issue Shares to be allocated by way of private placement to selected investors.

Upon completion of our Public Issue, our issued and paid-up share capital will increase from RM16,850,010 comprising 337,000,200 Shares to RM21,062,510 comprising 421,250,200 Shares.

(b) Offer for Sale

Concurrent with our Listing, the Offerors will undertake an offer for sale of 42,125,000 Offer Shares representing approximately 10.0% of our enlarged issued and paid-up share capital at the IPO Price by way of private placement to selected investors.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged issued and paid-up share capital of RM21,062,510 comprising 421,250,200 Shares shall be listed on the ACE Market of Bursa Securities.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.5 SUBSIDIARIES**

All of our subsidiaries are wholly-owned by our Company. As at the date of this Prospectus, we do not have any associated companies. Details of our subsidiaries are summarised as follows:-

Company	Date / Place of incorporation	Date of commencement of business	Authorised share capital	Issued and paid- up share capital	Effective equity interest	Principal activities
			RM	RM	%	
CS Laundry	10 September 1996/ Malaysia	2 December 1998	500,000	201,000	100.0	Supply, installation, testing and commissioning of commercial laundry equipment
Best Contact	30 March 1994/ Malaysia	1 December 1994	500,000	400,000	100.0	Supply, installation, testing and commissioning of medical devices
Maymedic	13 April 2006/ Malaysia	13 April 2006	500,000	200,000	100.0	Supply, installation, testing and commissioning of medical devices

5.5.1 CS Laundry**(a) History and business**

CS Laundry was incorporated in Malaysia as a private limited company under the name of CS Laundry Services Sdn Bhd on 10 September 1996. CS Laundry assumed its current name and commenced business on 2 December 1998. CS Laundry is principally involved in the supply, installation, testing and commissioning of commercial laundry equipment.

There has been no material changes in the manner in which CS Laundry conducts its business or activities since the last three (3) years prior to the LPD.

(b) Share capital

As at the LPD, CS Laundry's authorised share capital is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. Its issued and paid-up share capital is RM201,000 comprising 201,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of CS Laundry since its incorporation are as follows:-

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Par value	Cumulative issued and paid-up share capital
			RM	RM
10 September 1996	2	RM2.00/Subscribers' shares	1.00	2
10 December 1998	100,998	RM100,998/Cash	1.00	101,000
3 October 2007	100,000	RM100,000/Cash	1.00	201,000

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in CS Laundry.

(c) Substantial shareholders and Directors

CS Laundry is our wholly-owned subsidiary and the Directors of CS Laundry are Koh Lap Hing, Lim Jit Wei, Chung Eng Lam and Hew Chun Shun.

(d) Subsidiaries and associate companies

As at the LPD, CS Laundry does not have any subsidiary or associate companies.

5.5.2 Best Contact**(a) History and business**

Best Contact was incorporated in Malaysia as a private limited company under the name of Rusalda Cekap Sdn Bhd on 30 March 1994. Best Contact assumed its current name and commenced business on 1 December 1994. Best Contact is principally involved in the supply, installation, testing and commissioning of medical devices.

There have been no material changes in the manner in which Best Contact conducts its business or activities since the last three (3) years prior to the LPD.

(b) Share capital

As at the LPD, Best Contact's authorised share capital is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM400,000 comprising 400,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Best Contact since its incorporation are as follows:-

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Par value RM	Cumulative issued and paid-up share capital RM
30 March 1994	2	RM2.00/Subscribers' shares	1.00	2
10 August 1995	9,998	RM9,998/Cash	1.00	10,000
25 November 2004	390,000	RM390,000/Cash	1.00	400,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Best Contact.

(c) Substantial shareholders and Directors

Best Contact is our wholly-owned subsidiary. The Directors of Best Contact are Liaw Chong Lin, Chong Wai Mun, Koh Lap Hing, Chung Eng Lam and Hew Chun Shun.

(d) Subsidiaries and associate companies

As at the LPD, Best Contact does not have any other subsidiary or associate companies.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Best Contact had disposed its entire shareholdings in the following companies, details of which are as follows:-

- (i) Best Contact had entered in a share sale agreement on 1 October 2012 to dispose its entire 0.11% equity interest held in Pristine Niche since 20 April 2011, representing 198 ordinary shares of RM1.00 each in Pristine Niche to WY Multi Trading Sdn Bhd for a consideration of RM272.28 ("Disposal of Pristine Niche"). The Disposal of Pristine Niche was completed on 23 October 2012. Pristine Niche was principally involved in the provision of food and beverage operations, whereby it operated a restaurant cum pub under a licensed brand name of "Overtime" in Sungei Besi, Kuala Lumpur. The Disposal of Pristine Niche was undertaken as the licensor of the "Overtime" brand name had ceased operations during the fourth quarter of 2012 and thus affected the business operations of Pristine Niche. As a result, the shareholders of Pristine Niche have resolved to dispose the business accordingly in 2012.
- (ii) Best Contact had on 30 May 2014 disposed its entire 22% equity interest held in Chief Frontier since 10 March 2011, representing 484 ordinary shares of RM1.00 each held in Chief Frontier to Pang Kiat Chong for a consideration of RM484 ("Disposal of Chief Frontier"). Chief Frontier was principally involved in the provision of food and beverage operations, whereby it operated a restaurant cum pub under a licensed brand name of "Overtime" in Pulau Pinang. This business activity ceased its operations in the fourth quarter of 2012. However, the Disposal of Chief Frontier was only completed on 30 May 2014 as they were only able to secure a purchaser of their shareholdings in 2014;
- (iii) Best Contact had entered into a letter of agreement dated 24 June 2015 with Tan Sea Hong, the wife of Liaw Chong Lin for the disposal of its entire 51% equity interest held in TLMSB since 18 November 2010, representing 255,000 ordinary shares of RM1.00 each in TLMSB for a consideration of RM255,000 ("Disposal of TLMSB"). The Disposal of TLMSB was completed on 24 June 2015. TLMSB was principally involved in the sale of light-emitting diode products. The original cost of investment of Best Contact in TLMSB was RM255,000. The NA position of TLMSB prior to the Disposal of TLMSB was RM0.39 million as at 31 December 2014, of which Best Contact's 51% share of TLMSB's NA position was RM198,040. The disposal consideration of the Disposal of TLMSB of RM255,000 is higher than Best Contact's 51% portion of TLMSB's NA position of RM198,040.

Prior to the Disposal of TLMSB, the revenue contribution by TLMSB to Best Contact is as follows:-

	< ----- Audited ----- >					
	FYE 2012	%	FYE 2013	%	FYE 2014	%
Revenue (RM)	10,599	0.1	66,869	0.3	115,115	0.6

- (iv) Best Contact had entered into a letter of agreement dated 30 September 2015 with Hew Chun Shun, Chung Eng Lam, Liaw Chong Lin, Kew Kin Chee, Koh Lap Hing and Chong Wai Mun for the disposal of its entire 32% equity interest in Goodwood, representing 3,200 ordinary shares of RM1.00 each in Goodwood for a consideration of RM3,200 ("Disposal of Goodwood"). The original cost of investment of Best Contact in Goodwood was RM3,200. The net liabilities position of Goodwood prior to the Disposal of Goodwood was RM0.17 million as at 31 December 2014, of which Best Contact's 32% share of Goodwood's net liabilities position was RM50,729. The disposal consideration of the Disposal of Goodwood of RM3,200 is higher than Best Contact's 32% share of Goodwood's net liabilities position of RM0.05 million. The Disposal of Goodwood was

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

completed on 30 September 2015. Goodwood is principally involved in property investment holding.

(Collectively, the "Disposals")

The Disposals were undertaken to streamline Best Contact's operations to concentrate on its core principal activities, namely in the supply, installation, testing and commissioning of medical devices.

5.5.3 Maymedic**(a) History and business**

Maymedic was incorporated in Malaysia on 13 April 2006 under the Act as a private limited company under its present name and commenced business on 13 April 2006. Maymedic is principally involved in the supply, installation, testing and commissioning of medical devices.

There have been no material changes in the manner in which Maymedic conducts its business or activities since its incorporation.

(b) Share capital

As at the LPD, Maymedic's authorised share capital is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. Its issued and paid-up share capital is RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Maymedic since its incorporation are as follows:-

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration/ Types of issue</u>	<u>Par value</u>	<u>Cumulative issued and paid-up share capital</u>
			<u>RM</u>	<u>RM</u>
13 April 2006	200,000	RM200,000/Cash	1.00	200,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Maymedic.

(c) Substantial shareholders and Directors

Maymedic is our wholly-owned subsidiary and the Directors of Maymedic are Chung Eng Lam, Koh Lap Hing, Liaw Chong Lin and Kew Kin Chee.

(d) Subsidiaries and associate companies

As at the LPD, Maymedic does not have any subsidiary or associate companies.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.6 MAJOR APPROVALS, LICENSES AND TRADEMARKS****5.6.1 Major approvals and licenses**

Save as disclosed below, as at the LPD there are no other major approvals, licenses and permits issued to our Group in order for us to carry out our operations other than those pertaining to the general business requirements.

As at the LPD, details of the approvals, licenses and permits are as follows:-

No.	Licensee	Issuing Authority	License No./ Registration No./		Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
			Serial No./	Approval No.					
(1)	Best Contact	MDA	KP16101515		Establishment License	16 February 2015	15 February 2018	Establishment has to submit an application for renewal of license no later than one (1) year before the expiry of license.	Noted
(2)	Best Contact	Atomic Energy Licensing Board	LPTA/A/1096		<ul style="list-style-type: none"> License for Class C, E and H Licensed to carry out the activities of purchase, own, transfer, trading, possessing, export, handling, import, selling, storage and maintenance services of irradiating apparatus 	29 March 2014	28 March 2017	Application for renewal of license shall be made not less than thirty (30) days and not more than sixty (60) days on-line prior to the expiration date of the license.	Noted
(3)	Maymedic	MDA	KP7264345415		License for the establishment as an authorised representative, importer and distributor	12 August 2015	11 August 2018	Establishment has to submit an application for renewal of license no later than one (1) year before the expiry of license.	Noted

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./		Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
			Registration No./ Serial No./	Approval No.					
(5)	Maymedic	Ministry of Finance, Malaysia ⁽¹⁾	K22026633871518886		Certifying the registration of Maymedic with the Ministry of Finance, Malaysia as a supplier/service provider in the sector, field and sub-field as specified in the certificate	30 October 2015	29 October 2018	(a) The approval is granted based on the information provided by Maymedic. (b) Any change to the details of the company shall be updated online at http://www.eprolehan.gov.my within twenty one (21) days from the date the change is made.	N/A Noted
(6)	Maymedic	DBKL	DBKL.JPPP/PR01/1327/ 12/2015		Warehouse/storage (not food-related)	18 December 2015	17 December 2016	Nil	N/A
(7)	CS Laundry	DBKL	DBKL.JPP/KM01/0279/ 10/2015		Advertisement signboard measuring 2.00 x 1.00 metres at No. 56 Jalan Sepadu, Batu 4, Jalan Klang Lama, Taman United, 58200 Kuala Lumpur	2 October 2015	1 October 2016	Nil	N/A
(8)	CS Laundry	DBKL	DBKL.JPPP/PR01/1331/ 12/2015		Business license for self-service laundrette outlet Warehouse/storage (not food-related)	18 December 2015	17 December 2016	Nil	N/A

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./		Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
			Serial No./ Approval No.	Approval No./ Registration No.					
(9)	Maymedic	MDA	GA8322211816		Certificate of registration of a medical device known as Prolystica 2X Concentrate Enzymatic Presoak and Cleaner manufactured by STERIS Corporation	14 May 2016	13 May 2021	(a) This certificate shall not be transferable or assignable. (b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956. (c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act. (d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. (e) MDA reserves the right to grant approval or reject the application for such amendments.	Noted
(10)	Maymedic	MDA	GA9124411716		Certificate of registration of a medical device known as Pre-Klenz Instrument Transport Gel manufactured by STERIS Corporation	3 May 2016	2 May 2021	(a) This certificate shall not be transferable or assignable. (b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.	Noted

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./		Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
			Serial No./	Approval No.					
(11)	Maymedic	MDA		GA3809121216	Certificate of registration of a medical device known as Prolystica Restore Descaler & Neutralizing Detergent manufactured by STERIS Corporation	6 June 2016	5 June 2021	<p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p> <p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p>	Noted
								<p>(a) This certificate shall not be transferable or assignable.</p> <p>(b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.</p> <p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p> <p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p>	

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./		Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
			Serial No./	Approval No.					
(12)	Maymedic	MDA	GA9313337016		Certificate of registration of a medical device known as Biological Indicator Steam Process manufactured by Albert Browne Ltd (STERIS Corporation)	8 August 2016	7 August 2021	(a) This certificate shall not be transferable or assignable. (b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956. (c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act. (d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.	Noted
(13)	Maymedic	MDA	GA8470227616		Certificate of registration of a medical device known as TST Helix for Daily Steam Penetration Test manufactured by Albert Browne Ltd (STERIS Corporation)	23 June 2016	22 June 2021	(a) This certificate shall not be transferable or assignable. (b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956. (c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.	Noted

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./		Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
			Serial No./	Approval No.					
(14)	Maymedic	MDA	GA5276842516		Certificate of registration of a medical device known as Valsure Alkaline Detergent manufactured by STERIS Corporation	23 June 2016	22 June 2021	<p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p> <p>(a) This certificate shall not be transferable or assignable.</p> <p>(b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.</p> <p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p> <p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p>	Noted

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./ Serial No./ Approval No.	Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
(15)	Maymedic	MDA	GA2888442616	Certificate of registration of a medical device known as Hinge Free manufactured by STERIS Corporation	14 July 2016	13 July 2021	<p>(a) This certificate shall not be transferable or assignable.</p> <p>(b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.</p> <p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p> <p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p>	Noted
(16)	Maymedic	MDA	GA1873842716	Certificate of registration of a medical device known as Valsure Enzymatic Cleaner manufactured by STERIS Corporation	14 July 2016	13 July 2021	<p>(a) This certificate shall not be transferable or assignable.</p> <p>(b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.</p> <p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p>	Noted

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./ Serial No./ Approval No.	Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
(17)	Maymedic	MDA	GA5609043316	Certificate of registration of a medical device known as Surgical Lightning Aurinio L120 PM manufactured by Trilux Medical	23 June 2016	22 June 2021	<p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p> <p>(a) This certificate shall not be transferable or assignable.</p> <p>(b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty (20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.</p> <p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p> <p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p>	
(18)	Maymedic	MDA	GA7264443416	Certificate of registration of a medical device known as Surgical Lightning Aurinio L160 PM manufactured by Trilux Medical	23 June 2016	22 June 2021	<p>(a) This certificate shall not be transferable or assignable.</p> <p>(b) Intended purpose of medical device shall clearly be stated in the advertisement of products and shall not refer to any twenty</p>	Noted

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Licensee	Issuing Authority	License No./ Registration No./ Serial No./ Approval No.	Nature of approval/ Licenses/Registration	Date of issuance	Date of expiry	Equity and/or major conditions imposed	Compliance status
							<p>(20) types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act, 1956.</p> <p>(c) Establishment shall report any incidents involving registered medical device to MDA as prescribed in Section 4 of MDA Act.</p> <p>(d) Any amendments to the information concerning registered medical device shall be notified to MDA in accordance with the guidelines set by MDA. MDA reserves the right to grant approval or reject the application for such amendments.</p>	

Notes:-

N/A Not applicable

(1) Pursuant to Section 25 of Lembaga Pembangunan Industri Pembinaan Malaysia 1994 (Act 520), a company is legally required to be registered with the CIDB if it intends to carry out or complete any construction works. A company shall also endeavour to obtain a certificate of registration with Ministry of Finance, Malaysia before it can participate in the tender or quotation offered by Government agencies. Hence, a company that wishes to participate in the tender or quotation that involves the procurement of construction works from Government agencies may be required to be registered with CIDB and Ministry of Finance, Malaysia as a contractor and a supplier/service provider respectively.

In this regard, Maymedic is registered with the CIDB and Ministry of Finance, Malaysia as a supplier/service provider and a contractor so as to enable it to participate in government procurement works, particularly in relation to its contract with government hospitals to deliver and install medical devices.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Registration and permits under the MDA Act and MDR Act

The MDA Act (which came into effect on 30 June 2013) and MDR Act (which came into effect on 1 July 2013) were introduced to implement a regulatory framework for the medical devices industry in Malaysia. Among the relevant provisions under the MDA Act and MDR Act include the mandatory licensing of an establishment to place medical devices in the Malaysian market and registration of such medical devices.

Application for an Establishment License

An establishment is defined under the MDA Act as manufacturers, importers, distributors and local authorised representatives, excluding retailers, who are responsible for placing any medical device in the market. Pursuant to Section 15 of the MDA Act, an establishment must obtain an Establishment License to import, export or place a medical device for sale in Malaysia. The Establishment License also imposes duties and obligations such as maintaining a distribution record, monitoring safety and performance, establishing post-market surveillance systems, establishing a record of reported problems and complaints, reporting to the MDA in the event of adverse incidents and undertaking corrective or preventive measures.

As such, in addition to the above major business licenses, permits and approvals applicable to our Group as at the LPD, our subsidiaries, Best Contact and Maymedic have successfully obtained an Establishment License pursuant to provisions of the MDA Act and MDR Act to act as an authorised representative, importer and distributor of medical devices on 16 February 2015 and 12 August 2015, respectively, which will be effective until 15 February 2018 and 11 August 2018, respectively. Additionally, there were no delays in the submission of the application for Establishment License by Best Contact and Maymedic as they had completed the same by 30 June 2015. Thus, no penalty was imposed on Best Contact and Maymedic in this regard as they were in compliance with the requirements of MDA Act and the regulations made thereunder.

Application for the registration of medical devices

In relation to the requirements on registration of medical devices, Section 5(1) of the MDA Act requires, amongst others, that all medical products classified as medical devices within the MDA Act and MDR Act shall be registered before they can be imported, exported or placed in the market. Section 80(1) of the MDA Act states that a person who has imported, exported or placed in the market any medical device prior to 30 June 2013 shall apply for the registration of the medical devices within twenty four (24) months from 30 June 2013, i.e., by 30 June 2015. Section 80(3) of the MDA Act states *inter-alia* that any person who has applied for the registration of medical devices may continue to import, export and place the medical devices in the market, pending the outcome of the results of its application for registration. This is further reiterated in the Medical Device (Exemption) Order, 2015 made on 26 June 2015, where the Minister of Health, Malaysia has allowed any person who has submitted an application for registration of a medical device between 1 July 2015 until 30 June 2016 to continue to import, export or place in the market the medical devices pending determination of the application for registration.

As at the LPD, we have submitted one hundred and ten (110) online applications to register medical devices which we are currently distributing and which are classified as medical devices pursuant to the MDA Act and MDR Act with the MDA. Out of the total applications submitted by us, fifteen (15) applications have successfully been approved by the MDA for registration, of which ten (10) medical devices have been issued with the relevant certificates of registration (details are as set out above).

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

We are currently awaiting the issuance of certificates of registration for the following five (5) medical devices which have been approved for registration by the MDA:-

No.	Licensee	Details of products approved for registration	Date of notification of approval for registration	Status
1.	Best Contact	Mobile C-Arm technology Product:- Ziehm 8000 Manufacturer:- Ziehm Imaging GmbH	13 July 2016	Approved pending issuance of certificate of registration
2.	Best Contact	Open-sided MRI system Product: Airis Vento Manufacturer: Hitachi	4 August 2016	Approved pending issuance of certificate of registration
3.	Best Contact	Open-sided MRI system Product: Aperto Lucent Manufacturer: Hitachi	4 August 2016	Approved pending issuance of certificate of registration
4.	Best Contact	Open-sided MRI system Product: Oasis Manufacturer: Hitachi	4 August 2016	Approved pending issuance of certificate of registration
5.	Best Contact	Digital mobile X-Ray Product: Sirius Starmobile Tiara Manufacturer: Hitachi	4 August 2016	Approved pending issuance of certificate of registration


Save and except for the successful approval of the above fifteen (15) medical devices, the MDA is still in the midst of processing the remaining applications to register our medical devices.

As highlighted above, we are in compliance with the requirements of MDA Act and the regulations made thereunder in relation to the registration of medical devices and we are permitted to continue with our business of distributing the said medical devices in the market, pending the determination of the applications which are still being processed by the MDA.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.6.2 Trademarks**

Save as disclosed below, our Group has no other registered trademarks:-

Trademark	Company / Place of Registration / Application No.	Description	Validity period	Remark
	Maymedic / Malaysia / 2011015268	<p><u>Class 41 of International Classification of Goods and Services for the Purposes of the Registration of Marks (established pursuant to the Nice Agreement of 15 June 1957)</u></p> <p>Education, conducting of training; organisation of exhibition for education purposes, organisation of conferences, congresses, seminars, symposiums, training workshops relating to medical treatments and medical equipment; publication of books; publication of electronic books and journals on-line; publication of texts (other than publicity texts), writing of texts (other than publicity texts)</p>	23 August 2011 to 23 August 2021	The registration of this trade mark shall give no right to the exclusive use of the words "Building People, Building Dreams"

In addition to the supply, installation, testing and commissioning of medical devices, Maymedic also undertakes training activities by conducting seminars, talks and continuous training for nurses, medical assistants and staff on the international healthcare standard practices and other industry controls in relation to medical devices. This would enable Maymedic to expand its reach to the primary end-users of the products it distributes, particularly hospitals and its staff. Hence, we have registered Maymedic's trademark under Class 41 to protect the value of the branding which we have created.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.7 PROPERTIES OF OUR GROUP****5.7.1 Properties owned by our Group**

Details of the properties owned by us as at the LPD are set out below:-

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	Audited NBV as at 31 March 2016 RM	Date of issuance of certificate of fitness for occupation	Encumbrances
(1)	Best Contact	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 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/Freehold/Building	178/ 454.8	1,551,789	4 February 2008	Charged to Hong Leong Bank Berhad
(2)	Best Contact	PN 57354, Lot 95647, Mukim and District of Petaling, Selangor	No. 1, Jalan Perindustrian PP2, Taman Perindustrian Putra Permai, 43300 Bandar Putra Permai, Seri Kembangan, Selangor	Three (3)-storey terrace factory corner lot/ Vacant but intended to be utilised as storage space for our inventories/ Leasehold expiring on 16 August 2104/Industrial	317 / 489.6	1,959,284	3 June 2014	Charged to Alliance Bank Berhad

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

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	Audited NBV as at 31 March 2016 RM	Date of issuance of certificate of fitness for occupation	Encumbrances
(3)	CS Laundry	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 and storage space/Freehold/Building	242/ 726	1,016,543	28 March 2001	Charged to Alliance Bank Berhad	
(4)	Maymedic	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 and storage space/Freehold/Building	156/ 474.9	641,670	28 March 2001	Charged to Maybank Islamic Berhad	
(5)	Maymedic	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 Johar, Rawang-Gateway Industrial Park, 48000 Rawang, Selangor	One and a half (1 ½)-storey terrace factory office building/Vacant, but intended to be utilised as storage space for our inventories/Freehold/Industrial	232/ 301.9	643,110	30 August 1997	Charged to Public Bank Berhad	

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Save as disclosed below, there is no non-compliance with current statutory requirements, land rules or building regulations in respect of the landed properties owned by our Group:-

- (a) The head office of BCM and operations office of Best Contact located at No. 13-12, Jalan 13/155B, Aked Esplanad, Bukit Jalil 57000 Kuala Lumpur has been extended by approximately 75 sq m on the mezzanine floor for the purpose of expanding our office floor space ("Extension"). Ahmad Jaafar Architect had on behalf of Best Contact submitted a new planning permission application and building plan for this property for the Extension on 18 December 2015 to the Urban Planning Department of DBKL, Tenaga Nasional Berhad ("TNB") and Syarikat Bekalan Air Selangor for approval ("Submission"). Upon obtaining the approvals for the Submission, Best Contact together with Ahmad Jaafar Architect will follow through with the process of obtaining the relevant building plan approval and such other approval as may be necessary from the relevant authorities in order to procure the issuance of the Certificate of Completion and Compliance ("CCC") for the Extension. As at the LPD, this said application is still being processed by DBKL. We expect to obtain the relevant approvals for the Extension by the fourth quarter of 2016.

In the event that Best Contact is unable to obtain the relevant approvals for the Submission, Best Contact shall be liable and/or responsible for the following:-

- (i) Best Contact shall, upon conviction of the offence be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three (3) years or to both and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction for contravening Section 70(13) of the Street Drainage and Building Act, 1974 ("Act 133") or any of the by-laws made thereunder; or
- (ii) DBKL may submit an application under Section 70(15) of Act 133 for a mandatory order to alter or demolish the Extension. In such an event, we shall incur expenses for complying with DBKL's directive to alter or demolish. We wish to highlight that our management is of the view that any relocation, if necessary, will not affect our Group's overall operations materially, and we do not foresee any difficulty in relocating to an alternative site should the need arises. In such an event, our management shall partially relocate to our new three (3)-storey terrace factory unit located at No. 1, Jalan Perindustrian PP2, Taman Perindustrian Putra Permai, 43300 Bandar Putra Permai, Seri Kembangan, Selangor within twelve (12) months from the date of receipt of such notice from DBKL at a relocation cost of not more than RM100,000.

In the event the Extension is required to be altered or demolished, such rectification works on the Extension is expected to be completed within six (6) months from the date of receiving such notice from DBKL at an estimated cost of not more than RM100,000.

None of the above land has breached any land use condition or permissible land use.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.7.2 Property occupied which are rented by our Group

As at the LPD, our Group is only renting one (1) property, details of which are as follows:-

No.	Address	Owner/ Tenant	Description of property/ Existing Use	Built-up area sq m	Period of tenancy/ Rental per annum RM	Date of issuance of certificate of fitness for occupation
(1)	No. 56, Jalan Sepadu, Jalan Klang Lama, Batu 4 3/4, Taman United, 58200 Kuala Lumpur	Chin Siew Keong/CS Laundry	Ground floor of a two (2)-storey commercial shop lot unit/Speed Queen launderette outlet	148.6	1 September 2015 to 31 August 2017/ RM38,400	Note (a)

Note:-

- (a) CS Laundry is currently renting a shop lot unit located at No. 56, Jalan Sepadu, Jalan Klang Lama, Batu 4 3/4, Taman United, 58200 Kuala Lumpur to operate CS Laundry's first Speed Queen self-service launderette outlet, which has been operating since September 2015. CS Laundry had entered into a tenancy agreement on 1 September 2015 with Chin Siew Kiong (a non-related party to our Promoters, substantial shareholders and Directors of our Group) for the rental of this shop lot unit for a period of twenty four (24) months from 1 September 2015 to 31 August 2017, for a rental amount of RM38,400 per annum or RM3,200 per month.

The property owner for this property is unable to locate the certificate of fitness for occupation of this property ("CF"). We have relied on the verbal representation of Chin Siew Keong, the owner of this property that the CF has been issued by DBKL prior to entering into the tenancy agreement with Chin Siew Keong. We have with the authority of the owner of this property submitted an application to DBKL on 11 May 2016 to obtain a copy of the CF. The application is in the midst of being processed by DBKL and we will continuously follow up with DBKL on the development.

We have also undertaken renovations and refurbishments to enhance the interior aspect of this outlet, such as fitting works to install commercial laundry equipment as well as to outfit the rented property based on Speed Queen's store design, floor plan and layout. The renovation works carried out did not involve any alteration or addition to the foundation, structure or the existing outer walls of the unit/building and therefore does not require the approval from any authorities.

Save as disclosed above, the property rented by our Group is not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.7.3 Acquisitions of properties

Save for the following properties, our Group has not acquired any properties during the past two (2) years preceding the date of this Prospectus:-

- (a) Best Contact had on 8 June 2015 entered into a sale and purchase agreement with Chong Chin Wai and Pang Yeow Choy for the purchase of a parcel of leasehold land (expiring on 16 August 2104) held under PN57354, Lot 95647, Mukim of Petaling, District of Petaling, Selangor together with a three (3)-storey terrace factory unit erected thereon bearing the postal address of No. 1, Jalan Perindustrian PP2, Taman Perindustrian Putra Permai, 43300 Bandar Putra Permai, Seri Kembangan, Selangor for a purchase consideration of RM1,900,000. The acquisition of this property has been completed on 11 December 2015. This property is currently vacant, but we intend to use this property for the storage of our inventories.

5.7.4 Material plant and equipment

Save for office equipment, computer equipment and software, furniture and fittings, office renovation and motor vehicles, our Group do not employ the use of any other plant and equipment in our business.

5.7.5 Regulatory requirements and environmental issues

There are no regulatory requirements and/or major environmental issues which may affect our Company's operations arising from the utilisation of our assets.

5.7.6 Material capital expenditures and divestitures

Save as disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for the past four (4) FYEs up to 2015 as well as FPE 31 March 2016:-

Description	At cost				
	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FPE 31 March 2016
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	153	249	1,946	2,826	37

Our material capital expenditure during FYE 2012 to 2015 as well as FPE 31 March 2016 comprised capital expenditure on land and building, motor vehicles, office equipment, furniture and fittings and renovation. Our material capital expenditure was primarily funded via a combination of bank borrowings and internally generated funds.

For FYE 2014, our Group's material capital expenditure incurred for property, plant and equipment were mainly due to the following:-

- (a) Maymedic had on 23 April 2014 entered into a sale and purchase agreement with Wong Chee Keong for the purchase of a parcel of freehold land held under GRN 114209 Lot 13148 (formerly known as HS(D) 24416 PT 11638) Mukim Rawang, District of Gombak, Negeri Selangor together with a unit of one and a half storey factory office building built upon thereon bearing the postal address of No. 7, Jalan Johan 7, Taman Industrial Belmas Johan, Rawang Gateway Industrial Park, 48000 Rawang, Selangor for a purchase consideration of RM650,000. The acquisition of this property has been completed on 12 August 2014. This property is currently vacant, but we intend to use this property for the storage of our inventories; and

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

- (b) Purchase of nine (9) units of motor vehicles for a total purchase consideration of RM1.22 million, for our sales and marketing purposes which were undertaken between February to October 2014.

For FYE 2015, our Group's material capital expenditure incurred for property, plant and equipment were mainly due to the following:-

- (a) Best Contact had on 8 June 2015 entered into a sale and purchase agreement with Chong Chin Wai and Pang Yeow Choy to purchase a parcel of leasehold land for a purchase consideration of RM1,900,000, details of which is set out in Section 5.7.3(a) above; and
- (b) Purchase of three (3) units of motor vehicles for a total purchase consideration of RM0.52 million, for our sales and marketing purposes which were undertaken in January, July and December 2015.

Save as disclosed below, there were no other material capital divestitures and write-offs (including interest in other corporations) made by our Group for the past four (4) FYEs up to 2015 as well as FPE 31 March 2016:-

Description	At NBV				FPE 31 March 2016 RM'000
	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
	RM'000	RM'000	RM'000	RM'000	
Property, plant and equipment	-	2	135	-	-
Investments in companies	-	-	-	(i)255	-

Note:-

- (i) Include the Disposal of TLMSB details of which are set out in Section 5.5.2(d)(iii) of this Prospectus.

The above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated and no longer in use or obsolete or surpassed their useful lives.

The disposal of our investments in other companies were undertaken to streamline our Group's operations to concentrate on our core principal activities, namely in the distribution of equipment specialising in the commercial laundry equipment and medical devices industries in Malaysia.

5.7.7 Material plans to construct, expand or improve facilities

Save for the utilisation of the IPO proceeds for the establishment and setting up of eleven (11) Speed Queen self-service launderette outlets as set out in Section 3.10 of this Prospectus, we do not have any other immediate plans to construct, expand and improve our existing facilities.

6. BUSINESS OVERVIEW

6.1 OUR HISTORY

Our history can be traced back to 1978 with the formation of Syarikat Sunto Trading by Koh Lap Hing together with three (3) other partners, namely Wong Fai Nam, Chee Wooi Chi and the late Hew Foh @ Hew Foh Yew (the father of Hew Chun Shun) to provide general maintenance, repair and installation services for various types of electrical equipment, including commercial laundry equipment and medical devices across Peninsular Malaysia. Chung Eng Lam joined Syarikat Sunto Trading as its Technical Personnel in 1986 whilst Hew Chun Shun joined Syarikat Sunto Trading in 1996 to assist his father, Hew Foh @ Hew Foh Yew in running the operations of Syarikat Sunto Trading. During that time, Koh Lap Hing, Chung Eng Lam and Hew Chun Shun developed a good working relationship together and later decided to expand their capabilities to not only provide maintenance, repair and installation services, but also include the distribution of equipment. This is achieved by bringing new talents that have the necessary sales and technical expertise in the equipment distribution business to jointly move up the value chain in the distribution of equipment business segment, in addition to providing maintenance, repair and installation services.

CS Laundry was established on 10 September 1996 by Koh Lap Hing and Abdul Halim bin Jamaludin with the intention to seek new business opportunities in the provision of laundry cleaning services. The Directors and shareholders of CS Laundry as at 10 September 1996 were Koh Lap Hing and Abdul Halim bin Jamaludin. However, from the period from 10 September 1996 to 1 December 1998, CS Laundry did not commence its business activity.

In December 1998, CS Laundry underwent a change in shareholding structure that saw the entry of Chung Eng Lam, Hew Chun Shun and Lim Jit Wei as shareholders alongside Koh Lap Hing and Yap Soon Guan. Following the changes in the shareholding structure, CS Laundry ventured into the business related to the distribution of commercial laundry equipment which tapped on our Executive Directors' technical expertise and experiences in the area of maintenance, repair and installation of equipment. This business venture is spearheaded and led by Lim Jit Wei, who at that point in time already had more than ten (10) years of prior sales and technical experiences in the commercial laundry equipment business segment during his working tenure at I.E Candid Sdn Bhd from 1988 to 1998. I.E Candid Sdn Bhd was principally involved in the trading and installation of industrial kitchen and laundry equipment, and Syarikat Sunto Trading was the sub-contractor to I.E Candid Sdn Bhd. Lim Jit Wei however was not attached to nor was he involved in Syarikat Sunto Trading from 1988 to 1998. During his tenure with I.E Candid Sdn Bhd, he held various positions including Senior Technician (1988 to 1991), Technical Supervisor (1991 to 1994) and Sales and Technical Design Executive (1994 to 1998). He was involved in the sales and maintenance of various commercial laundry equipment and its laundry systems (such as water inlet, drainage pipe and electrical supply box) during his tenure at I.E Candid Sdn Bhd, which includes the following:-

- (a) managing and negotiating the sales of various industrial kitchen and laundry equipment to various industry users such as hotels, hospitals and laundrettes;
- (b) managing and supervising the operations involving commercial laundry equipment and associated equipment maintenance and services;
- (c) supervising the implementation of several projects for laundry facilities (i.e. the laundry department in its clients premises such as hotels, hospitals and traditional laundry shop); and
- (d) managing and supervising the layout and design of the laundry facility as well as equipment selection.

6. BUSINESS OVERVIEW (Cont'd)

Since the establishment of CS Laundry on 10 September 1996, CS Laundry has undergone a series of shareholding restructuring up until the LPD, details of which are as follows:-

No.	Nature of restructuring/ Issuance	Dates	Transferor	Transferee/ Allottee	No. of shares allotted/ transferred by transferor	Eventual no. of shares held by transferee/ allottee	%	Remarks
(1)	Allotment of new shares	10 September 1996	-	Koh Lap Hing	1	1	50.0	Note (1)
				Abdul Halim bin Jamaludin	1	1	50.0	
				Total	2	2	100.0	
(2)	Transfer	5 August 1997	Abdul Halim bin Jamaludin	Yap Soon Guan	1	1	50.0	Note (1)
				Koh Lap Hing	-	1	50.0	
				Total	1	2	100.0	
(3)	Allotment	10 December 1998	-	Koh Lap Hing	27,269	27,270	27.0	Note (2)
				Lim Jit Wei	34,340	34,340	34.0	
				Chung Eng Lam	16,160	16,160	16.0	
				Yap Soon Guan	7,069	7,070	7.0	
				Hew Chun Shun	16,160	16,160	16.0	
				Total	100,998	101,000	100.0	
(4)	Allotment	3 October 2007	-	Koh Lap Hing	27,000	54,270	27.0	Note (3)
				Lim Jit Wei	34,000	68,340	34.0	
				Chung Eng Lam	16,000	32,160	16.0	
				Yap Soon Guan	7,000	14,070	7.0	
				Hew Chun Shun	16,000	32,160	16.0	
				Total	100,000	201,000	100.0	
(5)	Transfer	15 December 2014	-	Koh Lap Hing	-	39,704	19.8	Note (4)
				Lim Jit Wei	-	64,518	32.2	
				Lim Jit Wei and Koh Lap Hing	7,544	39,704	19.7	
				Lim Jit Wei	3,300	17,370	8.6	
				Koh Lap Hing	7,544	39,704	19.7	
				Total	18,388	201,000	100.0	
(6)	Transfer	25 February 2015	-	Yap Soon Guan	5,790	45,494	22.6	Note (5)
				Lim Jit Wei	-	64,518	32.2	
				Yap Soon Guan	5,790	45,494	22.6	
				Yap Soon Guan	5,790	45,494	22.6	
				Total	17,370	201,000	100.0	
(7)	Transfer	14 July 2016	-	Koh Lap Hing	45,494	45,494	22.6	Note (6)
				Lim Jit Wei	64,518	64,518	32.2	
				Chung Eng Lam	45,494	45,494	22.6	
				Hew Chun Shun	45,494	45,494	22.6	
				Total	201,000	201,000	100.0	

6. BUSINESS OVERVIEW (Cont'd)

Notes:-

- (1) Abdul Halim bin Jamaludin had subsequently disposed his entire 50.0% equity interest in CS Laundry to Yap Soon Guan on 5 August 1997 for a disposal consideration of RM1.00 as he intended to pursue new business opportunities elsewhere. Yap Soon Guan was a business associate of Koh Lap Hing and Hew Foh @ Hew Foh Yew.
- (2) A total of 100,998 ordinary shares of RM1.00 each in CS Laundry were issued and allotted for a total consideration of RM100,998 which was utilised for working capital purposes of CS Laundry. This resulted in a change in the shareholding structure of CS Laundry that saw the entry of Chung Eng Lam, Hew Chun Shun and Lim Jit Wei as shareholders.
- (3) The shareholders of CS Laundry had subscribed to an additional 100,000 ordinary shares of RM1.00 each in CS Laundry pursuant to additional capital injection of RM100,000 by the shareholders of CS Laundry into CS Laundry, which was utilised for working capital purposes.
- (4) The shareholders of CS Laundry, namely Lim Jit Wei and Koh Lap Hing, had transferred a total of 18,388 ordinary shares of RM1.00 each in CS Laundry to Yap Soon Guan, Chung Eng Lam and Hew Chun Shun for a total consideration of RM18,388.
- (5) Yap Soon Guan resigned as CS Laundry's Director on 25 January 2006 and ceased to be a shareholder of CS Laundry on 25 February 2015 via the disposal of his entire equity interest in CS Laundry to Koh Lap Hing, Chung Eng Lam and Hew Chun Shun for a total disposal consideration of RM17,370. Yap Soon Guan has disposed his entire shareholdings in CS Laundry to fully concentrate in the running of MSB. He is presently the Managing Director of MSB and holds 54% equity interest in MSB, which is involved in the design, supply, installation, testing and commissioning of pneumatic tube transport system and central vacuum cleaning. He was not involved in other business activities that are similar to that of our Group in the past five (5) years.
- (6) Pursuant to the Acquisition of CS Laundry, Koh Lap Hing, Lim Jit Wei, Chung Eng Lam and Hew Chun Shun have transferred a total of 201,000 ordinary shares of RM1.00 each in CS Laundry, representing the entire issued and paid-up share capital of CS Laundry to our Company for a total purchase consideration of RM8,400,000.

During the early years of CS Laundry between 1998 to 2000, the distribution range of commercial laundry equipment was targeted at traditional non self-service laundry shops (e.g. shops that offer dry cleaning services besides the common laundry services of washing and drying mostly for individuals or families in the neighbourhood with relatively small load involved) and outsourced laundry service providers (e.g. laundry service providers that offer large scale laundry services to businesses and institutions such as hotel and hospitals, involving large volume of textile and apparel) that were predominantly located in the Klang Valley.

In 2000, CS Laundry expanded its distribution of equipment and services offerings to the hospitality sector in Malaysia. This includes providing consultancy services such as designing, recommendation of the types of commercial laundry equipment to be installed, drawing of schematics and layouts, flow and space planning, fixtures and fittings as well as other fit-outs to be installed. Additionally, CS Laundry also provides support in terms of training, after-sales services as well as repair and maintenance services as part of its service offerings. Its customers in the hospitality sector since then include amongst others, Micasa Hotel Kuala Lumpur (business relationship from June 1999 to February 2007), Regent Hotel Kuala Lumpur (business relationship from May 2000 to November 2006), Renaissance Hotel Kuala Lumpur (business relationship from November 2000 to August 2001), Mutiara Beach Resort Penang (business relationship from November 2001 to December 2002), Hotel Equatorial Penang, Hotel Nikko Kuala Lumpur (business relationship from November 2006 to September 2010), Hilton Hotel Kuala Lumpur, Pullman Kuala Lumpur City Centre Hotel and Residences (previously known as Prince Hotel Kuala Lumpur), Traders Hotel Kuala Lumpur and Putrajaya Marriott Hotel. These customers are part of the chain of international hotels and resorts which

6. BUSINESS OVERVIEW (Cont'd)

emphasise high quality and professional services from service providers. This was a further stepping stone of our foray into the commercial laundry equipment business segment in Malaysia. To date, we have maintained our relationship with Hotel Equatorial Penang, Hilton Hotel Kuala Lumpur, Pullman Kuala Lumpur City Centre Hotel and Residences (previously known as Prince Hotel Kuala Lumpur), Traders Hotel Kuala Lumpur and Putrajaya Marriott Hotel, whereby we are still providing them with the maintenance and repair services as well as replacing their old on-premise commercial laundry equipment from time to time.

In 2001, CS Laundry was appointed by Alliance Laundry, an international manufacturer and distributor of commercial laundry equipment, as its non-exclusive distributor for the Huebsch, IPSO, UniMac and Primus brands of commercial laundry equipment as well as its related spare parts, accessories and consumables in Malaysia. In 2002, CS Laundry was subsequently appointed as the non-exclusive authorised distributor by Jensen Asia Pte Ltd to distribute the full range of Jensen brand of commercial laundry equipment and related parts in Malaysia.

In 2003, CS Laundry further expanded its business in the commercial laundry equipment business segment by successfully securing a business partner involved in the healthcare sector, namely Amirdic via non-formalised business collaboration with Amirdic to jointly supply commercial laundry equipment and provide after-sales maintenance services to UMMC as Amirdic's sub-contractor. The decision to enter into the non-formalised business collaboration with Amirdic was made as UMMC had already awarded the distribution of commercial laundry equipment contract to Amirdic. Amirdic also possesses the relevant permits and licenses from the Ministry of Finance, Ministry of Works and CIDB (which was not obtained by CS Laundry). In addition, it would be more expedient, time saving and cost effective for CS Laundry to participate as the sub-contractor of Amirdic rather than to obtain its own permits and licenses required in order to participate in the tender award by UMMC. The non-formalised business collaboration commenced in 2003, whereby Amirdic was responsible for all administrative and billing matters relating to the business collaboration, whilst CS Laundry was responsible for the supply and installation of commercial laundry equipment as well as providing after-sales services, training, repair and preventive maintenance services to UMMC.

The service and maintenance contract between UMMC and Amirdic expired in June 2015 and was not renewed at the request of UMMC to allow UMMC the flexibility to request for maintenance services as and when required. However, CS Laundry continues to provide maintenance services on an ad hoc basis to UMMC through Amirdic under an arrangement whereby CS Laundry will act as a sub-contractor to Amirdic in providing the maintenance and repair services directly to UMMC. In this instance, CS Laundry is not required to possess the necessary permits and licenses as those held by Amirdic.

From 2004 to 2010, we continued to build our commercial laundry equipment business segment in terms of expanding our customer base and improving our quality of service to our customers.

Our Group's foray into the distribution of medical devices business segment began in 2004 via Best Contact. Prior to this, Best Contact was involved in the business of supplying electronic control systems to electronic manufacturers which was established in 1994 by its shareholders, namely Koh Lap Hing and Chung Eng Lam and their business partners, namely Yap Soon Guan and Hew Foh @ Hew Foh Yew. Yap Soon Guan and Hew Foh @ Hew Foh Yew subsequently became shareholders of Best Contact on 10 August 1995. The types of electronic control systems include laser gauge and remote electronic controller. Laser gauge is an instrument to measure and monitor dimension in acceptable range while remote electronic controller is used to control various type of machinery. However, this business activity didn't make much progress between 1994 and 2004. In 2004, Best Contact underwent a business rationalisation to change its business focus into the distribution of

6. BUSINESS OVERVIEW (Cont'd)

medical devices, which began with the distribution of the Hitachi brand of medical imaging equipment such as X-Ray system, MRI system, CT scanner system and ultrasound machine.

The business rationalisation of Best Contact saw changes in its shareholdings structure and key management team, whereby Liaw Chong Lin was invited to become the Managing Director of Best Contact to spearhead the expansion of the medical devices business segment. Liaw Chong Lin was previously attached to Smitech (M) Sdn Bhd as a Service Engineer (from 1990 to 1998) and Syarikat Sunto Trading was the sub-contractor to Smitech (M) Sdn Bhd, which was involved in the trading, servicing and maintenance of medical devices at that point in time.

The summary changes in the shareholdings structure of Best Contact since its incorporation on 30 March 1994 up to the LPD are as follows:-

No.	Nature of restructuring/ Issuance	Dates	Transferor	Transferee/ Allottee	No. of shares allotted/ transferred by transferor	Eventual no. of shares held by transferee/ allottee	%	Remarks
(1)	Allotment	30 March 1994	-	Mansor Bin Kenit	1	1	50.0	-
				Sabtu Bin Ali	1	1	50.0	
				Total	2	2	100.0	
(2)	Transfer	10 May 1994	Mansor Bin Kenit Sabtu Bin Ali	Chee Wooi Chi	1	1	50.0	-
				Wong Chin Siang	1	1	50.0	
				Total	2	2	100.0	
(3)	Transfer	28 November 1994	Chee Wooi Chi Wong Chin Siang	Koh Lap Hing	1	1	50.0	-
				Chung Eng Lam	1	1	50.0	
				Total	2	2	100.0	
(4)	Allotment	10 August 1995	-	Koh Lap Hing	2,199	2,200	22.0	Note (1)
				Chung Eng Lam	2,199	2,200	22.0	
				Yap Soon Guan	3,400	3,400	34.0	
				Hew Foh @ Hew Foh Yew	2,200	2,200	22.0	
				Total	9,998	10,000	100.0	
(5)	Allotment	25 November 2004	-	Koh Lap Hing	93,800	96,000	24.0	Note (2)
				Chung Eng Lam	45,800	48,000	12.0	
				Yap Soon Guan	-	3,400	0.9	
				Hew Foh @ Hew Foh Yew	-	2,200	0.6	
				Liaw Chong Lin	116,000	116,000	29.0	
				Hew Chun Shun	96,000	96,000	24.0	
				Chong Wai Mun	24,600	24,600	6.0	
				Kew Kin Chee	13,800	13,800	3.5	
Total	390,000	400,000	100.0					

6. BUSINESS OVERVIEW (Cont'd)

No.	Nature of restructuring/ Issuance	Dates	Transferor	Transferee/ Allottee	No. of shares allotted/ transferred by transferor	Eventual no. of shares held by transferee/ allottee	%	Remarks
(6)	Transfer	30 November 2004	-	Koh Lap Hing	-	96,000	24.0	Note (3)
			-	Chung Eng Lam	-	48,000	12.0	
			-	Liaw Chong Lin	-	116,000	29.0	
			-	Hew Chun Shun	-	96,000	24.0	
			Yap Soon Guan	Chong Wai Mun	3,400	28,000	7.0	
			Hew Foh @ Hew Foh Yew	Kew Kin Chee	2,200	16,000	4.0	
			Total		5,600	400,000	100.0	
(7)	Transfer	14 July 2016	Koh Lap Hing	BCM	96,000	96,000	24.0	Note (4)
			Chung Eng Lam	BCM	48,000	48,000	12.0	
			Liaw Chong Lin	BCM	116,000	116,000	29.0	
			Hew Chun Shun	BCM	96,000	96,000	24.0	
			Chong Wai Mun	BCM	28,000	28,000	7.0	
			Kew Kin Chee	BCM	16,000	16,000	4.0	
				Total		400,000	400,000	

Notes:-

- (1) On 10 August 1995, Yap Soon Guan and Hew Foh @ Hew Foh Yew became the shareholders of Best Contact via subscription of new shares of RM1.00 each in Best Contact. On 22 November 2004, Yap Soon Guan and Hew Foh @ Hew Foh Yew have resigned as Directors of Best Contact. However, they remained as shareholders of Best Contact.
- (2) Pursuant to the business rationalisation to change the business focus of Best Contact to the distribution of medical devices and the restructuring of its shareholdings structure, the new shareholders had subscribed to 390,000 new ordinary shares of RM1.00 each in Best Contact on 25 November 2004. As a result, the equity interests held by Yap Soon Guan and Hew Foh @ Hew Foh Yew in Best Contact were diluted to 0.9% and 0.6%, respectively.
- (3) Subsequently, Yap Soon Guan and Hew Foh @ Hew Foh Yew disposed their entire equity interests held in Best Contact of 0.9% and 0.6%, respectively on 30 November 2004, as Yap Soon Guan has decided to fully concentrate in the running of MSB whilst Hew Foh @ Hew Foh Yew decided to retire to allow his son, Hew Chun Shun to succeed him.
- (4) Pursuant to the Acquisition of Best Contact, Koh Lap Hing, Chung Eng Lam, Liaw Chong Lin, Chong Wai Mun, Kew Kin Chee and Hew Chun Shun transferred a total of 400,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Best Contact to our Company for the total purchase consideration of RM5,750,000.

In 2004, Best Contact was appointed as the exclusive distributor by Hitachi Medical Systems (S) Pte Ltd to distribute the Hitachi brand of medical imaging equipment in Malaysia. This enabled us to gain immediate participation in the medical devices industry in Malaysia. Both Yap Soon Guan and Hew Foh @ Hew Foh Yew resigned as the Directors of Best Contact on 22 November 2004.

6. BUSINESS OVERVIEW (Cont'd)

In 2006, Maymedic was established to venture into the distribution of sterilisation, disinfection and surgical room equipment sub-segment, as part of our expansion drive to further expand our range of distribution of medical devices products to the healthcare sector in Malaysia. In the same year, our Group was appointed as the exclusive distributor by STERIS Corporation to distribute the STERIS brand of sterilisation, disinfection and surgical room equipment in Malaysia.

In 2010, we expanded our range of commercial laundry equipment to include the Huebsch brand of vended commercial laundry equipment, manufactured by Alliance Laundry. The decision to expand into the distribution of vended commercial laundry equipment was in line with the rapid urbanisation in Malaysia which has spurred demand for vended laundry services among urbanites.

In 2013, we further expanded our range of vended commercial laundry equipment to include the Speed Queen brand of vended commercial laundry equipment, also manufactured by Alliance Laundry. We have distributed both Huebsch and Speed Queen brands of vended commercial laundry equipment to self-service laundrettes around Malaysia. In 2013, we sold a total of 362 units of Speed Queen and Huebsch brands of vended commercial laundry equipment which contributed to 68% of our total revenue for the year due to an increase in the number of self-service laundrettes around Malaysia.

In 2015, we established our first Speed Queen self-service laundrette in Taman United, Kuala Lumpur, as part of our marketing strategy to showcase and promote the Speed Queen brand of vended commercial laundry equipment including the design of commercial laundrettes for both business owners and end-users.

Our revenue has increased at a CAGR of 50.0% over the past four (4) FYEs 2012 to 2015 (comprising of the CAGR of the commercial laundry business segment of 141.7% and CAGR of the medical devices business segment of 15.3%) and we pride ourselves as a reputable equipment distribution company servicing the commercial laundry equipment and medical devices industries in Malaysia. Over the years, CS Laundry has successfully broaden its portfolio of equipment, accessories, consumables, spare parts and services by securing new distributorships of various brands of commercial laundry equipment from reputable international brand manufacturers.

Throughout the years, Best Contact and Maymedic have also continued their expansion by serving more hospitals and medical centres nationwide as well as securing more exclusive and non-exclusive distribution rights from other medical devices manufacturers to cater to their customers' requirement. Our endeavour has allowed our Group to secure reputable group of hospitals including KPJ Healthcare Group and Columbia Asia Group as our customers. For FPE 31 March 2016, KPJ Healthcare Group and Columbia Asia Group have contributed approximately 10.0% and 5.4% to our Group's total revenue, respectively. In addition, we have also obtained the exclusive and non-exclusive distribution rights for various established brands of medical devices such as Newmed (non-exclusive), Medifa (exclusive), CareStream (non-exclusive) and Ziehm Imaging (exclusive).

6. BUSINESS OVERVIEW (Cont'd)

6.2 COMPETITIVE STRENGTHS

Our business is supported by the following competitive strengths which help to sustain our business as well as to support our growth:-

6.2.1 Distributor for well-established and well-known brands of commercial laundry equipment and medical devices

Our business relies on the quality of the products that we distribute to our customers as our customers place great emphasis on the reliability of our products, since this affects long term repair and maintenance expenses. Since our inception, we have been sourcing our products from reputable international brand manufacturers which have proven operating track record (such as the number of years in operation, past achievements, its customer services and distribution networks, its customer base, its reported financial figures and media presences (i.e. press releases and news portal) and which offer a comprehensive portfolio of equipment, spare parts, accessories and consumables. Some of our notable international brand manufacturers include the following:-

- (a) Alliance Laundry (an international manufacturer of commercial laundry equipment such as Speed Queen, Huebsch, Primus and Unimac. Alliance Laundry is listed on New York Stock Exchange);
- (b) Hitachi Medical Systems (S) Ptd Ltd (a subsidiary of Hitachi Medical Corporation, a reputable Japanese manufacturer of medical diagnostic imaging products such as CT and MRI system); and
- (c) STERIS Corporation (a leading global manufacturer of infection prevention, contamination control, surgical and critical care technologies and products).

Amongst our international brand manufacturers, we have secured exclusive distributorships for several range of products supplied by STERIS Corporation, Hitachi Medical Systems (S) Ptd Ltd, Ziehm Imaging GmbH and Medifa-Hesse GmbH & Co. KG. As an exclusive distributor, our Group has secured a market for ourselves by ensuring that all retailers in Malaysia who want to purchase branded medical devices which are manufactured by the abovementioned manufacturers, are required to purchase them from us. As at the LPD, our Group has been appointed as the exclusive distributor in Malaysia for a total of five (5) brands of medical devices, namely STERIS, Albert Browne, Hitachi, Medifa and Ziehm Imaging brands of medical devices.

Details of the revenue contribution of the exclusive distributorship for the last four (4) FYEs 2012 to 2014 as well as FPE 31 March 2016 are as follows:-

Distributorships	Revenue				
	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FPE 31 March 2016
	RM'000	RM'000	RM'000	RM'000	RM'000
STERIS Corporation	3,349	2,847	2,807	6,009	611
Hitachi Medical Systems (S) Pte Ltd	4,366	15,680	7,894	4,440	771
Medifa-Hesse GmbH & Co. KG	-	-	360	80	-
Ziehm Imaging GmbH	530	290	967	1,087	847
Total	8,245	18,817	12,028	11,616	2,229

6. BUSINESS OVERVIEW (Cont'd)

We have also been appointed as the non-exclusive distributor in the Malaysian market for ten (10) brands of commercial laundry equipment, namely Speed Queen, Huebsch, Lapauw, Maxi, Forenta, Renzacci, Jensen, Senking, Domus and Sea Lion as well as seven (7) brands of medical devices, namely Trilux Medical, CareStream, Quantum, MinXray, Newmed, General Electric and Elma. Although we are non-exclusive distributor for the abovementioned brands of commercial laundry equipment and the abovementioned brands of medical devices, we do not face vigorous competition for these brands as typically only a limited number of distributors are appointed for the Malaysian market.

We believe that from our international brand manufacturers' commercial perspective, they would normally limit the number of distributors for their product(s) and brand(s) for a particular geographical region to avoid unhealthy or damaging competition amongst their distributors that may jeopardise sales performance and lead to brand dilution resulting from potential price undercutting and disjointed promotion of brand. In addition, our Group has cultivated a strong and good working relationship with these international brand manufacturers and have established a strong distribution network and customer base over the years. Such achievements are important for these international brand manufacturers to further expand its market coverage and penetration into the commercial laundry equipment and medical devices industries not only in Malaysia, but also in the South East Asia region.

Another testimony of our strength in the commercial laundry equipment and medical devices industries is the length of our working relationship with our international brand manufacturers. The following summarises key international brand manufacturers that have more than five (5) years of business relationship with our Group:-

No.	International brand manufacturers/ Country of origin	Length of relationship (years)	Type of equipment supplied	Percentage (%) contribution to our Group's purchases	
				FYE 2015	FPE 31 March 2016
(i)	Renzacci S.p.A – Industria Lavatrici/Italy	17	Commercial laundry equipment	0.1	3.1
(ii)	Alliance Laundry/USA	15	Commercial laundry equipment	54.2	47.9
(iii)	Jensen Asia Pte Ltd/Belgium	15	Commercial laundry equipment	-	-
(iv)	Hitachi Medical Systems (S) Pte Ltd/Japan	12	Medical imaging equipment	5.6	12.9
(v)	STERIS Corporation/USA	10	Disinfection, sterilisation and surgical room equipment	7.8	7.7
(vi)	Lapauw International/Belgium	17	Commercial laundry equipment	-	-
(vii)	Carestream Health Malaysia Sdn Bhd/USA	7	Medical imaging equipment	13.5	6.5
(viii)	Jiangsu Sea-Lion Machinery Group/China	7	Commercial laundry equipment	-	-
(ix)	Ziehm Imaging GmbH/Germany	5	Medical imaging equipment	2.2	6.2

We have also on 19 April 2016 received a written confirmation from Alliance Laundry that CS Laundry is the sole authorised distributor for Alliance Laundry in the Malaysian region. The salient terms of the distribution agreement between CS Laundry and Alliance Laundry dated 1 January 2016 are as follows:-

- (a) The distribution agreement between CS Laundry and Alliance Laundry is on a non-exclusive basis only, with a one (1) year validity period and renewable yearly based on the calendar year subject to CS Laundry meeting the purchase goal as set out in (c) below.

6. BUSINESS OVERVIEW *(Cont'd)*

- (b) CS Laundry is authorised to distribute, promote, sell and provide after-sales service for Speed Queen brand of vended commercial laundry equipment to self-service launderette operators and also Huebsch brand of on-premise commercial laundry equipment in the Malaysian region.
- (c) Alliance Laundry has not set any specific sales target to be met by CS Laundry on an annual basis. However, it is agreed that CS Laundry shall make total purchases of USD5,000,000 in 2016 from Alliance Laundry.
- (d) CS Laundry may use Alliance Laundry's trademark relating to the products for display purposes in connection with solicitation of orders for products from any customer in Malaysia and in any other matter previously approved by Alliance Laundry in writing. In addition, CS Laundry shall not register any of Alliance Laundry's trademarks or any mark or name resembling them.
- (e) The distributorship agreement is subject to immediate termination by Alliance Laundry upon the occurrence of the following, among others:-
 - (i) insolvency, liquidation on the part of CS Laundry;
 - (ii) breach of distribution agreement by CS Laundry;
 - (iii) CS Laundry ceasing the promotion and sale of products in the ordinary course of business;
 - (iv) a significant change in the ownership or organisation structure of CS Laundry as determined by Alliance Laundry (a letter of no objection was obtained from Alliance Laundry on 29 September 2015); or
 - (v) any act of bribery.
- (f) In the event of termination, the following shall apply, among others:-
 - (i) CS Laundry shall cease all sales and activities on behalf of Alliance Laundry and shall return to Alliance Laundry and immediately cease all use of its proprietary property;
 - (ii) CS Laundry shall remove from its property and immediately discontinue the use, directly or indirectly any trademark design and marking owned by Alliance Laundry and further certify in writing to Alliance Laundry that it has completely terminated its use.

We believe that cultivating and maintaining good business relationships with our international brand manufacturers are critical to our success. We constantly maintain good relationships by hosting/making regular visits and having direct forums with our international brand manufacturers, which allow us to provide timely feedback to our manufacturers on their products and services, including technical issues encountered by our customers or by our technical support teams. Due to our close relationship with our international brand manufacturers, we are also able to keep abreast with the latest developments in the industries.

6.2.2 Diversity in our range of products and services

Under our commercial laundry equipment business segment, we distribute a comprehensive range of commercial laundry equipment including washers, dryers, tumble dryers, continuous batch washers, dry cleaning machines, feeders, flatwork ironers and presses, which are marketed under international brands such as Speed Queen, Huebsch and Jensen. In addition, we are able to provide comprehensive commercial laundry equipment solution for our customers from conceptualisation of design, supply and installation of fully-functional laundry facility to after-sales repair and maintenance service. Kindly refer to Section 6.6.1 of this Prospectus for description of our commercial laundry equipment business. Our knowledge and experience in setting up self-service launderettes for customers have received acknowledgment from our customers as well as our international brand manufacturer, Alliance Laundry, subsequently enabling us to set up Speed Queen self-service launderettes. As we are able to provide a complete range of commercial laundry products and services, we

6. BUSINESS OVERVIEW (Cont'd)

serve a diversified customer base from various end-user markets such as the retail sector, healthcare sector and hospitality sector.

Under our medical devices business segment, we offer a comprehensive range of medical imaging equipment as well as disinfection, sterilisation and surgical room products that cater to the demands and stringent requirements of our customers in the healthcare sector. For our medical imaging equipment sub-segment, we carry medical imaging products of various uses, which include X-Rays, MRI system, CT scan, CR system and medical imaging films and printers which are marketed under international brands such as Hitachi, CareStream and Ziehm Imaging. For our disinfection, sterilisation and surgical room equipment sub-segment, we carry a comprehensive range of products including steriliser, washer/disinfector, drying/warming cabinet, consumables for surgical instrument care and sterilising process, operating tables and lightings, which are marketed under well-known international brands such as STERIS, Newmed and Trilux Medical.

As part of our integral services, we provide our customers a comprehensive range of equipment and solutions, including design consultancy, supply and installation of equipment which cater to the complete set-up of medical imaging room or central sterile supply department and after-sales repair and maintenance service. The medical devices that we carry conform to the requirements and regulations set by the MDA Act and MDR Act, which is a mandatory framework for medical devices registration in Malaysia that sets out stringent regulations with regards to the distribution of medical devices.

6.2.3 Focus on efficient and reliable after-sales services

In order to generate good customers' experience, we are committed to providing efficient and reliable after-sales services. We are able to provide repair and maintenance services either on ad-hoc basis or routine preventive maintenance to complement the products distributed by us. When our customer lodges a service request or problem, our Sales Personnel is to attend to the customer within forty eight (48) hours and to take the necessary corrective and preventive actions within fourteen (14) days ("Service Delivery Timeline"). Although the Service Delivery Timeline is not guaranteed and is on a best effort basis, to-date we have not received any written complaints from our customers for the failure of our Sales Personnel to attend to their service request or problem within the timeframe set above. During FYE 2013, FYE 2014 and FYE 2015, our Group has consistently met the Service Delivery Timeline for 99.0% of such cases.

We also practise a systematic service request scheduling method that documents internally-generated customer service requirements (through our preventive maintenance records) as well as external customer service request (through call-ins from our customers) which enable us to efficiently plan for the availability and despatch of our Technical Personnel based on the date, time and location of service appointment.

In order to meet increasing demands for quality standard from our customers, our Group has consistently improved the quality of our services through internationally recognised best practices and international quality accreditation. Our stringent quality control procedures have enabled us to meet customers' expectation in the market in terms of quality and delivery of our service. Our commitment to quality services in distribution of commercial laundry equipment and medical devices has been affirmed with our QMS being in compliance to the ISO 9001:2008 and DIN ISO 13485:2003 (only applies to medical imaging equipment business segment). Our various past awards achieved are further testament to the quality of our products and services. Please refer to Section 6.5.2 of this Prospectus for details of the awards, accreditations and recognitions received by our Group.

6. BUSINESS OVERVIEW (Cont'd)

We believe that customer satisfaction and feedbacks are vital for the continual improvement of our service and central to our continuing business growth. We prioritise effective communication with our customers to ensure that their requirements and satisfaction are continually fulfilled and improved. Our Sales Personnel and Technical Personnel are well-versed with our products design and specifications and are equipped with market and technical knowledge to provide sound advice and recommendation in terms of the types of products required and their suitability at the designated premises.

Our Sales Personnel also assesses our customers' perception on our services and performances through direct communication with them either through telephone conversation or face-to-face meetings. In addition, we conduct yearly customer satisfaction survey and questionnaires as well as after the testing and commissioning stage of our products in order to gather their feedbacks for our continuous improvement.

As a result, we have been able to secure recurring orders from our customers as well as derive sales through referrals from some of our customers. Our emphasis on prompt delivery, and efficient and reliable customer service, has accorded us with our industry reputation as a trusted and reliable distributor of commercial laundry equipment and medical devices.

As at the LPD, our Group has submitted applications to register one hundred and ten (110) medical devices with the MDA comprising medical imaging equipment, sterilisation and disinfection equipment, surgical room equipment as well as its related accessories and consumables, of which fifteen (15) applications for the medical devices have been approved by the MDA.

Upon successfully registering all of our medical device products with the MDA, we expect to target a higher number of customers, making us less dependent on any single product and/or customer. This would also enable our Group to adapt to difficult market conditions and give us flexibility in reacting to changing customer needs and demands.

6.2.4 Established track record

We have been involved in the distribution of commercial laundry equipment business segment for more than fifteen (15) years and in the distribution of medical devices business segment for more than ten (10) years. Throughout the years, we have built an established industry reputation through our management's experience, technical know-how and industry knowledge. We have established ourselves as a reputable and reliable provider of commercial laundry equipment and medical devices in Malaysia. This is achieved through our consistent and timely delivery of quality products and services as well as our extensive technical support and comprehensive training services. Our technical team is also equipped with the necessary qualifications, expertise and experience to provide technical support in the following areas:-

- (a) installation, testing and commissioning of equipment;
- (b) provide support on relevant health and safety inspections for both commercial laundry equipment and medical devices;
- (c) provides training to customers on the various precautionary measures in relation to the handling of equipment including its health and safety features; and
- (d) attending to our customer's call-ins for routine service request for repair and maintenance of equipment.

To date, we have not received any written complaint with regards to the service quality of our technical support.

6. BUSINESS OVERVIEW (Cont'd)

Our ability to provide high quality products, coupled with our consistent level of reliable after-sales services have been instrumental in attracting new and recurring orders from our customers. Our customers have continued to appoint us for their subsequent purchases and upgrading of their commercial laundry equipment and medical devices. For our commercial laundry equipment business segment, we received recurring orders for preventive maintenance services from our customers. As for our medical devices business segment, we received recurring orders for consumables such as printing films, sterile assurance products and instrument cleaning chemistries and disinfectant. Our customers have also referred and recommended us to some of their customers and this has enabled us to widen our customer base. The referrals and recommendations by our customers serve as a testament of our experience, product quality and service assurance in the industry.

We have distributed our products to established medical service providers such as KPJ Healthcare Group and Columbia Asia Group, which are recognised healthcare providers with hospitals and medical centres nationwide. As at the LPD, we have distributed our range of medical devices such as MRI system, CT scanner, digital radiography system, X-Ray system, various types of sterilisers, medical printing system, washers/disinfectors as well as its related spare parts, accessories and consumables to twenty-eight (28) and ten (10) branches of hospitals and medical centres under the KPJ Healthcare Group and Columbia Asia Group, respectively. We have been serving both these customers for over five (5) years. However, Columbia Asia Group has not been regarded as our Group's major customer during the financial years/period under review as it contributed less than 10% of the revenue for the medical imaging equipment and disinfection, sterilisation and surgical room equipment sub-segments, respectively.

Our success in securing and retaining these healthcare groups as our customers is a testament to our product quality, customer service and proven industry track record. The revenue contribution from KPJ Healthcare Group and Columbia Asia Group to our Group for the financial years/period under review are as follows:-

	FYE 2012		FYE 2013		FYE 2014		FYE 2015		FPE 31 March 2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Medical imaging equipment sub-segment										
Columbia Asia Group	1,007	5.3	2,021	5.7	4,335	8.5	2,935	4.6	723	4.9
KPJ Healthcare Group	4,662	24.5	3,832	10.9	4,453	8.8	3,385	5.3	1,144	7.7
Disinfection, sterilisation and surgical room equipment sub-segment										
Columbia Asia Group	276	1.4	273	0.8	1,470	2.9	892	1.4	80	0.5
KPJ Healthcare Group	612	3.2	1,108	3.1	1,445	2.8	1,563	2.4	337	2.3

As a further testament of our track record and performance in the commercial laundry equipment business segment, we have obtained various awards, accreditations and recognition from our international brand manufacturers and relevant authorities. Kindly refer to Section 6.5.2 of this Prospectus for details of these awards, accreditations and recognitions. In addition to the above, we have successfully obtained Establishment Licenses from the MDA for distribution to the healthcare providers in Malaysia.

6.2.5 Experienced key management personnel and skilled employees

Our Group is backed by experienced Executive Directors who have in-depth market and technical knowledge, coupled with strong network of customers and international brand manufacturers.

6. BUSINESS OVERVIEW *(Cont'd)*

In addition, our Group is also supported by a team of skilled employees who possess the necessary qualification and industry specific experience to carry out sales and technical functions which are vital in building good relationships with both our customers and international brand manufacturers.

6.3 FUTURE PLANS

The future plans and prospects of our Group focus on certain key areas with the objective to enhance our revenue growth, optimise margin as well as enhance our business and operational support functions to meet the demands of our future growth. Our aim is to further strengthen our competitive position in the commercial laundry equipment and medical devices industries, increase shareholders' value and increase our market share in the segment that we compete in. We intend to achieve our objectives through the following strategies:-

6.3.1 Setting up of Speed Queen self-service launderette outlets as concept stores

We intend to utilise RM2.60 million or 16.2% of our IPO proceeds to fully finance the establishment of eleven (11) Speed Queen self-service launderette outlets across Malaysia as part of our marketing strategy to showcase and promote the Speed Queen brand of vended commercial laundry equipment. Our marketing strategy is to pursue strong brand awareness of the Speed Queen brand name in Malaysia as well as to position us as the preferred distributor of commercial laundry equipment in Malaysia.

Our chain of Speed Queen self-service launderette outlets shall operate twenty four (24) hours a day, seven (7) days a week, to maximise convenience for our walk-in customers. These outlets shall be designed to feature the Speed Queen brand colours and style, using various branding material and stickers involving Speed Queen 'Q' logo as a branding tool to promote the Speed Queen brand of vended commercial laundry equipment. These outlets shall be operated as a self-service launderette outlet and will service walk-in customers to do their laundries.

By establishing more Speed Queen self-service launderette outlets around Malaysia, we stand to ride on the potential growth in the penetration of the Speed Queen brand of vended commercial laundry equipment in Malaysia, in line with the expected growth in the vended commercial laundry equipment segment in Malaysia. As more Speed Queen self-service launderette outlets are established, we are in a better position to increase our visibility as a distributor of Speed Queen brand of vended commercial laundry equipment, particularly through approaches from prospective investors seeking commercial opportunities in the investments of self-service laundrettes in Malaysia or potential end-users across various industries/sectors.

It also helps that we have ready self-service launderette outlets equipped with Speed Queen commercial laundry equipment for real-time physical viewing and actual product performance assessment by the prospective investors and potential end-users. In addition, we can further entrench our association with the Speed Queen brand given our ability to provide a full range of services from being a distributor of the Speed Queen brand of vended commercial laundry equipment to providing the required consultancy services such as outlet planning up to the after-sales support such as equipment maintenance and repair services.

More importantly, we stand to gain valuable technical experience and understanding from hands-on experience with the brand's commercial laundry equipment at the outlets, which can give us a competitive advantage in terms of providing prompt and reliable services to customers. We also stand to reap economies of scale due to higher volume of commercial laundry equipment involved which can potentially result in cost

6. BUSINESS OVERVIEW (Cont'd)

savings from bulk orders. In addition, the expected growth in the sales of Speed Queen brand of commercial laundry equipment in tandem with the rising number of Speed Queen self-service launderette outlets established by our Group can help to strengthen our bargaining power and relationship with our principal, namely Alliance Laundry. Given the above, we stand to be more competitive as a distributor of commercial laundry equipment in Malaysia, notwithstanding the non-exclusive nature of our distributorship arrangement with Alliance Laundry. Based on the foregoing, we believe that the rollout of this chain of "Speed Queen" self-service launderette outlets would provide us with a strong platform to capture the growth in Malaysia's vended laundry outlet market and enlarge our customer base.

Alliance Laundry has been our supplier since 2001 and has been providing us with the necessary support, resources, information, technical and business knowledge in supporting our marketing and sales efforts to accelerate our growth, meeting sales targets and allowing us to better position our Group as its distributor for the Speed Queen brand of vended commercial laundry equipment in the Malaysian region. We further mitigate the risk of Alliance Laundry appointing another distributor by continuing to drive sales of its products and brands in Malaysia, maintaining good rapport with them through constant engagement and promoting the Speed Queen brand as well as increasing the penetration rate of Speed Queen self-service launderette outlets in Malaysia.

In addition, given that the Speed Queen brand is already internationally recognised (with presence in regions such as North America, Europe and Asia) and an established brand (since 1928), we are entering the market from the position of strength given the strong brand involved as well as the goodwill generated by the brand for vended commercial laundry equipment based on its long standing business history and international presence.

There is also already an established set of industry best practices that we will adopt from Alliance Laundry to help to shorten our learning curve. Alliance Laundry has been providing support and training since the commencement of business relationship with our Group in 2001. Alliance Laundry is also ready to provide the necessary support and training to our technical and sales employees. The sales of Speed Queen vended commercial laundry equipment stand to improve in tandem with the opening of more Speed Queen self-service launderette outlets leading to larger customer base from potential new investors in the self-service launderette business segment.

We also believe that there will continue to be significant opportunities to grow our distribution network, promoting the Speed Queen brand of vended commercial laundry equipment, both within Klang Valley regions as well as the rest of Peninsular Malaysia, which are presently underserved with a low penetration of self-service launderette outlets. Based on the feedback from our customers and our Company's internal data as well as market players in the commercial laundry equipment industry, there is limited presence of self-service laundrettes outside of the Klang Valley region, whereby the concept of self-service laundrettes is considered less traditional and relatively new and less established. This gives us the opportunity to expand our market presence and distribution coverage network by penetrating into prime areas in the Northern, Southern and East Coast regions of Malaysia.

We have been operating our first Speed Queen self-service launderette outlet at a rented shoplot located in Taman United, Kuala Lumpur since September 2015. We intend to establish and setup eleven (11) new outlets by the end of 2018. Our business development team is in the process of identifying suitable locations to open the eleven (11) new Speed Queen self-service launderette outlets in major townships in several states such as the Klang Valley, Johor, Penang, Melaka, Negeri Sembilan, Terengganu

6. BUSINESS OVERVIEW (Cont'd)

and Kelantan. The new outlets shall be established at major townships in each state that stands to have potentially high demand for the self-service laundry services. These major townships refer to urban areas with a population size of at least 5.0% of the total state population.

However, at this point in time, we have not identified any specific locations in these states. Our Group continuously assesses future opportunities as well as identifies and evaluates potential locations for these launderette outlets where opportunities arise. There are numerous factors involved in identifying and securing appropriate sites, including, but not limited to, the identification and availability of suitable locations with the appropriate population demographics, traffic patterns, local retail and business attractions and infrastructure that can drive high levels of customer traffic and store level sales.

We shall be renting shophot units to establish and operate each Speed Queen self-service outlet. We estimate that the set-up of each self-service launderette outlet will take between one (1) to two (2) months to complete, and average cost estimated to be up to RM0.23 million per Speed Queen self-service launderette outlet (excluding the rental cost of each Speed Queen self-service launderette outlet, which shall be funded via the revenue generated from the operations of each outlet), which will be funded from the proceeds of our Public Issue. This includes the following:-

- (i) Purchase and installation of Speed Queen vended commercial laundry equipment which include washers, dryers, accessories, consumables and its related equipment;
- (ii) Installation of basic facilities such as fixtures and fittings and related facilities for use by consumers while waiting for their laundry cleaning process to be completed;
- (iii) Cost of renovation of the launderette premises.

6.3.2 Continuous expansion of our existing portfolio of products and brands

We offer a wide range of commercial laundry equipment, medical devices, spare parts, accessories and consumables, as well as comprehensive after-sales service offerings. As at the LPD, our Group has been appointed as an exclusive distributor in Malaysia for a total of five (5) brands of medical devices, namely STERIS, Albert Browne, Hitachi, Medifa and Ziehm Imaging brands of medical devices. We have also been appointed as the non-exclusive distributor in the Malaysian market for a total of a total of ten (10) brands of commercial laundry equipment namely Speed Queen, Huebsch, Lapauw, Maxi, Forenta, Renzacci, Jensen, Senking, Domus and Sea Lion as well as a total of seven (7) brands of medical devices, namely Trilux Medical, CareStream, Quantum, MinXray, Newmed, General Electric and Elma.

We believe that a key factor to our sustainability and performance is our product and service offerings. Through our expertise and capability to provide comprehensive range of products to the commercial laundry equipment and medical devices industries, we believe that we have a competitive edge to leverage on, for our further expansion into the domestic market. Our Group's existing distribution network and extensive customer base allows our Group to add more suitable new products to our existing portfolio. While our Group does not hold exclusive distributorship for all the brands that our Group represent, we are able to provide comprehensive range of commercial laundry equipment and medical devices, offering wide and flexible choices to our customers in terms of brands, product specifications and prices. We regularly conduct market research to identify new product categories to be launched in response to the latest market trends and our customers' preferences. These include the widening of our range of brands and types of commercial laundry equipment and medical devices.

6. BUSINESS OVERVIEW (Cont'd)

Moving forward, we plan to continuously expand our Group's existing distribution portfolio of products and brands. This can be achieved by obtaining additional product distributorships from existing and new manufacturers, both domestically and internationally. Among the selection criteria that we will consider include the manufacturer's ability to provide niche or unique product offering, compatibility with our existing products, spare parts availability, proven performance and experience (quality references) and ability to meet quality and regulatory specifications and standards.

For our commercial laundry equipment business segment, we plan to expand our product range to include wet cleaning machines (an alternative to traditional dry cleaning processes) and sanitising and hygienising cabinet (an alternative to remove odours and bacteria from garments). For medical devices, we plan to expand our product range through our existing and new distributorships.

We are aware that there exists consumer preference for specific type of product from specific brand. From communication with our customers, we have received specific requests for certain brands that have the features and capabilities that cater to their requirements. Thus, we intend to secure the distributorship rights for these products to capture more sales from our customers. We will also continue to conduct market research to identify new product categories to be launched in response to the latest market trends and our customers' preferences. These will further widen of our range of brands and types of commercial laundry equipment and medical devices.

We also intend to ride on the growing demand for self-service laundrettes. We strive to offer a broader range of commercial laundry equipment that can meet the demand from existing or new self-service laundrettes. It is our strategy to continue to enhance, diversify and improve our range of products and services offered in order to meet customer needs and market demands.

6.3.3 Expansion of sales and marketing activities as well as market expansion

As part of our growth strategy, we plan to utilise a total of RM1.71 million or 10.7% from our IPO proceeds for our brand building activities which are scheduled to be implemented within twelve (12) months from our Listing. This is to strengthen our market position by undertaking aggressive promotional, advertising and marketing activities of our range of products and services. This includes campaigns, promotions, online advertisements, billboards and other target based marketing activities. We believe our efforts in expanding our existing sales and marketing network would increase brand awareness of our range of products and services in Malaysia.

In view of the above strategy, we intend to use various advertising media including print and broadcast media, and out-of-home media to increase our brand awareness among consumers.

To broaden our customer base, we also aim to strengthen and widen our distribution network locally and abroad. In addition to our efforts to expand further in the domestic market, we also aim to broaden our customer base by gradually expanding into the South East Asian region, mainly Indonesia and IndoChina. Our overseas expansion will be driven by forming strategic alliances with local entities in target countries. We shall also participate in trade exhibitions, seminars and marketing events in these countries to showcase our products and meet potential local partners and customers. By doing so, we can tap into the knowledge and goodwill of local partners and customers in understanding the local markets as well as securing good locations for the further expansion of our business.

6. BUSINESS OVERVIEW (Cont'd)

We also intend to focus our marketing effort in these new markets with the aim to increase our revenue generated from the expansion of distributorship of commercial laundry equipment and medical devices in these countries. We will utilise indirect distribution strategies through our intermediaries, such as trading houses, suppliers and importers of commercial laundry equipment and medical devices located overseas. This strategy will enable us to utilise the existing network of the intermediaries to expand our market coverage without incurring high capital investment in developing and maintaining retail infrastructure.

In those countries that our brand manufacturers have already appointed distributors to distribute their products such as Vietnam, Thailand and Indonesia (for Speed Queen brand of vended commercial laundry equipment), we will work closely with our brand manufacturers to ensure that we will be able to expand in these countries within the terms of the existing distributorship arrangement with the distributors in these countries. For example, we may seek the permission of our brand manufacturers to distribute to those geographical market segments which are currently being under-served by the existing distributor.

In cases where we lack local market knowledge, we may form strategic alliances with local entities that have such knowledge (either through a joint venture arrangement or unincorporated business collaboration). Our contribution to such strategic alliances will be in the form of providing our technical expertise. As disclosed in Section 6.2.4 of this Prospectus, our technical team is equipped with the necessary qualifications, expertise and experience to provide technical support in the following areas:-

- (i) installation, testing and commissioning of equipment;
- (ii) provide support on relevant health and safety inspections for both commercial laundry equipment and medical devices;
- (iii) provides training to customers on various precautionary measures in relation to the handling of equipment including its health and safety features; and
- (iv) attending to our customer's call-ins for routine service request for repair and maintenance of equipment

We plan to commence our expansion plans into the South East Asian region within twenty four (24) months from the date of our Listing.

6.4 PROSPECTS OF OUR GROUP

According to the IMR report, both the commercial laundry equipment and medical devices industries have positive outlook moving forward.

6.4.1 Commercial laundry equipment business segment

The size (revenue) of the commercial laundry equipment industry in Malaysia stood at RM201.1 million in 2015 and is expected to reach RM271.3 million in 2020. The forecast CAGR for this industry from 2016 to 2020 is 4.3%. The positive outlook on the demand for commercial laundry equipment in Malaysia is mainly attributed to the fundamental societal changes that drive demand for commercial laundry services. The commercial appeal of self-service laundrettes also drives investment in vended commercial laundry equipment. In addition, the increasing demand from the hospitality industry and healthcare sector also contributes to the growth of this industry. Besides that, the steady population growth, automation innovation and replacement of aging commercial laundry equipment are also expected to drive the future growth of the commercial laundry equipment industry. On the supply side, the push for greener commercial laundry equipment is also expected to have a positive impact on the

6. BUSINESS OVERVIEW (Cont'd)

commercial laundry equipment industry as it will appeal to modern consumers who are more inclined to adopt environmentally friendly practices, while also patronising businesses that boast eco-friendly products and services.

6.4.2 Medical devices business segment

The medical devices industry in Malaysia was valued at RM10.24 billion in 2015 and is expected to reach RM17.41 billion in 2020. The forecast CAGR for this industry from 2016 to 2020 is 11.2%. The positive outlook on the demand for medical devices in Malaysia stems mainly from Malaysia's growing and ageing population, the growing prevalence of chronic lifestyle diseases and increasing healthcare expenditure on healthcare services, leading to greater demand for use of medical devices, the increasing number of healthcare providers and a growing healthcare travel industry. On the supply side, the industry is expected to be boosted by strong government support and presence of established supporting industries. The availability of more medical devices in the market is expected to further support the growth of distribution segment as authorised representatives and distributor remained vital in their role as an integral link between the manufacturers and end-users.

Further details on industry prospects and outlook are set out in Section 7 of this Prospectus.

Our Directors believe that the prospects of our Group are favourable given the competitive strengths of our Group as outlined in Section 6.2 of this Prospectus. With the implementation of our proposed future plans outlined in Section 6.3 above, we believe that we can further grow our business in both the key industries that we are participating.

6.5 KEY ACHIEVEMENTS, AWARDS AND RECOGNITION

6.5.1 Key achievements

The table below sets out our Group's key development and achievements/milestones over the years:-

Year	Milestones
2000	<ul style="list-style-type: none"> Successfully penetrated into the hospitality sector by distributing commercial laundry equipment, its related spare parts as well as providing maintenance services to Regent Hotel Kuala Lumpur and Micasa Hotel Kuala Lumpur.
2001	<ul style="list-style-type: none"> Obtained distributorship from Alliance Laundry and commenced distribution of Huebsch brand of commercial laundry equipment and its related spare parts accessories and consumables.
2002	<ul style="list-style-type: none"> Obtained distributorship from Jensen Asia Pte Ltd and commenced distribution of Jensen and Senking brands of commercial laundry equipment and its related parts.
2003	<ul style="list-style-type: none"> Entered into the non-formalised business collaboration with Amirdic to jointly supply commercial laundry equipment and provide after-sales maintenance services to UMMC as Amirdic's sub-contractor.

6. BUSINESS OVERVIEW (Cont'd)

Year	Milestones
2004	<ul style="list-style-type: none"> • Best Contact underwent a business rationalisation to change its business focus into the distribution of medical devices and the restructuring of its shareholdings structure. • Obtained distribution rights to distribute Hitachi brand of medical imaging equipment and its related accessories and consumables.
2006	<ul style="list-style-type: none"> • Incorporated Maymedic to venture into the distribution of disinfection and sterilisation equipment as well as surgical room equipment. • Obtained distribution rights to distribute STERIS brand of disinfection and sterilisation as well as surgical room equipment and its related accessories and consumables.
2007	<ul style="list-style-type: none"> • Obtained distribution rights to distribute CareStream brand of medical imaging equipment and its related accessories and consumables.
2010	<ul style="list-style-type: none"> • Distributed vended commercial laundry equipment to multi-housing complexes, hotels and hostels, such as Hampshire Park Condominium in Jalan Ampang, Sri Hijauan Condominium in Shah Alam, Pullman Kuala Lumpur City Centre Hotel and Residences (previously known as Prince Hotel Kuala Lumpur) and Lagenda College in Mantin, Negeri Sembilan. • Obtained distribution rights to distribute Ziehm Imaging brand of medical imaging equipment as well as its related accessories and consumables.
2011	<ul style="list-style-type: none"> • Obtained distribution rights to distribute Newmed brand of disinfection and sterilisation equipment and its related accessories and consumables.
2012	<ul style="list-style-type: none"> • Obtained non-exclusive authorised distributorship from Dilssa Laundry S.A. (now known as Onnera Laundry Barcelona) to distribute Domus brand of commercial laundry equipment. • Obtained non-exclusive rights as an agent of Jiangsu Sea-Lion Machinery Group to distribute Sea-Lion brand of commercial laundry equipment.
2013	<ul style="list-style-type: none"> • Obtained non-exclusive authorised distributorship from Alliance Laundry to distribute Speed Queen brand of commercial laundry equipment.
2014	<ul style="list-style-type: none"> • Obtained distribution rights to distribute Quantum brand of medical imaging equipment and its related accessories and consumables from Quantum Medical Imaging LLC. • Obtained exclusive authorised distributorship from Medifa-Hesse GmbH & Co. KG for Medifa brand of surgical room equipment and its related accessories and consumables. • Obtained non-exclusive authorised distribution rights to distribute Trilux Medical brand of surgical room equipment and its related accessories and consumables. • Obtained non-exclusive authorised distributorship rights to distribute MinXRay brand of medical imaging equipment and its related accessories and consumables.
2015	<ul style="list-style-type: none"> • Best Contact and Maymedic are licensed as authorised representative, importer and distributor of medical devices by the MDA⁽¹⁾. • CS Laundry is authorised by Alliance Laundry to use Speed Queen brand for setting up Speed Queen self-service launderette⁽²⁾.
2016	<ul style="list-style-type: none"> • Obtained distribution rights from Elma Schmidbauer GmbH of Germany to distribute Elma brand of ultrasonic and steam jet technology cleaners and its related accessories. • Successfully registered fifteen (15) medical devices with the MDA⁽³⁾

6. BUSINESS OVERVIEW (Cont'd)**Notes:-**

- (1) Best Contact and Maymedic first obtained the Establishment Licenses to act as authorised representative, importer and distributor of medical devices on 16 February 2015 and 12 August 2015, respectively. Although MDA Act came into force on 30 June 2013, a saving provision therein allows a grace period of up to 30 June 2015 for any person to submit an application for an Establishment License. Best Contact and Maymedic had complied with the aforesaid submission deadline on 30 June 2015.
- (2) Apart from the distribution agreement already entered into between Alliance Laundry and CS Laundry, there are no other specific agreement which was signed by the parties in respect of the use of Speed Queen brand in setting up self-service launderettes. However, Alliance Laundry has given its express authorisation to CS Laundry vide a letter dated 4 August 2015 to use the Speed Queen brand for the setting up of Speed Queen self-service launderettes, subject to CS Laundry conforming to the guidelines applicable to Speed Queen self-service launderettes.
- (3) As at the LPD, we have received ten (10) certificates of registration for ten (10) medical devices from the MDA and we are currently awaiting the issuance of certificates of registration for the remaining five (5) approved applications for five (5) medical devices.

6.5.2 Awards, accreditations and recognitions

Over the years, we have been awarded with the following awards, accreditations and recognitions, details of which are as follows:-

Company	Awards/Accreditations/Recognitions	Awarding Body	Year
CS Laundry	Outstanding Sales Award, 2001	IPSO-LSG N.V. ⁽¹⁾	2001
CS Laundry	Outstanding Sales Award, 2002	IPSO-LSG N.V. ⁽¹⁾	2002
CS Laundry	Excellent Sales Award, 2002	Alliance Laundry	2002
CS Laundry	Outstanding Sales Award, 2003	IPSO-LSG N.V. ⁽¹⁾	2003
CS Laundry	Excellent Sales Award, 2003	Alliance Laundry	2003
CS Laundry	Excellent Sales Award, 2004	Alliance Laundry	2004
CS Laundry	Excellent Sales Award, 2005	Alliance Laundry	2005
CS Laundry	Excellent Sales Award, 2006	Alliance Laundry	2006
CS Laundry	Excellent Sales Award, 2007	Alliance Laundry	2007
Maymedic	Best Performance New Dealer Award, 2007	STERIS Corporation	2007
CS Laundry	Excellent Sales Award, 2008	Alliance Laundry	2008
Maymedic	Strategic Award, 2009	STERIS Corporation	2009
Best Contact	ISO 9001:2008	DQS GmbH ⁽²⁾	2009
Best Contact	DIN ISO 13485:2003	DQS Medizinprodukte GmbH ⁽³⁾	2009
CS Laundry	Excellent Sales Award, 2010	Alliance Laundry	2010
Maymedic	ISO 9001:2008	DQS GmbH ⁽²⁾	2011
Maymedic	Top Services Performance Award, 2011	STERIS Corporation	2011
Best Contact	ASEAN Business Achievement Award, 2011	Carestream Health Inc.	2011
CS Laundry	ISO 9001:2008	DQS GmbH ⁽²⁾	2012
CS Laundry	Excellent Sales Award, 2013	Alliance Laundry	2013
CS Laundry	Excellent Sales Award, 2014	Alliance Laundry	2014

Notes:-

- (1) Alliance Laundry Systems (ALS) had acquired IPSO-LSG N.V. in 2006 and subsequently changed its name to Alliance Laundry.

6. BUSINESS OVERVIEW (Cont'd)

- (2) DQS GmbH is the largest subsidiary of DQS Holding GmbH, Germany's leading certification body for management systems. The group provides assessments and certifications of management systems and processes of any type.

The ISO 9001:2008 accreditation awarded by DQS GmbH (a subsidiary of DQS Holding GmbH) is awarded based on our Group's compliance with the standard imposed by DQS GmbH which specifies the requirements for QMS where an organisation:-

- (a) needs to demonstrate its ability to consistently provide products that meet customer and applicable regulatory requirements; and
 - (b) aims to enhance customer satisfaction through effective application of its QMS.
- (3) DQS Medizinprodukte GmbH, headquartered in Frankfurt, is a subsidiary of DQS Holding GmbH and a certifier on the assessment and certification of management systems in enterprises and organisations. The DIN ISO 13485:2003 accreditation has been awarded to Best Contact by DQS Medizinprodukte GmbH for its achievement in complying with the standard for demonstrating its ability to provide medical devices and related services that consistently meet customer requirements and regulatory requirements applicable to medical devices and related services.

The above sales awards awarded to our Group by Alliance Laundry, STERIS Corporation and Carestream Health Inc. in recognition of the performance of our Group, are based on internal criteria set by the aforesaid parties. Our Group understands from our manufacturers that these awards were awarded to our Group for our contribution to the regional sales volume achieved for the Malaysian market.

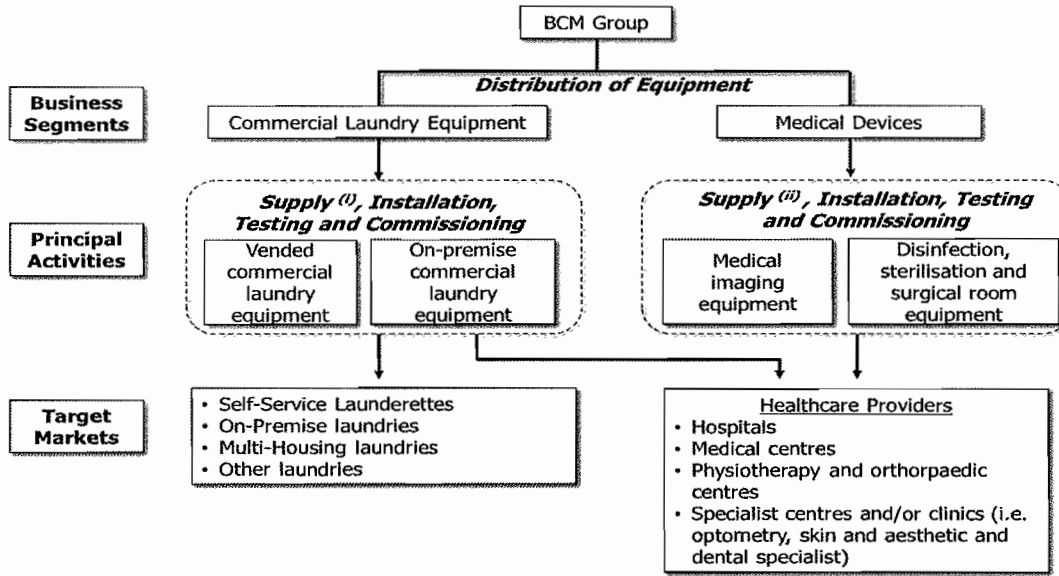
6.6 PRINCIPAL ACTIVITIES AND PRODUCTS

We are principally involved in the distribution of equipment specialising in the commercial laundry equipment and medical devices industries in Malaysia. The scope of our distribution business activities are as follows:-

- (a) Supply, installation, testing and commissioning of the following commercial laundry equipment:-
 - (i) vended commercial laundry equipment; and
 - (ii) on-premise commercial laundry equipment.
- (b) Supply, installation, testing and commissioning of the following medical devices:-
 - (i) medical imaging equipment; and
 - (ii) disinfection, sterilisation and surgical room equipment.

6. BUSINESS OVERVIEW (Cont'd)

Our business activities are depicted as follows:-



Notes:-

- (i) Our distribution activities include value-added services ranging from designing and planning layout for self-service laundrettes and on-premise laundries, recommending the appropriate type of commercial laundry equipment, to after-sales services such as training as well as repair and maintenance works; and
- (ii) Our distribution activities include value-added services ranging from product recommendations, operation workflow design, obtaining relevant approvals from authorities for use of medical devices, to after-sales services such as training, repair and maintenance works.

For our commercial laundry equipment business segment, our Group's target markets include self-service laundrettes, on-premise laundries such as hotels, hospitals and nursing homes, multi-housing laundries such as apartments and condominiums as well as other laundries such as traditional non self-service laundry shop.

For our medical devices business segment, we target healthcare providers such as hospitals and medical centres, physiotherapy and orthopaedic centres as well as specialist centres and/or clinics such as optometry, skin and aesthetic and dental specialist.

6.6.1 Commercial laundry equipment business segment

The commercial laundry equipment business segment is spearheaded by Lim Jit Wei, our Executive Director, who has been instrumental in our foray into the commercial laundry equipment industry in Malaysia. Commercial laundry equipment is used for large volume washing and heavy-duty usage in businesses and institutions that provide commercial laundry services. Such businesses focus less on the equipment's appearances, but emphasises on the construction of the equipment, their durability for long term and more frequent usage.

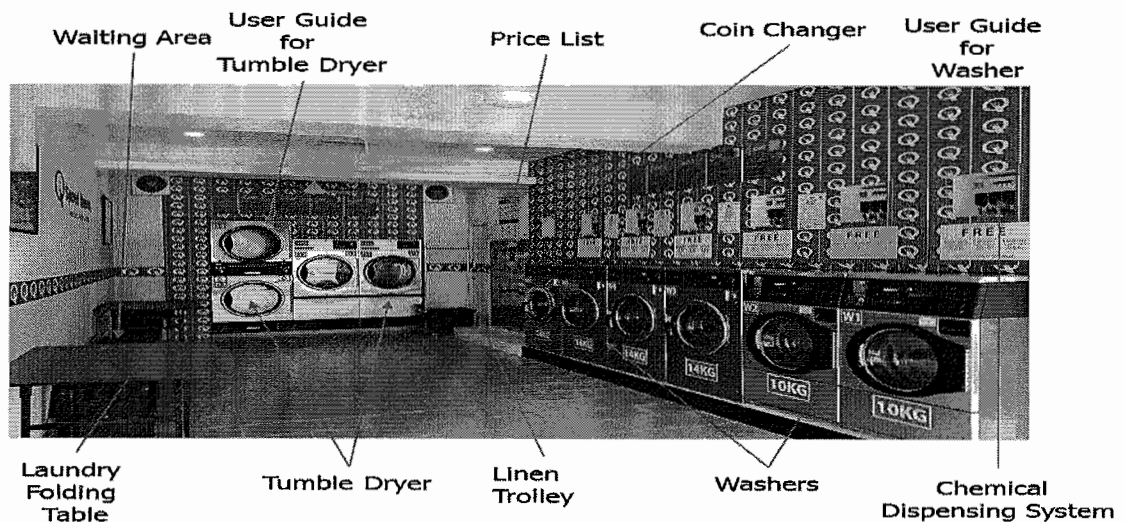
Our products under the commercial laundry equipment business segment can be categorised under two (2) main product categories, namely vended commercial laundry equipment and on-premise commercial laundry equipment. Our distribution activities for commercial laundry equipment include the supply, installation, testing and commissioning of these equipment. We also distribute the related spare parts, accessories and consumables of commercial laundry

6. BUSINESS OVERVIEW (Cont'd)

equipment. The commercial laundry equipment that we distribute has an estimated product lifespan of up to twelve (12) years with regular interval maintenance.

In addition, as part of our distribution package offerings, we also provide consultancy services such as designing and planning of our customer's self-service launderette layout, presentation and other related services in setting up self-service launderette 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 fit-outs to be installed. We maintain several self-service launderette layout templates to suit our customer's preferences which have been designed to attract end users to our customer's self-service launderette and maximise its full potential. Once renovation of the launderette outlet is completed, we assist our customers to outfit their new launderette outlet, including the installation of commercial laundry equipment (washer, dryer, etc), furniture and fittings, and others.

In August 2015, we have been authorised by Alliance Laundry to use the Speed Queen brand for self-service launderette based on Speed Queen's store design, floor plan and layout, as outlined in Speed Queen's laundromats guidelines and manuals. Pursuant thereto, we have expanded our self-service launderette store layout design and presentation to include the option of offering the floor plan and layout design featuring the Speed Queen brand colours and style, using various branding material and stickers incorporating Speed Queen 'Q' logo as a branding tool to promote the Speed Queen brand. This involves reinforcing the Speed Queen brand name at its storefront window applique to repeat the 'Q' wallcovering motif. The following illustrates the store design, floor plan and layout featuring the Speed Queen brand colours and style:-



We also established our first Speed Queen self-service launderette in Taman United, Kuala Lumpur which has been operating since September 2015. In addition, five (5) of our customer's self-service launderette outlets located in Kota Bahru, Kelantan, Pontian and Johor Bahru, Johor have also been designed and set up with the Speed Queen store design, floor plan and layout as well as being fully equipped with Speed Queen's range of washers and tumble dryers. These outlets have been operating since 2015. The details are as follows:-

6. BUSINESS OVERVIEW (Cont'd)

No.	Name of self-service launderette outlets/Nature of operations	Location	Number of Speed Queen vended commercial laundry equipment	⁽¹⁾Sales by our Group RM'000
(1)	KB Laundry/Sole proprietorship	PT820, Tingkat Bawah Padang Garong, Jalan Wakaf Mek Zainab TG Chat, 15350 Kota Bahru, Kelantan	10	218
(2)	Laundry Terminal Enterprise/Sole proprietorship	15, Jalan Cengkerik 5 (Ground Floor), Pusat Perdagangan Kempas, 81200 Johor Bahru, Johor	8	169
(3)	Dobi Pelangi/Sole proprietorship	PT274, Seksyen 24, Jalan Sultan Yahya Petra Lundang, 15150 Kota Bharu, Kelantan	7	157
(4)	Dobi Amirah Sdn Bhd/Private limited company	PT 2226 Jalan Long Yunus, 15200 Kota Bharu, Kelantan	7	157
(5)	Eco Speed Laundry/Sole proprietorship	SH54, Jalan Pasar Lama, Pekan Nanas 82000 Pontian, Johor	8	164
Total			40	865

Note:-

- (1) The sales of Speed Queen vended commercial laundry equipment to these self-service launderette outlets are one-off sales which have been recognised as revenue in our Group's financial statements for FYE 2015.

These self-service launderette outlets are owned by our customers and operated as self-service launderette outlets to service walk-in customers to do their laundries. We have informed Alliance Laundry of the display at our customer's self-service launderette outlets of various branding material and stickers incorporating Speed Queen 'Q' logo and the Speed Queen store design as a branding tool to promote the Speed Queen brand at these self-service launderette outlets. However, there is no express requirement for CS Laundry to inform/notify/confirm to Alliance Laundry of the display of the branding used and the Speed Queen store design based on the authorisation letter issued by Alliance Laundry dated 4 August 2015.

The operational and financial benefits of the Speed Queen stores design, layout and floor plan are as follows:-

- (a) Allowing our Group to provide value added services to our customers, in terms of store design of an internationally recognised brand which in turn is expected to increase sales of Speed Queen brand of vended commercial laundry equipment;
- (b) Provides our customers with a comprehensive solution in store design and layout as well as enhancing the image of their outlets (by utilising an international brand image) to attract users of the self-service laundry services; and
- (c) Promotes the Speed Queen brand awareness amongst the public and potential customers, which is expected to eventually translate into higher sales and market share.

6. BUSINESS OVERVIEW (Cont'd)

We also provide support to our customers in terms of training, after-sales services and other services. In addition, we also provide repair and maintenance services for our range of commercial laundry equipment.

We source our commercial laundry equipment as well as its related spare parts, accessories and consumables from reputable international brand manufacturers with proven operating track record as well as portfolio of quality products. As at the LPD, our Group is the distributor of the following brands of commercial laundry equipment in Malaysia (on a non-exclusive basis):-

No.	Name of manufacturer/ Country of origin	Type of equipment	Brands
(a)	Alliance Laundry/USA	Washer, dryer, washer extractor, tumble dryer, flatwork ironer	<ul style="list-style-type: none"> • Speed Queen (Vended commercial laundry equipment) • Huebsch (On-premise commercial laundry equipment)⁽¹⁾
(b)	Lapauw International/ Belgium	Flatwork ironer, folder	<ul style="list-style-type: none"> • Lapauw
(c)	Maxi Companies/USA	Washer, dryer, washer extractor, tumbler dryer, flatwork ironer	<ul style="list-style-type: none"> • Maxi • Forenta
(d)	Renzacci S.p.A – Industria Lavatrici/Italy	Dry cleaning machine	<ul style="list-style-type: none"> • Renzacci
(e)	Jensen Asia Pte Ltd/ Belgium	Continuous batch washer, batch dryer, feeder, flatwork ironer, folder, presses	<ul style="list-style-type: none"> • Jensen • Senking
(f)	Onerra Laundry Barcelona S.A (Domus)/Spain	Washer, tumble dryer	<ul style="list-style-type: none"> • Domus
(g)	Jiangsu Sea-Lion Machinery Group (Corp)/ China	Washer extractor, tumble dryer	<ul style="list-style-type: none"> • Sea Lion
(h)	Pony S.P.A./Italy	Industrial presses machine and ironing table	<ul style="list-style-type: none"> • Pony⁽²⁾
(i)	Chempro Technology (M) Sdn Bhd/Malaysia	Chemical dispensing system	<ul style="list-style-type: none"> • Nova⁽²⁾

Notes:-

- (1) We have ceased accepting new orders for the distribution of Huebsch brand of vended commercial laundry equipment since the second (2nd) half of FYE 2015 as we are focusing on our marketing efforts to promote the Speed Queen brand of vended commercial laundry equipment, which is gaining popularity and market acceptance in the vended commercial laundry equipment industry in Malaysia. However, we are still

6. BUSINESS OVERVIEW (Cont'd)

distributing Huebsch brand of vended commercial laundry as at the LPD for purchase orders received during the second (2nd) half of 2015.

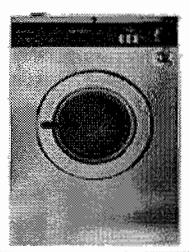
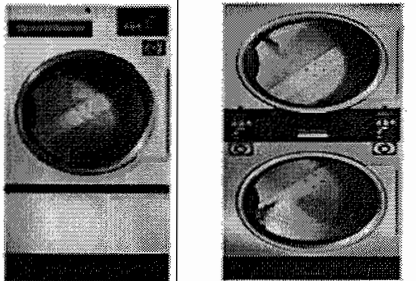
- (2) We currently source these range of on-premise commercial laundry equipment through Pony S.P.A. (manufacturer of Pony brand) and Chempro Technology (M) Sdn Bhd (distributor for Nova brand of chemical dispensing system in Malaysia). Both Pony S.P.A. and Chempro Technology (M) Sdn Bhd have not imposed any distributorship terms on us nor given us any letters of distributorship. Products purchased under these brands are made based on ad hoc basis, as and when we receive orders for these brands by our customers. In addition, the total purchases and total revenue for both brands represent less than 1.0% of our Group's total purchases and total revenue for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016.

The following describes the types of products that we distribute under each product category.


(a) Vended commercial laundry equipment

Vended commercial laundry equipment refers to commercial laundry equipment designed with payment system, for users to insert coins to initiate the washing/drying sequence of the equipment.

Vended commercial laundry equipment is generally associated with self-service laundry where users are able to run the washer or dryer with minimal guidance. They are supplied to our customers operating self-service laundrettes, multi-family complexes and/or hotels and resorts. The range of vended commercial laundry products that we distribute are as follows:-

Equipment / Accessories	Description	Brands
<p>Washers</p> 	Washers are used for washing laundry and are available in top/front load.	<ul style="list-style-type: none"> • Speed Queen • Domus
<p>Tumble dryers</p> 	Tumble dryers are used to remove moisture from laundry after they are washed in a washer. They can be equipped with gas heating or electric heating for its drying function and are fitted with cylinder rotation to eliminate wrinkling by rotating/tumbling. They are available in stacked types to minimise floor space.	<ul style="list-style-type: none"> • Speed Queen • Domus • Maxi • Forenta

6. BUSINESS OVERVIEW (Cont'd)

Equipment / Accessories	Description	Brands
<p>Coin changer</p> 	<p>Coin changers are used to exchange money notes for coins.</p>	<ul style="list-style-type: none"> • OEM⁽¹⁾

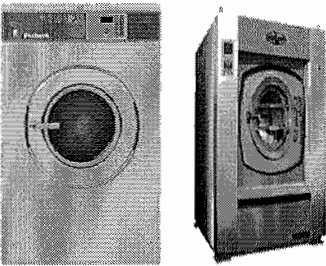
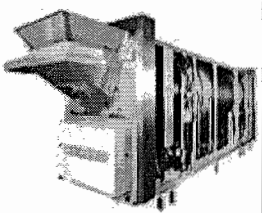
Note:-

(1) We source these range of coin changer by various OEM brands (which are generic coin changer that does not carry any brand name) through other distributors and wholesalers. We are also not the appointed distributor by any specific OEM manufacturer of coin changer.

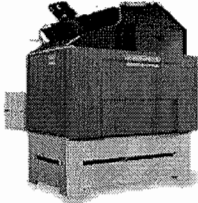


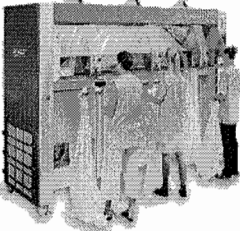
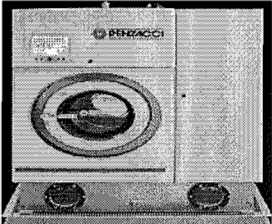
(b) On-premise commercial laundry equipment

On-premise commercial laundry equipment refers to commercial laundry equipment designed without payment system. They are generally used for laundry purpose in business premises and not for self-service usage by end-users.

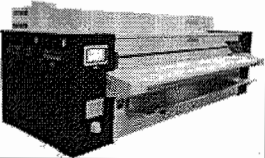
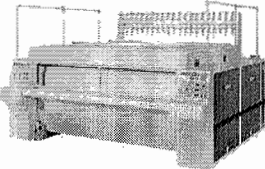
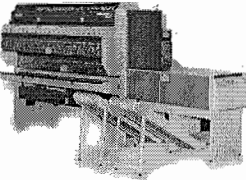
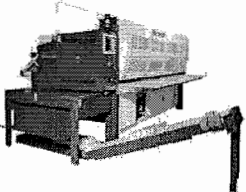
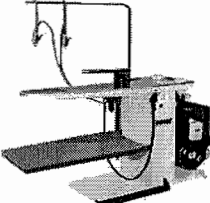
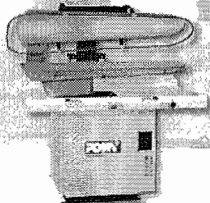
On-premise commercial laundry equipment are supplied to our customers in hospitality and healthcare sectors such as hotels and resorts, hospitals and clinics and nursing homes. These customers operate their own laundries within their business premises. The range of on-premise commercial laundry products that we distribute are as follows:-

Products	Description	Brands
<p>Washer extractor</p> 	<p>Washers are used for washing laundry and are available in top/front load. They are mainly used to wash laundry and spin them dry. They are suitable for laundries that conduct large amounts of washing.</p>	<ul style="list-style-type: none"> • Huebsch • Domus • Sea Lion
<p>Continuous batch washer</p> 	<p>Continuous batch washers are mainly used for washing large amounts of laundry. They are equipped with multiple sectors, zones, stages or modules comprising pre-wash, wash, rinse and finishing zones.</p>	<ul style="list-style-type: none"> • Senking

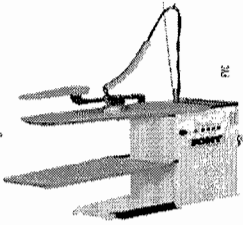
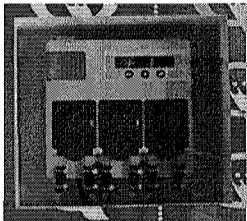
6. BUSINESS OVERVIEW (Cont'd)

Products	Description	Brands
<p>Batch dryer</p> 	<p>Batch dryers are for shaking, conditioning or full drying of water extracted linen. They work in conjunction with water extraction presses or centrifugal extractors and a continuous batch washer or washer extractors.</p>	<ul style="list-style-type: none"> • Senking
<p>Tumble dryer</p>  	<p>Tumble dryers are used for drying laundry. They are usually equipped with larger capacity than normal dryers and available in stacked types to minimise floor space.</p>	<ul style="list-style-type: none"> • Huebsch • Sea Lion
<p>Feeder</p> 	<p>Feeders are used to feed the large-sized wet laundry to flatwork finisher or ironers.</p>	<ul style="list-style-type: none"> • Jensen
<p>Dry cleaning machine</p> 	<p>Dry cleaning machine are used for dry cleaning of laundry items.</p>	<ul style="list-style-type: none"> • Renzacci

6. BUSINESS OVERVIEW (Cont'd)

Products	Description	Brands
<p>Flatwork ironer</p>  	<p>Flatwork ironers are used to iron large linens and garments. They are used to remove wrinkles and dry large items like textiles and linens. Ironers are either steam-heated or gas-heated.</p>	<ul style="list-style-type: none"> • Jensen • Lapauw • Huebsch • Maxi • Forenta
<p>Folder</p>  	<p>Folders are used to fold large laundry items into a pre-determined size.</p>	<ul style="list-style-type: none"> • Jensen • Lapauw
<p>Spotting Table</p> 	<p>Spotting tables are used to remove any kind of staining in both the dry cleaning and garment industries.</p>	<ul style="list-style-type: none"> • Pony
<p>Industrial presses machine</p> 	<p>Presses are used in the finishing process. They are suitable for garments such as shirts, trousers and specific garment parts like collars and cuffs.</p>	<ul style="list-style-type: none"> • Pony

6. BUSINESS OVERVIEW (Cont'd)

Products	Description	Brands
Ironing table 	Ironing tables are complements of the ironing process.	<ul style="list-style-type: none"> • Pony
Chemical dispensing system 	Chemical dispensing system is used to dispense chemicals such as washing detergent, softener and sterilising agent into the commercial laundry equipment.	<ul style="list-style-type: none"> • Nova

6.6.2 Medical devices business segment

The medical devices business segment involves the distribution of two (2) product categories, namely medical imaging equipment as well as disinfection, sterilisation and surgical room equipment. The medical imaging business segment is headed by our Managing Director, Liaw Chong Lin and its business is carried out by Best Contact. The disinfection, sterilisation and surgical equipment business segment is headed by our Executive Director, Chung Eng Lam and its 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 system and washers/disinfectors.

We mainly distribute our range of medical devices such as MRI system, CT scanner, digital radiography system, X-Ray system, various types of sterilisers, medical printing system and washers/disinfectors to the 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 medical devices business segment includes the supply, equipping, installation, development, testing and commissioning of various medical devices at the medical imaging departments, operating theatres and central sterile supply departments of medical institutions. The medical devices that we distribute have an estimated product lifespan of between five (5) years to ten (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 the relevant approvals from authorities for 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.

6. BUSINESS OVERVIEW (Cont'd)

We have submitted applications for the registration of our range of medical devices with the MDA and pending determination of our applications, we are permitted under the MDA Act to continue distributing our medical devices in the market. However, there are no conditions/requirements imposed by the MDA for the continuous distribution of the medical devices prior to approval from the MDA.

Our Group has been appointed as the exclusive distributor of the following brands of medical imaging equipment, disinfection, sterilisation and surgical room equipment in Malaysia:-

No.	Name of manufacturer/ Country of origin	Type of Equipment/ Accessories/Consumables	Brands
(a)	STERIS Corporation/USA	Steam steriliser, electric steam generators, liquid chemical sterilant processing system, low temperature sterilisation system, washer/disinfector, sonic energy equipment, consumables for sterile assurance products, instrument cleaning chemistries and disinfectants	<ul style="list-style-type: none"> • STERIS • Albert Browne
(b)	Hitachi Medical Systems (S) Pte Ltd/Japan	Digital radiographic system, mobile X-Ray system, digital radiography/fluoroscopy system, MRI system and CT scanner system	<ul style="list-style-type: none"> • Hitachi
(c)	Medifa-Hesse GmbH & Co. KG/Germany	Surgical table	<ul style="list-style-type: none"> • Medifa
(d)	Ziehm Imaging GmbH/Germany	Mobile C-Arm system	<ul style="list-style-type: none"> • Ziehm Imaging

We have also been appointed as the non-exclusive distributor to serve the Malaysian market for the following brands of medical devices:-

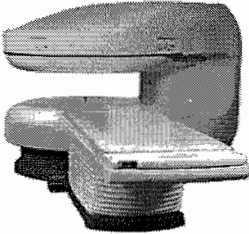
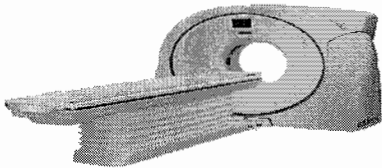
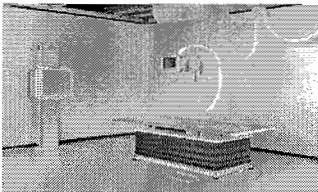
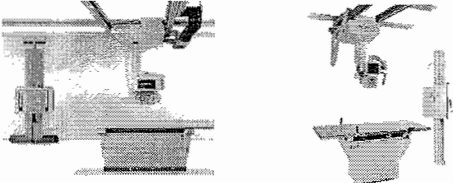
No.	Name of manufacturer/ Country of origin	Type of Equipment/ Accessories/Consumables	Brands
(a)	Trilux Medical GmbH & Co. KG/Germany	Surgical lighting and pendant system	<ul style="list-style-type: none"> • Trilux Medical
(b)	Carestream Health Malaysia Sdn Bhd/ USA	Digital radiographic system, mobile X-Ray system, CR system, medical printing system and imaging films	<ul style="list-style-type: none"> • CareStream
(c)	Quantum Medical Imaging LLC/USA	Digital radiographic system	<ul style="list-style-type: none"> • Quantum
(d)	MinXray Inc./USA	Portable X-Ray system	<ul style="list-style-type: none"> • MinXray
(e)	Newmed S.r.L/Italy	Table top steam steriliser	<ul style="list-style-type: none"> • Newmed
(f)	GE Healthcare Pte Ltd/ Germany	Bone densitometer	<ul style="list-style-type: none"> • General Electric
(g)	Elma Schmidbauer GmbH/Germany	Ultra-sonic cleaners, steam cleaner, related accessories and consumables	<ul style="list-style-type: none"> • Elma

6. BUSINESS OVERVIEW (Cont'd)

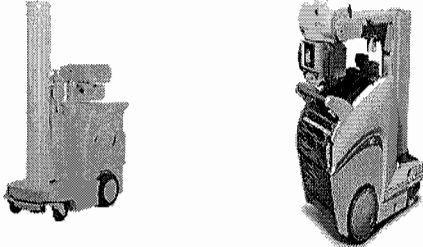
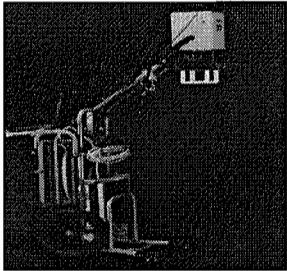
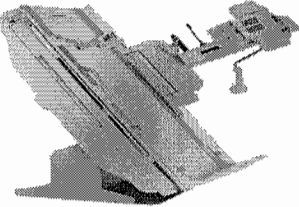
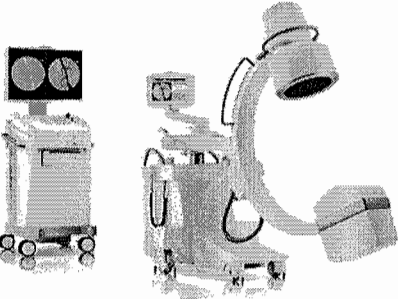
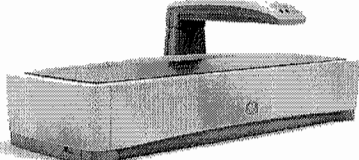
(a) Medical imaging equipment

Medical imaging equipment refers to equipment used for the production of visual presentations of body parts, tissues or organs for use in clinical diagnosis. Medical imaging equipment is used in the course of confirming, correctly assessing and documenting the course of the disease/ illness, as well as in accessing the response to treatment.

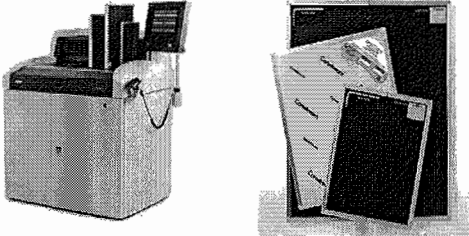
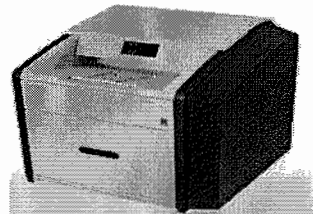
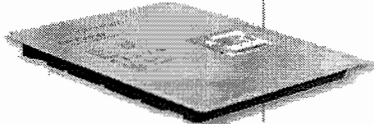
The range of medical imaging equipment that we distribute is as follows:-

Equipment/Accessories/Consumables	Description	Brands
<p>MRI system</p> 	<p>The MRI system uses magnetic field and pulses of radio wave energy to create clinical images of part of the body including the brain, spinal cord, bones and joints, soft tissue, internal organs, breast, heart and blood vessels.</p>	<ul style="list-style-type: none"> • Hitachi
<p>CT scanner</p> 	<p>The CT scanner uses X-Rays to create clinical images of cross-sections of the body. The system is equipped with a rotating mechanism and detector that realises whole body imaging at a high-speed view rate.</p>	<ul style="list-style-type: none"> • Hitachi
<p>Digital radiography system</p> 	<p>The digital radiography system uses X-Rays to create clinical radiography images. The system is equipped with a selection of 32, 50 or 80 high voltage generator, X-Ray parameter settings as well as region settings by anatomical programs that generate precision X-Ray outputs and images.</p>	<ul style="list-style-type: none"> • Hitachi • CareStream • Quantum
		

6. BUSINESS OVERVIEW (Cont'd)

Equipment/Accessories/Consumables	Description	Brands
<p>Mobile X-Ray system</p> 	<p>The mobile X-Ray system is used at hospital bedsides, operating rooms, intensive care units or emergency rooms to perform quick radiographic imaging. The system is compact, mobile, and easy to drive.</p>	<ul style="list-style-type: none"> • Hitachi • CareStream
<p>Portable medical X-Ray unit</p> 	<p>Portable X-Ray unit is designed for use by mobile imaging providers, military applications, disaster relief, forensics, athletic events or anywhere an X-Ray machine must be brought to a patient. The portable X-Ray unit is capable of all routine radiographic views. Detailed images of chest, abdomen, skull, spine and extremities are easily obtained with short exposure times on ambulatory and non-ambulatory patients.</p>	<ul style="list-style-type: none"> • MinXray
<p>Digital radiography/Fluoroscopy system</p> 	<p>Radiography/fluoroscopy system uses X-Rays to accommodate various types of medical examinations such as upper/lower digestive tract examinations. It provides fluoroscopy and radiography images effective for diagnosis.</p>	<ul style="list-style-type: none"> • Hitachi
<p>Mobile C-Arm system</p> 	<p>The mobile C-arm system is based on X-Ray technology and can be used flexibly in various operating rooms within a clinic/hospital.</p>	<ul style="list-style-type: none"> • Ziehm Imaging
<p>Bone densitometer</p> 	<p>Bone densitometer is used for osteoporosis assessment, assist physician to predict fracture risk, and monitor response to therapy. It is also widely use in providing accurate information for body composition such as percentage of lean mass, fat mass and bone mass.</p>	<ul style="list-style-type: none"> • General Electric

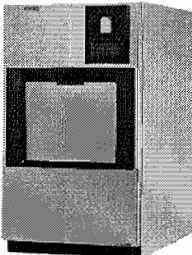
6. BUSINESS OVERVIEW (Cont'd)

Equipment/Accessories/Consumables	Description	Brands
<p data-bbox="316 297 459 331">CR system</p> 	<p data-bbox="678 297 1241 427">The CR system is a system that reads imaging plate cassette and digitises the image. The digital image can then be viewed and enhanced using software.</p> <p data-bbox="678 461 1241 611">CR cassettes are imaging plates that are made of photostimulable storage phosphor layer coated on a support. It is use to record X-Ray data and to be read out by a CR system to produce clinical images.</p>	<ul style="list-style-type: none"> CareStream
<p data-bbox="225 651 539 685">Medical printing system</p> 	<p data-bbox="678 651 1241 875">The medical printing system includes medical printing solutions for the entire imaging chain including CR, digital radiography, radiology information systems, picture archiving and communication system, hardcopy digital output and traditional film and screen products.</p>	<ul style="list-style-type: none"> CareStream
<p data-bbox="161 965 616 1025">Consumables for medical printing systems – Imaging films</p> 	<p data-bbox="678 965 1241 1059">The imaging films provide density uniformity and visibility to produce precise and consistent images.</p>	<ul style="list-style-type: none"> CareStream

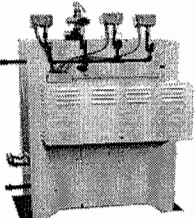

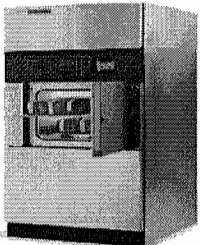
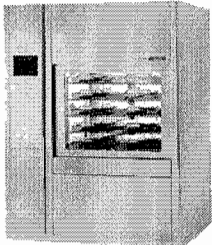
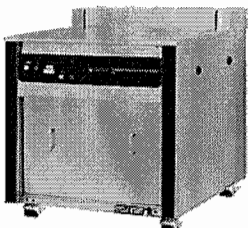
(b) Disinfection, sterilisation and surgical room equipment

Disinfection, sterilisation and surgical room equipment refers to equipment used in infection control procedures, as they ensure that medical and surgical instruments do not transmit infectious pathogens to patients. Disinfection, sterilisation and surgical room equipment are used in various departments such as the surgical, sterile processing and infection prevention departments in healthcare facilities. In addition, we also distribute operating tables and surgical lighting to our customers in the healthcare sector.

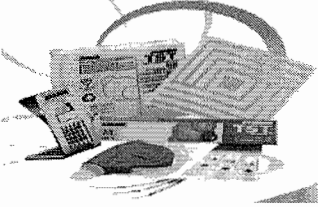

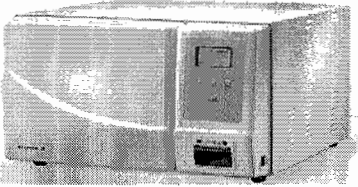
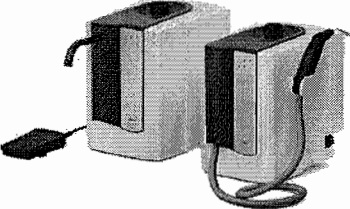

The range of disinfection, sterilisation and surgical room equipment as well as its related accessories and consumables that we distribute are as follows:-

Products/Accessories/Consumables	Description	Brands
<p data-bbox="284 1666 501 1700">Steam steriliser</p> 	<p data-bbox="673 1666 1240 1827">Steam sterilisers, sometimes referred to as steam autoclaves or autoclaves are essential part of decontamination and sterilisation process performed by centralised sterile supply department.</p> <p data-bbox="673 1861 1240 2020">Steam steriliser is used to sterilise porous, heat and moisture stable surgical instrument in healthcare facilities. They are available in various size and capacity to accommodate the volume required for sterilisation.</p>	<ul style="list-style-type: none"> STERIS


6. BUSINESS OVERVIEW (Cont'd)

Products/Accessories/Consumables	Description	Brands
Electric steam generators 	<p>Electric steam generators provide high quality steam needed to power equipment such as sterilisers, water stills, utensil sanitisers and water temperature boosters for washing equipment. They provide a steam source when in-house supply is not available, when an emergency standby is required or when a remote location needs to be served.</p>	<ul style="list-style-type: none"> • STERIS
Liquid chemical sterilant processing system 	<p>The liquid chemical sterilant processing system provides the peracetic acid form of sterilisation of heat sensitive critical and semi-critical devices such surgical and diagnostic scopes, instruments and accessories for immediate use. The sterile processing system is designed and configured to the unique design of the instrument types to be sterilised.</p>	<ul style="list-style-type: none"> • STERIS
Low temperature sterilisation system 	<p>Low temperature sterilisation systems are used in the sterilisation of cleaned, rinsed and dried reusable metal and non-metal medical devices that are sensitive to heat and moisture. Vaporised hydrogen peroxide is used as the sterilant.</p>	<ul style="list-style-type: none"> • STERIS
Washers/Disinfectors 	<p>Washers/Disinfectors are used in the cleaning of soiled reusable utensils, trays, glassware, bedpans and urinals, rubber and plastic goods, simple hard-surfaced rigid surgical instruments (i.e. forceps and clamps), theatre shoes and other similar and related items found in healthcare facilities.</p>	<ul style="list-style-type: none"> • STERIS
Sonic energy equipment 	<p>Sonic energy equipment is used to thoroughly clean (remove tissue, blood and other contaminants) instruments prior to final disinfection and sterilisation.</p>	<ul style="list-style-type: none"> • STERIS • Elma

6. BUSINESS OVERVIEW (Cont'd)

Products/Accessories/Consumables	Description	Brands
<p>Consumables for sterile assurance products</p> 	<p>The consumables for sterile assurance product are used for different stages of decontamination process namely, cleaning, disinfection and sterilisation.</p>	<ul style="list-style-type: none"> • Albert Browne • STERIS
<p>Instrument cleaning chemistries and disinfectants</p> 	<p>Instrument cleaning chemistries and disinfectants are used for cleaning, decontamination and sterilisation of surgical instruments. They can be used manually and in automated washers/disinfectors and ultrasonic cleaners.</p>	<ul style="list-style-type: none"> • STERIS
<p>Table top steam steriliser</p> 	<p>Table top steam steriliser is used to sterilise porous, heat and moisture stable surgical instrument in healthcare facilities. It is mainly used in dental clinics and surgical rooms.</p>	<ul style="list-style-type: none"> • Newmed
<p>Steam cleaner</p> 	<p>Steam cleaner provide steam pressure for pre-cleaning in the medical hygiene area.</p>	<ul style="list-style-type: none"> • Elma
<p>Surgical table</p> 	<p>A surgical table is used in the operation theatre where surgeons perform surgical operations on the patient.</p>	<ul style="list-style-type: none"> • Medifa

6. BUSINESS OVERVIEW (Cont'd)

Products/Accessories/Consumables	Description	Brands
Surgical lighting and pendant system 	<p>Surgical lighting refers to operating lights or surgical light heads to assist medical personnel during a surgical operation. Functionalities and designs include high illumination depth that enables further positioning away from object, flexible ceiling and mobile version, greater movement due to cardanics in the light head and energy-efficient high performance light emitting diodes.</p> <p>A ceiling pendant system is mounted to the ceiling providing electricity outlets, medical gases outlets for anaesthesia, profusion and surgical need.</p>	<ul style="list-style-type: none"> • Trilux Medical

6.6.3 Repair and maintenance services

The range of products, spare parts and consumables that we distribute must meet our customers' requirements in terms of specifications and functionalities. Product warranties are given to our customers provided that similar warranties are obtained on a back-to-back basis from our manufacturers, details of which are as follows:-

- Product warranty period for commercial laundry equipment generally cover up to twelve (12) months;
- Product warranty period for medical imaging equipment ranged up to twelve (12) months (depending of the type of equipment, spare parts or accessories); and
- Product warranty period for disinfection, sterilisation and surgical room equipment ranged up to twelve (12) months (depending of the type of equipment, spare parts or accessories).

Upon expiration of the product warranty period, our customer can choose to continue to engage us for repair and maintenance work for a contract period or when needed, as part of our value-added repair and maintenance services to our customers. Details are as follows:-

(a) Repair services

When we receive breakdown report from our customer, our Technical Personnel team will be despatched on site to perform troubleshoot, inspection and repair works for commercial laundry equipment and medical devices.

There will not be repair fee charged to our customer for the repair work performed for commercial laundry equipment and medical devices which are still within the warranty period and/or subscribed under our preventive maintenance contract. If otherwise, we will inform our customer of the fees to be charged and cost of spare parts (if any) and will only proceed to repair when our customer agrees to the fees.

(b) Preventive maintenance services

Preventive maintenance is essential to ensure all the laundry equipment and medical devices are operating at maximum efficiency levels. It also helps our customers to avoid costly breakdowns. Preventive maintenance will be carried out using the

6. BUSINESS OVERVIEW (Cont'd)

preventive maintenance checklist. Any sign of torn and worn will be recorded before repair work commences.

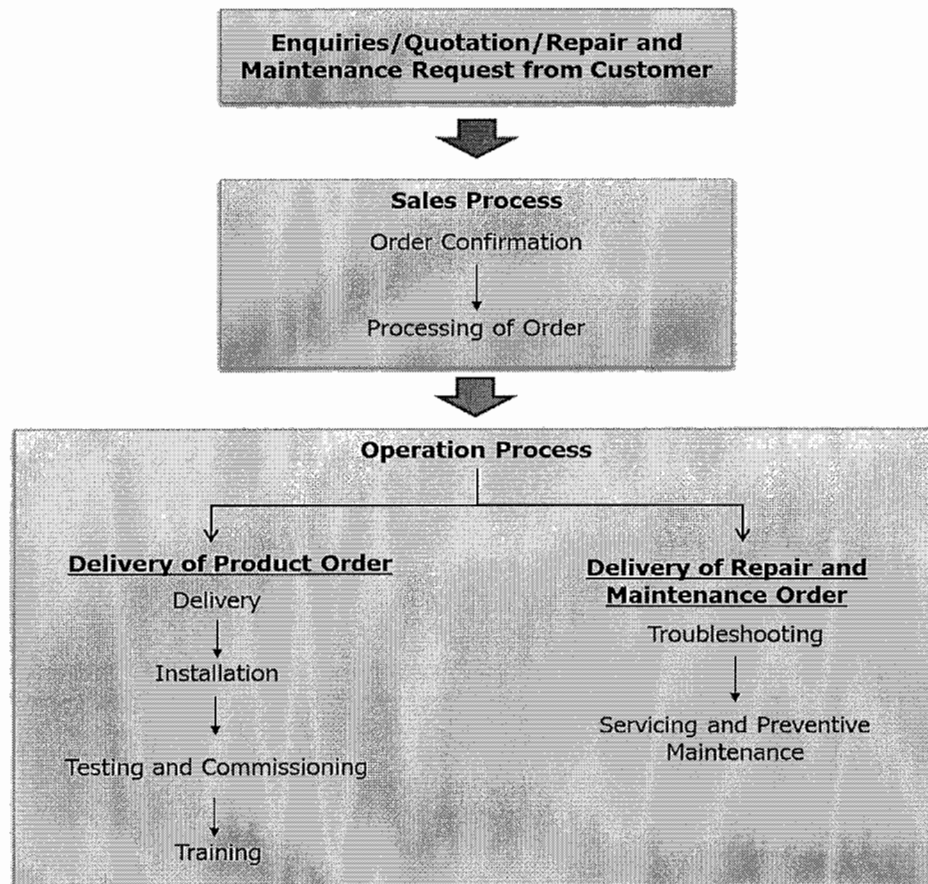
For both commercial laundry equipment and medical device business segments, we offer yearly preventive maintenance contract to our customers. The preventive maintenance contract covers four (4) planned visits to site per annum to carry out regular service, maintenance and testing of the equipment and attending to ad-hoc breakdown, repair or replacement of spare parts.

We practise a systematic service request scheduling method that allows us to quickly dispatch our Technical Personnel in response to both internally-generated and ad-hoc customer service requests. Internally-generated service requests for preventive maintenance are based on our list of previous maintenance history, maintenance schedule recommended by manufacturer, repeated service request analysis and monitoring of service areas wherein we will review them on a monthly basis and follow up with our customers. Ad-hoc customer requests are based on emergency call-in from our customers.

6.7 OUR BUSINESS PROCESSES

Due to the nature of our equipment distribution business, most of the stages in our sales and technical operation processes share similar activities. However, there exist several differences that may vary, due to the specific requirements requested by customers.

The general process flow of our sales and operations practiced is as follows:-



6. BUSINESS OVERVIEW (Cont'd)

(1) Enquiries/Quotation/Repair and maintenance request from customer or tendering process

Customer may enquire about the products and services offered by our Group or submit requests for quotations for our product and/or service. Our sales personnel from Sales and Marketing Department will then gather sufficient information (i.e. preparation of relevant product and service catalogue) and follow up with the customer on the enquiries.

When a customer is requesting for quotation, our Sales Personnel from Sales and Marketing Department will be responsible for determining the price and necessary information to be include in the quotation slip. In some cases, site visits are performed to assess the condition of the intended equipment installation site, prior to the preparation of site drawings with equipment layout for customer's approval. For quotations issued for the sale of commercial laundry equipment, our customers are to communicate their decision within two (2) weeks from the date of issuance of the quotation. As for quotation issued for medical devices, our customers are allowed up to six (6) months from the date of issuance of quotations. The validity of these quotations issued for spare parts and consumables ranges from one (1) to eight (8) weeks, depending on the types of spare parts and consumables required.

Enquiries regarding repair and maintenance services are forwarded to our Technical Department, who will be responsible for preparation of necessary information for quotation or to despatch our Technical Personnel to site for troubleshooting and to determine the replacement parts and service charges.

We also participate in tendering for the supply of medical devices to public and private hospitals. Agents engaged by the hospitals are responsible for the tendering process. Please refer to Section 6.13.1(b) of this Prospectus for details of the agents. Upon receiving bidding invitation, we will evaluate the project's requirements in terms of the project budget, timeline, schedule, location and the project's technical aspect. The final pricing of the bid/tender will be submitted after evaluating all relevant costs. Before the letter of award is awarded, we will present the brief details of our bid to the respective project's tender committee. Among the details to be presented are our technical capabilities and quality control, related project experience, availability of resources, project cost and timeline. If we are successful in securing the project, we will be notified through the issuance of the letter of award. Once the letter of award is received, we will embark on the project.

(2) Sales process

Upon receiving the purchase orders and deposit payment from customer(s), we will then proceed to order products from the relevant international brand manufacturer(s). Generally, our brand manufacturers will take between three (3) to four (4) months to deliver our order. From thereon, it will take about one (1) month to set up the commercial laundry equipment or medical devices before they are operational. Further details of our sales process are as follows:-

(a) Order confirmation

Once our customer agrees and confirms on the order either verbally (only for repetitive customers), e-mail acknowledgement, acceptance on the quotation and/or through issuance of customer's purchase order, our Sales or Technical Personnel will review the order to ensure our customer's requirement are correctly described before acknowledging the acceptance of the order. Our customers are not required to provide letters of credit, but are required to make an initial deposit

6. BUSINESS OVERVIEW (Cont'd)

payment via cheque(s) and/or electronic fund transfer for the equipment ordered. We will then proceed to order products from the relevant manufacturer(s) upon receiving the purchase orders and deposit payment from customer(s). The payment terms for the remaining outstanding balance are subject to the agreed terms negotiated between both parties.

(b) Processing of order

Once the order is confirmed, our Technical Manager will schedule and plan for the resources requirement, date of delivery and installation (if applicable). At the same time, our Sales Personnel will liaise with our customer on the appropriate dates for delivery, installation (if applicable), testing, commissioning as well as training.

In terms of scheduling and planning for resources requirement, we place orders for our products, usually the equipment which we do not keep stock, with our manufacturers upon receiving confirmation on our customer's order. Goods from our suppliers are delivered either to our storage facilities or to our customer's business premise. Generally, our manufacturers take between three (3) to four (4) months to deliver our order. As for spare parts and consumables, we have in place a set of inventory management procedure to ensure optimal inventory level. If installation is required for the equipment, we will also plan for the availability of our Technical Personnel to be despatched on site.

Upon confirmation on the date of delivery and/or maintenance by our customer, our Technical Personnel shall verify that the packed spare parts, consumables and/or equipment's serial and model number are according to the request. A delivery order and invoice will be prepared and arranged for transport to customer. As for installation of equipment, a separate invoice will be issued upon confirmation on the date of installation by our customers.

(3) Operation process**Delivery of product order****(a) Delivery**

We will deliver the equipment, spare parts or consumables to our customer on the agreed date, either directly from our manufacturers or from our storage facilities. We outsource the forwarding and transportation services to Lim Teow Yong & Sons, a local logistic and transportation company, which is not related to our Promoters, substantial shareholders and/or our Directors. We may at any time seek the services of other logistic and transportation provider for the delivery of products to our customers. We follow up on the delivery process and make sure that the products are delivered on time and in good condition.

(b) Installation

The equipment or spare parts are checked against the purchase order to ensure they are correct. Where there is any inadequacy in the equipment or spare part such as non-conforming product or service requirement, we shall ensure necessary corrective and preventive actions taken with relevant parties to rectify the matter. For equipment or spare part that requires installation, our Technical Personnel will perform the product unpacking and installation according to its manual.

6. BUSINESS OVERVIEW (Cont'd)

In terms of commercial laundry equipment, the installation process entails connecting the commercial laundry equipment to the water inlet and drainage pipe and electrical supply.

In terms of medical devices, the installation process entails integration of the medical devices to our customer's database network for access to patients' information.

(c) Testing and commissioning

Once the installation process is completed, our Technical Personnel will proceed with a series of testing activities according to the manufacturer's product manual. These tests are aimed at checking the functionality, accuracy and safety and ensuring its compliance to specification. Tests results are then analysed and the customer will acknowledge and confirm that the equipment is fit for use as per their requirements.

(d) Training

Our Sales Personnel or Marketing Personnel will conduct on-site and off-site training to enable our customers to familiarise with the functions of the equipment.

In terms of our commercial laundry equipment, we demonstrate a test run and provide our customers on basic technical know-how and troubleshooting.

In terms of our medical devices, we organise regular in-service seminars and trainings providing demonstrations and test runs of medical equipment, technical and application procedures as well as updates on regulatory requirements to ensure our customer's employees' competencies and to keep our customers informed of latest development in the healthcare sector.

These training programs provided are not chargeable and are provided by our Technical Personnel after the testing and commissioning of the equipment have been performed to ease our client's adoption of our products and enhance users' experience and better understanding of the equipment.

Delivery of repair and maintenance order**(a) Troubleshooting**

Upon receiving a service request, our Technical Personnel will work with our customers to identify the issues faced by our customers. If necessary, our Technical Personnel will visit the customers' premise to assess the equipment condition before proposing an appropriate servicing proposal required for the equipment. If service request is within the warranty period and according to the warranty terms and conditions, no charge will be invoiced to our customers. If the service is chargeable, our Technical Personnel shall request for issue of quotation slip to our customers.

(b) Servicing and preventive maintenance

For preventive maintenance request, our Technical Personnel are despatched on site to perform repair and maintenance according to the planned maintenance schedule and to record all servicing and maintenance related observation and activities for traceability.

6. BUSINESS OVERVIEW (Cont'd)

All of our products come with a warranty for a period of up to twelve (12) months for product defects. Upon the expiration of the product warranty period, our Group will offer preventive maintenance services under a one (1) year contract to our customers for future repair and maintenance works on the product(s).

If the affected product(s) at the point in time is already outside the warranty period and there is no existing servicing and preventive maintenance contract for the product(s) involved, a fee will then be charged for the consultation as well as the resulting repair and maintenance works performed including the cost of replacement parts and components, if any. The fee incurred is dependent on amongst others, the type of works required, replacement spare parts and components involved, administration and transportation costs, which will be proposed by our Technical Personnel. Our customers are charged via invoices issued to them and payment are to be made upon completion of our job or certain milestones (under preventive maintenance contracts) via cheque(s) and electronic fund transfer.

6.8 MAJOR EQUIPMENT, STORAGE SPACE AND LOCATION OF OPERATIONS

6.8.1 Major equipment

Save for three (3) units of motor vehicles acquired for use in our sales and marketing activities, our Group has not invested in any major equipment for our business operations for FYE 2015 and FPE 31 March 2016. The audited NBV of the said motor vehicles as at 31 March 2016 is RM0.47 million.

6.8.2 Storage space

Details of our storage space for the storage of our equipment, accessories, spare parts and consumables for the financial years and financial period under review are as follows:-

Owned storage space

No.	Company	Location	Size (sq m)
(1)	CS Laundry	No. 21-1, Jalan 5/152, Batu 6, Jalan Puchong, Taman Perindustrian OUG, 58200 Kuala Lumpur	242
(2)	Best Contact	No. 13-12, Jalan 13/155B, Aked Esplanad, Bukit Jalil 57000 Kuala Lumpur	47
(3)	Maymedic	No. 19-1, Jalan 5/152, Batu 6, Jalan Puchong, Taman Perindustrian OUG, 58200 Kuala Lumpur	156

6. BUSINESS OVERVIEW (Cont'd)**Rented storage space**

We have also appointed the following third party for the storage of our inventories at their warehouse, details are as follows:-

Company	Landlord	Location	Size (sq m)	Service fee per month (RM)
CS Laundry	C.H. Robinson Freight Services Sdn Bhd	PT No 119975, Jalan Canang Emas 7/KS10, Telok Gong, 42000, Port Klang, Selangor Lot 69887, Jalan Pelabuhan Utara, P.O. Box 292, 42000 Port Klang, Selangor	524	8,387

6.8.3 Location of operations

Our Group operates from the following premises owned by our Group:-

Subsidiaries	Location	Main Functions	Address
Maymedic	Jalan Puchong Kuala Lumpur	Administration office, sales office and storage space	No. 19-1, No. 19-2 & No. 19-3, Jalan 5/152, Batu 6, Jalan Puchong, Taman Perindustrian OUG, 58200 Kuala Lumpur
CS Laundry	Jalan Puchong Kuala Lumpur	Administration office, sales office and storage space	No. 21-1, 21-2 & 21-3, Jalan 5/152, Batu 6, Jalan Puchong, Taman Perindustrian OUG, 58200 Kuala Lumpur
Best Contact	Bukit Jalil, Kuala Lumpur	Head office of our Company, administration office, sales office and storage space	No. 13-12 Jalan 13/155B, Aked Espalanad, Bukit Jalil 57000 Kuala Lumpur

6.9 QUALITY ASSURANCE POLICY AND QUALITY CONTROL

One of the important factors in the distribution of a wide range of commercial laundry equipment and medical devices is the ability of the distributor to deliver quality products within the specifications stated by their customers.

We have an in-house quality assurance team that enables our Group to undertake quality inspection and control testing of the products that we distribute. Our quality control team is chaired by our Quality Management Representative and is assisted by two (2) Technical Supervisors. They are responsible for quality control and ensuring that our quality control policies and measures are adhered to. They are responsible for ensuring all incoming products meet the required specifications.

6. BUSINESS OVERVIEW (Cont'd)

Our quality assurance team essentially adopts the following approaches and procedures to ensure that quality standards are maintained:-

No.	Procedures	Descriptions
(a)	Product Quality Control	All incoming goods from our manufacturers are verified against the respective Delivery Orders or Purchase Orders on the actual quantity and condition received and is subject to visual inspection to ensure their suitability before being accepted by us. For consumables and spare parts, the quantity will be recorded into our computer system. Our goods are stored in a manner to facilitate first in first out basis. We maintain records of stock receiving, inspection and distribution to ensure traceability of our products throughout the supply chain.
(b)	Service Quality Control	For delivery of equipment, our Technical Personnel will record all installation status in individual progress report. If there are defects detected in relation to the installation service rendered, corrective and preventive actions will then be taken. If the defects detected are related to the equipment itself, control of non-confirming products will be undertaken to rectify issue with the relevant manufacturer for return or replacement. Specifically for the installation of ionising radiation-emitting imaging equipment, a radiation shield room needs to be constructed before installing the equipment. We generally outsource the construction of such radiation shield room to an approved sub-contractor but are responsible for the inspection of the radiation shield room. During equipment testing process, our Technical Personnel will conduct a series of testing activities according to the manufacturer's product manual and ensure correct placement of safety sticker on the equipment. For delivery of repair and maintenance services, our Technical Personnel will record all status of repair and preventive maintenance. If there is fault detected, our Technical Personnel will inform our customer and recommend corrective actions. For the continuing improvement of the quality of our product and services, our sales and marketing department consistently follow-up with our customers to obtain their feedback on the performance of our products and services.

Our Group also selects international brand manufacturers with valid and recognised quality accreditations to service as our suppliers of our range of equipment, accessories, consumables and spare parts. Our Group strives to ensure that proper implementation and compliance with quality control is reflected in the quality of our products.

Our Group has established a QMS system to meet our customers' quality requirements and this QMS system adhere closely to the relevant international ISO guidelines. We have also put in place a quality control manual (which details the quality process and procedures which is in compliance with ISO 9001:2008) which we adhere to in our distribution processes. The quality manual is reviewed as and when necessary.

Our commitment to quality is evidenced by our Group's QMS system being accredited with ISO 9001:2008 for the compliant for the distribution of our products. This marks our continuous commitment towards distribution quality to ensure that our products meet local and international requirements. Our ISO accreditation requires our subsidiaries to be subject to annual audits in order to ensure our on-going conformity to the QMS process. We presently comply with the following local and international standards:-

6. BUSINESS OVERVIEW (Cont'd)

Company	Standards/ Certification Body	Year Awarded	Year Renewed	Scope of Certification	Description of Standard
Best Contact and Maymedic	ISO 9001:2008/ DQS GmbH	2009 (Best Contact)	2014	Provision of supply, installation and servicing of medical diagnostic imaging systems and medical equipment	This standard specifies the requirements for QMS where an organisation:- (a) needs to demonstrate its ability to consistently provide products that meet customer and applicable regulatory requirements; and (b) aims to enhance customer satisfaction through effective application of its QMS.
CS Laundry		2011 (Maymedic)	2014	Provision of supply, installation and service of specialise commercial laundry equipment and industrial laundry equipment as well as trading of its spare parts	
Best Contact	DIN ISO 13485:2003/ DQS Medizinprodukte GmbH	2009	2014	Provision of installation and servicing of medical diagnostic imaging systems, which does not only focus on process improvement and customer satisfaction but also addresses regulatory requirements in terms of the design, assembly and marketing of medical devices	This standard specifies the requirements for QMS where an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements and regulatory requirements applicable to medical devices and related services.

Product warranty and claim

As a distributor of commercial laundry equipment and medical devices, our Group relies on our manufacturers to ensure that their products meet the required quality standards. In addition, we conduct periodical visits to our manufacturers' premises/factories to better understand their products and quality standard. We firmly believe that with the experience and expertise of our Group and by working closely with our international brand manufacturers, to ensure that the quality of our range of commercial laundry equipment and medical devices products are met, any defects in these products supplied are minimised.

A product warranty is given to our customers provided that warranty is obtained on a back-to-back basis from our manufacturers. Such back-to-back arrangement is an industry practice within the distribution market segment. We provide our customers with exchange/return policies (should the products are of inferior quality or do not meet their specifications) that allow them to replace or return the defective or flawed products. We will issue credit notes to our customers for any returned goods. Such returned products will be expensed out in our income statements, where we record it as sales return and our revenue will be reduced accordingly. We will also issue debit notes to our manufacturers and charged it to our income statements where our cost of sales will be reduced accordingly.

For replacement / exchange of products which are defective, we will also exchange / obtain replacements of such defective products from our manufacturers and no book entry is made into the accounting system. Our Group has recourse to claim (in lieu of replacements / exchanges) from the manufacturers of the products that we distribute, should there be any defects in their products. To date, we have not experienced any difficulties with our manufacturers in exchanging and replacing defective products, or making the necessary

6. BUSINESS OVERVIEW (Cont'd)

monetary claims against these defective products. As such, the impact to our Group arising from any of these warranty claims is minimal. For the financial years/period under review, the amount of sales return recorded for our distribution and of commercial laundry equipment and medical devices are as follows:-

	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FPE 31 March 2016
<u>Commercial laundry equipment business segment</u>					
Sales return (RM'000)	13	18	14	46	-
% of revenue	0.5	0.2	0.1	0.1	-
<u>Medical imaging equipment sub-segment</u>					
Sales return (RM'000)	16	-	-	-	1
% of revenue	0.2	-	-	-	0.03
<u>Disinfection, sterilisation and surgical room equipment sub-segment</u>					
Sales return (RM'000)	0.9	3	⁽¹⁾ 187	-	5
% of revenue	0.01	0.1	3.2	-	0.5

Note:-

- (1) The higher sales return for the disinfection, sterilisation and surgical room equipment sub-segment as the medical device product delivered to our customer was not suitable and did not meet the required specifications for their usage. This situation arose due to changes in specifications made by the customer after the delivery of the product. These medical devices were subsequently returned back to us and correspondingly we had also returned the same products to our manufacturers and obtained a replacement for the correct product that meets our customer's revised specifications. We have not experienced any negative implications resulting from this event such as compensation to the customer or inability to retain the customer. The associated costs in relation to the above return of medical device was RM3,000 and was borne by Maymedic.

6.10 R&D**6.10.1 Policies of R&D**

Our Group's revenue for the past four (4) FYEs 2012 to 2015 as well as for FPE 31 March 2016 comprises distribution of commercial laundry equipment and medical devices. Due to the nature of our business, our Group does not undertake any R&D activities.

Notwithstanding this, we keep abreast of market requirement by continuously monitoring new product development rolled out by manufacturers and provide feedback from time to time to guide our manufacturers' R&D activities. As such, our Group places an emphasis on continuous product identification to cater to the changing needs of both our existing and potential customers.

In addition, we strive to enhance the quality of our services by putting in place a QMS that meets the requirements of the ISO standards as well as continuously provide internal and external training and development programmes to our employees.

6. BUSINESS OVERVIEW (Cont'd)

6.10.2 R&D expenditure

Our Group did not incur any expenditure or capitalise any development cost that was specific to R&D activities during the financial years and financial period under review.

6.10.3 Relevant technology

Inventory management and accounting system

Our Group utilises technology in our computerised inventory management and accounting system to facilitate our distribution business activity.

We currently operate a third-party computerised inventory management and accounting system that is customised to meet our Group's specific requirements. The computerised inventory management and accounting system enables our Group to:-

- (a) Systematically track and manage inventories of the various types of commercial laundry equipment and medical devices;
- (b) Manage business relations with customers while monitoring their credit history; and
- (c) Streamline our inventory procurement process.

Data such as inventory levels, customer's purchase, pricing, credit and payment history and manufacturer's pricing and payment history is automatically captured and stored on our Group's database. This data is available on-screen to authorised personnel.

Some of the key features and capabilities of our Group's computerised inventory management and accounting system include:-

- (a) **Inventory management:-** On-screen inventory level enquiry, showing monthly stock movement;
- (b) **Customer purchase management:-** On-screen enquiry of customer's purchase, pricing and payment history;
- (c) **Customer credit management:-**
 - (i) Customer credit history database; and
 - (ii) Automated credit approval based on customer's credit history, with manual transaction approval by authorised personnel on a case-by-case basis;
- (d) **Automated customer invoice generation:-** Customer invoices are generated on a batch basis and are based on customer's delivery orders to save time;
- (e) **Procurement management:-**
 - (i) On-screen enquiry of supplier purchase and payment record; and
 - (ii) On-screen enquiry of supplier purchase price.

Our Group has integrated our computerised inventory management and accounting system with our business operations. Our employees have been trained to use this system in their day-to-day operations. The computerised inventory and management system is currently in use at our Group's head office located at Bukit Jalil, Kuala Lumpur.

6. BUSINESS OVERVIEW (Cont'd)

6.11 PRINCIPAL MARKETS

Our market for the sales of commercial laundry equipment and medical devices as well as its related spare parts and the maintenance medical devices is in Malaysia.

Details of our customer segments in the commercial laundry equipment and medical devices business segment are as follows:-

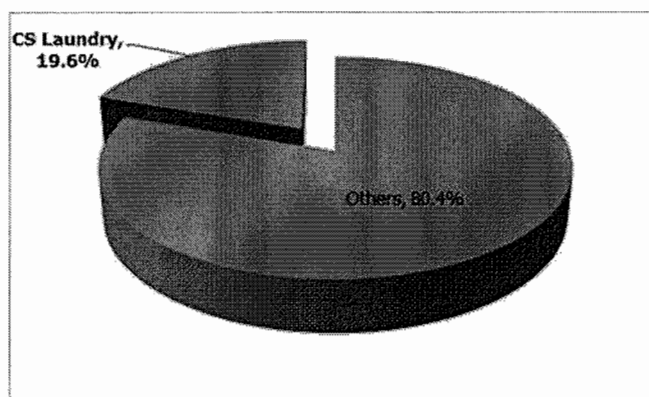
Customer Segments	Description
Self-service laundrettes	<p>Self-service laundrettes are commercial establishments typically for walk-in, washing and drying. The commercial laundry equipment used in self-service laundrettes includes top load washers, washer-extractors and tumble dryers.</p> <p>Owners and operators of self-service laundrettes generally rely on distributors of commercial laundry equipment to help them to find locations for stores, design the self-service laundrettes, provide and install equipment, provide technical and maintenance support as well as provide broader business services. Distributors frequently host seminars to explain the investment opportunities to potential self-service laundrette operators.</p>
On-premise laundries	<p>On-premise laundries are generally located at businesses that wash or process significantly larger loads of textiles and garments in relatively shorter time. These businesses include but are not limited to hotels, hospitals, nursing homes, correctional institutions, sport facilities, car washes, gyms and fire stations. Common commercial laundry equipment used for on-premise laundries includes washer-extractors, tumble dryers and flatwork finishers.</p>
Multi-housing laundries	<p>This segment includes common laundry facilities in multi-dwelling units such as apartments and condominiums, universities and military installations. The commercial laundry equipment that are suitable for multi-housing laundries include small chassis top load and front load washers and small-chassis dryers that are vended, equipped with different type of payment system.</p> <p>Normally, route operators manage the multi-housing laundries with their own service and technical employees. Route operators purchase, install and service the commercial laundry equipment under contract with property management companies.</p>
Other laundries	<p>Examples of other laundries include traditional non-self-service laundry shops as well as outsourced laundry service providers. They typically keep accounts for regular customers and cultivate long-term customers in particular neighbourhoods.</p> <p>Traditional non-self-service laundry shops also offer dry cleaning services besides the common laundry services of washing and drying. Meanwhile, outsourced laundry service providers offer large scale laundry services to businesses and institutions. They also have the capability to undertake laundry involving large or over-sized articles of textile and apparel.</p>
Healthcare providers	<p>Healthcare providers refer to establishments that provide healthcare facilities and treatment services such as hospitalisations, home care visits, professional consultations, physiotherapies, rehabilitations and dentistry to healthcare consumers. Examples of healthcare providers include hospitals, medical centres, physiotherapy and orthopaedic centres as well as specialist centres and clinics (i.e. optometry, skin and aesthetic and dental specialist).</p>

6. BUSINESS OVERVIEW (Cont'd)

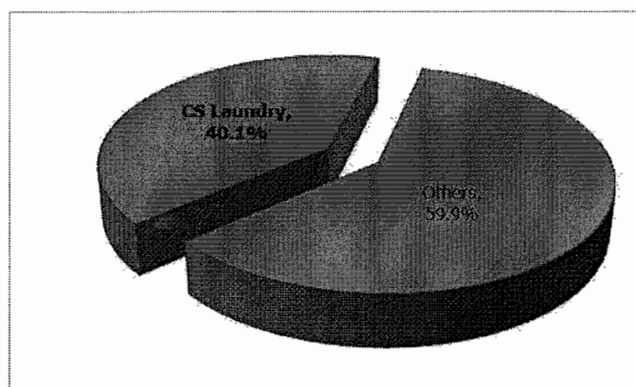
We have distributed our range of medical devices directly to hospitals and medical centres as well as via agents. To-date, we have delivered our medical devices products to approximately 46 public hospitals and 146 private hospitals in Malaysia, respectively.

6.12 MARKET SHARE

For the FYE 2015, CS Laundry generated revenue of RM39.4 million, equivalent to a 19.6% share of the commercial laundry equipment industry in Malaysia in 2015 according to the IMR Report.



In addition, CS Laundry generated revenue of RM38.1 million from the sales of vended commercial laundry equipment, equivalent to a 40.1% share of the total market size in terms of revenue for the vended commercial laundry equipment market in 2015 of RM95.0 million.



For the same year, Best Contact and Maymedic generated revenue of RM17.3 million and RM7.7 million, respectively, which is equivalent to less than 1.0% market share of the medical devices industry in Malaysia in 2015, according to the IMR Report.

(Source: IMR Report)

6.13 MODE OF DISTRIBUTION AND MARKETING STRATEGIES

The major thrust of our Group's sales and marketing strategy is to position ourselves as a distributor of quality commercial laundry equipment and medical devices to our targeted customer base in various segments. To implement this marketing strategy, our Group has our own sales and marketing team to focus on business development with existing and potential customers. As at the LPD, our Group has a total of eleven (11) sales executives serving existing customers and developing new businesses throughout Malaysia.

6. BUSINESS OVERVIEW (Cont'd)

6.13.1 Modes of distribution

Our Group's modes of distribution are as follows:-

(a) Direct approach

Sales generated directly by our sales team are based on direct contact with potential customers and referrals from our past and existing customers.

(b) Agents

Our sales are also secured through agents, which are companies tasked with the sourcing and supply of commercial laundry equipment and medical devices for:-

- (i) Construction of new hospitals/medical centres;
- (ii) Capacity expansion of existing hospitals/medical centres;
- (iii) Replacement of existing commercial laundry equipment and medical devices at hospitals/medical centres; or
- (iv) Providing maintenance and repair services for commercial laundry equipment and medical devices at these hospitals/medical centres.

We work with these agents to jointly submit a tender/bidding application to fulfil the project requirements. Our Group's selection criteria of these agents are based on the following criteria's and considerations:-

- (i) Tender/bidding/award requirements, criteria and conditions imposed by the respective customers; and
- (ii) Track record, reputation, strength of financial position as well as length of relationship of these agents with our Group.

Based on the above, we will work closely with these agents to fulfil the specific requirements and conditions set out in the tender/bidding criteria for a particular contract for distribution to the end user via these agents.

6.13.2 Marketing strategies

We place emphasis on marketing in terms of creating brand awareness and product recognition. We understand the importance of building our brand awareness and market standing in order to boost our sales revenue. As such, we constantly invest in various marketing strategies to raise our corporate profile.

The sales and marketing strategies initiated by our Group for the two (2) business segments include the following:-

Commercial laundry equipment business segment**(a) Billboard advertisements**

We advertise our ranges of commercial laundry equipment products and services through billboard advertisements. As at the LPD, we have placed twenty-five (25) billboard advertisements located along several major highways, such as the North-South Expressway, Klang Valley Expressway and East Coast Expressway. We also tapped on the online marketing channel through regular updates on our company website and social media such as Facebook and Google Advert for online advertising and promotional programmes. We believe that this channel of advertising enables us to carry out more targeted efforts aimed at various segments of consumers in Malaysia.

6. BUSINESS OVERVIEW (Cont'd)

(b) Setting up of Speed Queen self-service laundrettes

In addition, we have established and operated our first Speed Queen self-service laundrettes located at Taman United, Kuala Lumpur. We view this as a good step to promote our range of Speed Queen range of vended commercial laundry equipment, where we can showcase an actual active physical store for our potential customers to view and experience first-hand our product and service offerings. It is essentially a concept store that can help to drive brand awareness. As part of our plan to continue to build our products and services reputation, we intend to use our IPO proceed to establish eleven (11) Speed Queen self-service laundrettes throughout Peninsular Malaysia.

(c) Corporate websites

We have established our corporate websites for commercial laundry equipment business segment at <http://www.cslaundry.com.my> which provides immediate searchable information on our Company, including product and service offerings. The current widespread use of the internet as a source of information enables us to cross geographical borders and facilitates access from any part of the world, enhancing our potential market reach and exposure.

Medical devices business segment

(a) Trade exhibitions, seminars and events

An important aspect of our sale and marketing activities is our Group's participation in local and international trade exhibition, as these events are an effective medium to showcase our products and meet potential customers. We also organise seminars where we invite various speakers with relevant background in the medical devices industry as well as healthcare sector to provide their expert views relating to the various medical devices products and industry development. These seminars also allow us to gather valuable feedback from our customers as well as to keep abreast of the latest industry developments.

The following are some of the trade exhibitions, seminars and events that we have participated over the past four (4) FYEs 2012 to 2015 and FPE 31 March 2016:-

Year	Name of Trade Exhibitions/Seminars/Events	Organiser	Location
2016	World Hand Hygiene Day	Infection Control Department, UMMC	Kuala Lumpur
	13 th Annual Scientific Meeting of Infection Control Association Malaysia	Infection Control Association Malaysia	Johor Bahru
	Malaysian Sterile Service Association 21st Annual General Meeting Conference & Exhibition	Malaysian Sterile Service Association	Subang, Selangor
	46 th Malaysian Orthopaedic Association	Malaysian Orthopaedic Association	Johor Bahru
2015	Malaysian Congress of Radiology, 2015	Malaysian Congress of Radiology	Putrajaya

6. BUSINESS OVERVIEW (Cont'd)

Year	Name of Trade Exhibitions/Seminars/Events	Organiser	Location
	Minimally Invasive Spine Surgery Workshop & Live Surgery	Universiti Kebangsaan Malaysia Medical Centre and Aesculap Academy Malaysia	Kuala Lumpur
	Kursus Pensterilan Peringkat Zon Sabah Sarawak	Bahagian Perkembangan Perubatan, MOH	Sarawak
	Kursus Pensterilan Peringkat Negeri Kelantan	Jabatan Kesihatan Negeri Kelantan	Pasir Puteh, Kelantan
2014	CT and MRI Seminar	Hitachi Medical Systems (S) Pte Ltd	Ho Chi Minh City, Vietnam
	South East Asia Radiographers' Conference & 2 nd Radiation Therapy Symposium, 2014	Malaysia Society of Radiographers	Malacca
	4th East Coast Gastrohepatology Conference	MOH	Kuantan, Pahang
	Kursus Penggunaan Autoklaf	Pusat Perubatan Universiti Kebangsaan Malaysia	Kuala Lumpur
2012	42 nd Malaysian Orthopedic Association, 2012	Malaysian Orthopedic Association	Pahang
	Malaysia Congress College of Radiology, 2012	Malaysia Congress of Radiology	Penang

Such participation also allows us to stay updated on the relevant market trends, latest industry developments and technical information, as well as expand our business networking within the industry. Additionally, participation in these trade exhibitions, seminars and events greatly enhances our brand awareness and our Group's presence.

(b) Advertising

We undertake advertising activities through trade directories such as the Medical Supplies Annual Directory as well as sponsorship of medical publications such as the Health Magazine issued by KPJ Healthcare Group to increase the awareness of our products and services.

(c) Corporate websites

We have established our corporate websites at <http://www.bestcontact.com.my> and <http://www.maymedic.com.my> which provide immediate searchable information on our Company, including product and service offerings. The current widespread use of the internet as a source of information enables us to cross geographical borders and facilitates access from any part of the world, enhancing our potential market reach and exposure.

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6. BUSINESS OVERVIEW (Cont'd)**6.14 MAJOR CUSTOMERS**

Our customers that have contributed 10% or more of our total revenue for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016 are as follows:-

Major Customers	Country of origin	Type of customer	Length of relationship Years	FYE 2012		FYE 2013		FYE 2014		FYE 2015		FPE 31 March 2016	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Commercial laundry equipment business segment</u>													
City Coin Laundry Sdn Bhd	Malaysia	Self-service laundrette provider	3	-	-	1,769	5.0	13,212	25.9	10,625	16.5	-	-
<u>Medical devices business segment⁽²⁾</u>													
<u>Medical imaging equipment sub-segment</u>													
KPJ Healthcare Group ⁽³⁾	Malaysia	Healthcare service provider	10	4,662	24.5	3,832	10.9	4,453	8.8	3,385	5.3	1,144	7.7
Healthlink Services Sdn Bhd ⁽³⁾	Malaysia	Healthcare service provider	4	-	-	5,009	14.2	15	(1)	-	-	-	-
Total				4,662	24.5	10,610	30.0	17,680	34.6	14,010	21.8	1,144	7.7

Notes:-

- (1) Denotes less than one (1) percent of total revenue for the respective financial years.
(2) There was no customer in the disinfection, sterilisation and surgical room equipment sub-segment that has contributed 10.0% or more of our total revenue for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016.

6. BUSINESS OVERVIEW (Cont'd)

- (3) The revenue contribution from KPJ Healthcare Group and Healthlink Services Sdn Bhd for our Group's overall revenue for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016 are as follows:-

No.	Major customers	FYE	FYE	FYE	FYE	FPE 31
		2012	2013	2014	2015	March 2016
		%	%	%	%	%
(a)	KPJ Healthcare Group	27.7	14.0	11.6	7.7	10.0
(b)	Healthlink Services Sdn Bhd	-	18.0	0.1	-	-

The above revenue contribution from KPJ Healthcare Group and Healthlink Services Sdn Bhd are derived from the medical imaging equipment as well as the disinfection, sterilisation and surgical room equipment sub-segments.

Commercial laundry equipment business segment

The fluctuation in revenue contribution from our customers varies from year to year depending on various factors, such as the number of new self-service launderette outlet set up by new operators, expansion of the number of launderette outlets by the existing chain of launderette operators/franchisor and replacement of washers and dryers at our customers' laundry outlets. Our customers mainly comprise operators of chain of launderettes such as City Coin Laundry Sdn Bhd (proprietor of "Laundry Bar" chain of launderettes) and Mr Bean Coin Laundry (operator of "Mr Bean Dobi" chain of launderettes) in the Klang Valley region from FYE 2013 to FYE 2015. However, Mr Bean Coin Laundry was not regarded as our Group's major customer during the financial years/period under review as it contributed less than 10% of our Group's revenue. The revenue contribution from Mr Bean Coin Laundry to our Group for the financial years/period under review is as follows:-

FYE		FYE		FYE		FYE		FPE 31	
2012		2013		2014		2015		March 2016	
RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%

Commercial laundry equipment business segment

Mr Bean Coin Laundry	-	-	-	-	1,639	3.2	994	1.5	-	-
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We have distributed commercial laundry equipment to City Coin Laundry Sdn Bhd since 2013. Since then, City Coin Laundry Sdn Bhd has been our major customer for FYE 2014 and FYE 2015, contributing approximately 25.9% and 16.5% of our Group's total revenue for the FYE 2014 and FYE 2015, respectively. We distributed both Huebsch and Speed Queen brands of vended commercial laundry equipment to City Coin Laundry Sdn Bhd during the financial years under review. "Laundry Bar" is a trademark self-services laundry concept of City Coin Laundry Sdn Bhd.

We have reduced our dependency on City Coin Laundry Sdn Bhd in view of the setting up by various chain of other launderettes by our other customers using Speed Queen brand of vended commercial laundry. Our Group's continuous marketing efforts since FYE 2013 to create better awareness and increasing market acceptance by the self-service launderette operators for the Speed Queen brand of vended commercial laundry equipment (both washers and dryers), has enabled our Group to increase our distribution of the Speed Queen brand of vended commercial laundry equipment.

6. BUSINESS OVERVIEW (Cont'd)

The unique and additional features of the Speed Queen brand of vended commercial laundry equipment coupled with the good maintenance and after-sales service provided by our technical team has contributed to the well-acceptance of Speed Queen brand of vended commercial laundry equipment by self-service launderette owners across Peninsular Malaysia.

For our on-premise commercial laundry equipment, revenue generated during the financial years and financial period under review mainly consist of distribution of various types of equipment such as washer extractor, dry cleaning machine, ironing machine and flatwork ironer as well as other furnishing equipment. These include various international and reputable brands such as Sea Lion, Renzacci, Pony and Lapauw.

Medical devices business segment

We have been servicing KPJ Healthcare Group for approximately ten (10) years and they have been our major customer for our medical devices business segment, contributing approximately 27.7%, 14.0%, 11.6%, 7.7% and 10.0% of our Group's total revenue for the FYE 2012, FYE 2013, FYE 2014, FYE 2015 and FPE 31 March 2016, respectively. Over the financial years and financial period under review, we have been distributing our range of medical imaging equipment to KPJ Healthcare Group hospitals located nationwide (new and existing hospitals). This includes CT scans, mobile C-Arm system, MRI system, digital radiography system, mobile X-Ray system, digital imaging solution and medical printing system of various brands including Hitachi, CareStream, MinXray, Trilux Medical, STERIS, Albert Browne and Ziehm Imaging.

The demand and supply of our range of medical devices as well as its related accessories, consumables and spare parts depends on the requirements of our customers (e.g. healthcare providers and life sciences) in the healthcare industry in their usage at different levels of their medical operations. Once purchased, our customers are not required to frequently replace its medical devices as it has an estimated product lifespan of between five (5) years to ten (10) years, with regular interval maintenance. As such, we are not expected to generate sales of medical devices from our customers frequently. Nevertheless, demand for spare parts (from scheduled maintenance), accessories and consumables are relatively repetitive and constant in nature by our customers as our customers are required to replace these spare parts, accessories and consumables for use in their medical operations as and when required.

We have maintained good business relationships with our customers, most of which have more than two (2) years of relationship with our Group. We also occasionally enter into repair and preventive maintenance contract with our customers, to carry out regular service, maintenance and testing of the equipment, attending to breakdown, repair or replacement of spare parts.

Our Group has established long standing and strong relationships with our customers, including agents, and have not, to-date, faced any material fluctuations in our sales in the absence of long-term sales contracts. Our established relationships with our customers will also provide us with the platform for sustained business continuity and growth.

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6. BUSINESS OVERVIEW (Cont'd)**6.15 MAJOR SUPPLIERS**

Our major suppliers that have contributed 10% or more of our total purchases for the past four (4) FYEs 2012 to 2015 as well as FPE 30 June 2015 are as follows:-

Major Suppliers	Country of origin	Type of supplier	Length of relationship Years	FYE 2012		FYE 2013		FYE 2014		FYE 2015		FPE 31 March 2016	
				Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%
<u>Commercial laundry equipment business segment</u>													
Alliance Laundry	USA	Manufacturer	15	1,035	8.7	5,787	19.7	16,380	46.3	26,272	54.2	4,462	47.9
<u>Medical imaging equipment sub-segment</u>													
Hitachi Medical Systems (S) Pte Ltd ⁽¹⁾	Japan	Manufacturer	12	2,327	19.5	11,937	40.6	3,580	10.1	2,704	5.6	1,196	12.9
Carestream Health Malaysia Sdn Bhd ⁽²⁾	USA	Manufacturer	7	2,466	20.7	3,753	12.8	2,625	7.4	6,550	13.5	609	6.5
<u>Disinfection, sterilisation and surgical room equipment sub-segment</u>													
STERIS Corporation	USA	Manufacturer	10	2,445	20.5	2,357	8.0	2,483	7.0	3,798	7.8	721	7.7
Total				8,273	69.4	23,834	81.1	25,068	70.8	39,324	81.1	6,988	75.0

Notes:-

- (1) Hitachi Medical Systems (S) Pte Ltd was incorporated in 1994 to take over the activities as a representative office of Hitachi Medical Corporation and to market Hitachi brand of medical equipment in Asia. The company is represented by its distributors in South East Asia, Middle East and South Asian Association for Regional Cooperation.
- (2) Carestream Health Malaysia Sdn Bhd is the representative office and subsidiary of Carestream Health Inc. It is responsible for importing its range of medical devices as well as providing training, marketing and related services for its channel partners in the Malaysian region.

6. BUSINESS OVERVIEW (Cont'd)

All our purchases with our international brand manufacturers are on purchase order basis and we do not enter into any purchase contracts with our international brand manufacturers. Our Group relies on our major international brand manufacturers which have provided us with the distribution rights to distribute their range of commercial laundry equipment and medical devices in Malaysia. Our Group usually make purchases from our approved list of manufacturers and prefers to maintain long-term business relationships with our manufacturers based upon their trustworthiness and reliability in the distribution of quality commercial laundry equipment and medical devices as well as its related spare parts, accessories and consumables. Our Group has also established long-term working relationships with our major international brand manufacturers of which half of them have been maintaining working relationships with our Group for more than five (5) years.

Commercial laundry equipment business segment

Alliance Laundry has been our major supplier, which accounted approximately 8.7%, 19.7%, 46.3%, 54.2% and 47.9% of our total purchases for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016, respectively. Hence, we are dependent on Alliance Laundry as our major supplier. We have been working with Alliance Laundry for approximately fifteen (15) years since 2001. Alliance Laundry is the manufacturer and supplier of various brands of commercial laundry equipment such as Speed Queen and Huebsch which we distribute.

Medical devices business segment

Our top two (2) suppliers for the medical imaging equipment sub-segment are Hitachi Medical Systems (S) Pte Ltd and Carestream Health Malaysia Sdn Bhd, which collectively accounted approximately 40.2%, 53.4%, 17.5%, 19.1% and 19.4%, of our total purchases for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016, respectively.

STERIS Corporation has been our major supplier for the disinfection, sterilisation and surgical room equipment sub-segment, which accounted approximately 20.5%, 8.0%, 7.0%, 7.8% and 7.7% of our total purchases for the past four (4) FYEs 2012 to 2015 as well as FPE 31 March 2016, respectively.

6.16 TYPE, SOURCES & AVAILABILITY OF RAW MATERIAL/SUPPLIES

The majority of our products, spare parts, consumable and accessories are sourced from our international brand manufacturers (from countries such as USA, Spain, Italy, Belgium, Germany and Japan). We have not faced any major interruptions in supplies from our distributors and suppliers that have had a significant impact on our operations during the past four (4) FYEs 2012 to 2015, FPE 31 March 2016 and up to the LPD.

6.17 SEASONALITY OF OUR BUSINESS

Generally, our Group's business is not affected by seasonality.

6.18 INTERRUPTIONS IN BUSINESS

Our Group has not experienced any interruption in the form of major operational breakdowns or trade disputes that have a significant effect on our operations during the past four (4) FYEs 2012 to 2015, FPE 31 March 2016 and up to the LPD.