

**Optimax Holdings Berhad**  
Registration No: 201801028697 (1290723-T)  
(Incorporated in Malaysia)

**Condensed Consolidated  
Interim Financial Report  
for the Third Quarter Ended  
30 September 2020**

## Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)  
(Incorporated in Malaysia)

### Unaudited condensed consolidated statement of financial position as at 30 September 2020

	Unaudited As at 30 September 2020 RM'000	Audited As at 31 December 2019 <sup>(1)</sup> RM'000
<b>Assets</b>		
Property, plant and equipment	41,453	39,060
Right-of-use assets	10,412	10,062
Deferred tax assets	290	290
<b>Total non-current assets</b>	<u>52,155</u>	<u>49,412</u>
Inventories	2,368	1,810
Trade and other receivables	1,042	2,354
Prepayments	1,019	1,668
Current tax assets	215	152
Investment in financial assets	17,762 <sup>(2)</sup>	-
Cash and cash equivalents	11,473	8,519
<b>Total current assets</b>	<u>33,879</u>	<u>14,503</u>
<b>Total assets</b>	<u>86,034</u>	<u>63,915</u>
<b>Equity</b>		
Share capital	39,071	*
Invested equity	-	2,700 <sup>(3)</sup>
Reserves	6,722	19,958
<b>Total equity attributable to owners of the Company</b>	<u>45,793</u>	<u>22,658</u>
Non-controlling interests	2,168	1,579
<b>Total equity</b>	<u>47,961</u>	<u>24,237</u>
<b>Liabilities</b>		
Deferred tax liabilities	610	628
Loans and borrowings	18,557	16,113
Lease liabilities	7,426	6,898
<b>Total non-current liabilities</b>	<u>26,593</u>	<u>23,639</u>
Loans and borrowings	3,045	4,082
Lease liabilities	1,655	1,710
Trade and other payables	5,959	9,327
Current tax liabilities	821	920
<b>Total current liabilities</b>	<u>11,480</u>	<u>16,039</u>
<b>Total liabilities</b>	<u>38,073</u>	<u>39,678</u>
<b>Total equity and liabilities</b>	<u>86,034</u>	<u>63,915</u>
<b>Net assets per share attributable to owners of the Company (RM)<sup>(4)</sup></b>	<u>0.17</u>	<u>N/A<sup>(5)</sup></u>

\* Denotes RM1

## **Unaudited condensed consolidated statement of financial position as at 30 September 2020 (continued)**

- <sup>(1)</sup> *As explained in Note B6, the comparative figures in the Group's condensed consolidated interim financial report are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.*
- <sup>(2)</sup> *Investment in financial assets represents investment in the Affin Hwang Aiiman Money Market Fund with a redemption notice of only one (1) business day.*
- <sup>(3)</sup> *This invested equity represents the Company's investment in Optimax Eye Specialist Centre Sdn. Bhd.*
- <sup>(4)</sup> *Net assets per share attributable to owners of the Company is calculated based on the share capital of 270,000,000 shares as the Pre-IPO Exercise and IPO referred to in Note B6 have been completed.*
- <sup>(5)</sup> *Not being disclosed since it is not comparable as the number of ordinary shares as at 31 December 2019 was 2,700,000 (based on number of ordinary shares in Optimax Eye Specialist Centre Sdn. Bhd.) while the number of ordinary shares as at 30 September 2020 was 270,000,000 (based on the enlarged ordinary shares in Optimax Holdings Berhad) following the completion of the Pre-IPO Exercise and IPO referred to in Note B6.*

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report dated 24 June 2020 included in the prospectus of the Company dated 15 July 2020 ("Prospectus") and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

## Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)  
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### Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the third quarter ended 30 September 2020

	← Unaudited →			
	Individual quarter ended 30 September 2020		Cumulative quarter ended 30 September 2019 <sup>(1)</sup>	
	2020	2019 <sup>(1)</sup>	2020	2019 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	18,192	16,069	40,809	45,813
Other income	35	28	164	51
Inventories and consumables	(3,805)	(3,207)	(8,496)	(9,269)
Staff costs	(6,477)	(5,832)	(16,202)	(17,105)
Depreciation expenses	(1,480)	(1,396)	(4,418)	(4,179)
Other expenses	(2,170)	(1,681)	(5,027)	(4,281)
<b>Results from operating activities</b>	<b>4,295</b>	<b>3,981</b>	<b>6,830</b>	<b>11,030</b>
Finance income	42	10	61	37
Finance costs	(378)	(382)	(1,100)	(1,137)
<b>Profit before tax</b>	<b>3,959</b>	<b>3,609</b>	<b>5,791</b>	<b>9,930</b>
Tax expense	(1,031)	(1,116)	(1,638)	(2,984)
<b>Profit and total comprehensive income for the financial period</b>	<b>2,928</b>	<b>2,493</b>	<b>4,153</b>	<b>6,946</b>
<b>Profit and total comprehensive income attributable to:</b>				
Owners of the Company	2,595	2,239	3,564	6,241
Non-controlling interests	333	254	589	705
<b>Profit and total comprehensive income for the financial period</b>	<b>2,928</b>	<b>2,493</b>	<b>4,153</b>	<b>6,946</b>
<b>Earnings per ordinary share (sen)<sup>(2)</sup></b>	<b>0.96</b>	<b>0.83</b>	<b>1.32</b>	<b>2.31</b>

<sup>(1)</sup> As explained in Note B6, the comparative figures in the Group's condensed consolidated interim financial report are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

<sup>(2)</sup> Earnings per ordinary share is calculated based on the share capital of 270,000,000 shares as the Pre-IPO Exercise and IPO referred to in Note B6 have been completed.

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report dated 24 June 2020 included in the Prospectus and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

## Optimax Holdings Berhad

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### Unaudited condensed consolidated statement of changes in equity for the third quarter ended 30 September 2020

	← Attributable to owners of the Company →						
	← Non-distributable →			Distributable			
	Share capital RM'000	Invested equity <sup>(1)</sup> RM'000	Business combination reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Unaudited</b>							
<b>At 1 January 2019<sup>(2)</sup></b>	*	2,700	(686) <sup>(3)</sup>	18,780	20,794	1,204	21,998
Changes in ownership interests in a subsidiary	-	-	-	33	33	(123)	(90)
Dividends to non-controlling interests	-	-	-	-	-	(410)	(410)
Dividends to owners of the Company	-	-	-	(6,000)	(6,000)	-	(6,000)
Profit and total comprehensive income for the financial period	-	-	-	6,241	6,241	705	6,946
<b>At 30 September 2019<sup>(2)</sup></b>	*	2,700	(686)	19,054	21,068	1,376	22,444
<b>Unaudited</b>							
<b>At 1 January 2020</b>	*	2,700	(686) <sup>(3)</sup>	20,644	22,658	1,579	24,237
Effect of acquisition of common control entity (Pre-IPO exercise) <sup>(4)</sup>	19,500	(2,700)	(16,800)	-	-	-	-
New shares issued by the Company for the IPO <sup>(5)</sup>	21,000	-	-	-	21,000	-	21,000
New shares issuance expenses for the IPO <sup>(6)</sup>	(1,429)	-	-	-	(1,429)	-	(1,429)
Profit and total comprehensive income for the financial period	-	-	-	3,564	3,564	589	4,153
<b>At 30 September 2020</b>	39,071	-	(17,486)	24,208	45,793	2,168	47,961

\* Denotes RM1

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## **Unaudited condensed consolidated statement of changes in equity for the third quarter ended 30 September 2020 (continued)**

- (1) This invested equity represents the Company's investment in Optimax Eye Specialist Centre Sdn. Bhd.*
- (2) As explained in Note B6, the comparative figures in the Group's condensed consolidated interim financial report are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.*
- (3) This business combination reserve arose from the acquisition of two subsidiaries namely Optimax Eye Specialist Centre (Ipoh) Sdn. Bhd. and Optimax Eye Specialist Centre (Seri Petaling) Sdn. Bhd. from a common control shareholder during the financial year ended 31 December 2017.*
- (4) The effect of acquisition of common control entity arose from the Pre-IPO Exercise referred to in Note B6.*
- (5) Issuance of new shares pursuant to the IPO referred to in Note B6.*
- (6) Listing expenses incurred pursuant to the IPO referred to in Note B6 that has been set-off against equity.*

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report dated 24 June 2020 included in the Prospectus and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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### Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2020

	Unaudited Cumulative quarter ended 30 September	
	2020	2019 <sup>(1)</sup>
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,791	9,930
<i>Adjustments for:</i>		
Finance income	(61)	(37)
Finance costs	1,100	1,137
Depreciation of property, plant and equipment	3,057	2,874
Depreciation of right-of-use assets	1,361	1,305
Initial public offering expenses	603	246
Fair value gain on investment in financial assets	(7)	-
Gain on derecognition of right-of-use assets	-	(23)
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	11,844	15,432
Changes in working capital:		
Inventories	(558)	(265)
Prepayments	118	(353)
Trade and other receivables	2,287	(629)
Trade and other payables	(2,754)	(558)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	10,937	13,627
Interest received	24	37
Interest paid	(488)	(376)
Tax refund	-	821
Tax paid	(1,818)	(2,690)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	8,655	11,419
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,930)	(1,489)
Acquisition of non-controlling interests	-	(90)
Changes in pledged deposits	(18)	(321)
Increase in investment in financial assets	(17,755)	-
Interest received	37	-
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(19,666)	(1,900)

## Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2020 (continued)

	Unaudited Cumulative quarter ended 30 September	
	2020 RM'000	2019 <sup>(1)</sup> RM'000
<b>Cash flows from financing activities</b>		
Interest paid	(417)	(761)
Proceeds from issuance of new shares	21,000	-
Payment of listing expenses	(2,037)	(180)
Repayment of hire purchase liabilities	(1,429)	(1,000)
Repayment of term loans	(136)	(657)
Payment of lease liabilities	(1,238)	(1,194)
Dividends paid to owners of the Company	-	(6,000)
Dividends paid to non-controlling interests	-	(410)
<b>Net cash from/(used in) financing activities</b>	<u>15,743</u>	<u>(10,202)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,732	(683)
Cash and cash equivalents at the beginning of financial period	<u>5,674</u>	<u>4,814</u>
<b>Cash and cash equivalents at the end of financial period</b>	<u>10,406</u>	<u>4,131</u>

<sup>(1)</sup> As explained in Note B6, the comparative figures in the Group's condensed consolidated interim financial report are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

### (i) Cash and cash equivalents

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

	Unaudited Cumulative quarter ended 30 September	
	2020 RM'000	2019 RM'000
Cash and cash equivalents	11,473	5,172
Pledged deposits	<u>(1,067)</u>	<u>(1,041)</u>
	<u>10,406</u>	<u>4,131</u>



## Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2020 (continued)

### (ii) Acquisition of property, plant and equipment

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

	Unaudited Cumulative quarter ended 30 September	
	2020 RM'000	2019 RM'000
Paid in cash	1,316	687
Property, plant and equipment purchased using hire purchase arrangement	2,125 <sup>(1)</sup>	858
Balances remained unpaid at financial period end	<u>2,009</u>	<u>2,120</u>
	<u>5,450</u>	<u>3,665</u>

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

During the current financial period, the Group paid the remaining outstanding amounts in relation to property, plant and equipment acquired in the previous financial year of RM614,000 (30.9.2019: RM802,000).

The Group also entered into hire purchase arrangement to finance the plant and equipment acquired in the previous financial year of RM1,668,000 (30.9.2019: RM1,035,000).

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## Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2020 (continued)

### (iii) Reconciliation of movement of liabilities to cash flows arising from financing activities

	← Unaudited →				
	At 1.1.2019 RM'000	Payments RM'000	Acquisition of new lease RM'000	Derecognition of lease RM'000	At 30.9.2019 RM'000
Term loans	13,202	(657)	-	-	12,545
Hire purchase liabilities	5,463	(1,000)	1,893	-	6,356
Lease liabilities	7,117	(1,194)	1,611	(261)	7,273
	25,782	(2,851)	3,504	(261)	26,174

  

	← Unaudited →				
	At 1.1.2020 RM'000	Payments RM'000	Acquisition of new lease RM'000	Remeasurement RM'000	At 30.9.2020 RM'000
Term loans	12,423	(136)	-	-	12,287
Hire purchase liabilities	5,976	(1,429)	4,768	-	9,315
Lease liabilities	8,608	(1,238)	-	1,711	9,081
	27,007	(2,803)	4,768	1,711	30,683

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report dated 24 June 2020 included in the Prospectus and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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### PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A1. Basis of preparation

The condensed consolidated interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

Within the context of this condensed consolidated interim financial report for the third quarter ended 30 September 2020, the Group comprises Optimax Holdings Berhad (“the Company”) and Optimax Eye Specialist Centre Sdn. Bhd. and its subsidiaries (“OESC Group”).

The condensed consolidated interim financial report should be read in conjunction with the Accountants’ Report dated 24 June 2020 included in the Prospectus and the accompanying explanatory notes attached to the condensed consolidated interim financial report. The explanatory notes attached to the condensed consolidated interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

#### A2. Significant accounting policies

Except as described below, the same accounting policies and methods of computation are followed in this condensed consolidated interim financial report as compared with the audited combined financial statements for the financial years ended 31 December 2019, 2018, 2017 and 2016.

As of 1 January 2020, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2020.

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

The Group has also early adopted the Amendments to MFRS 16, *Leases (Covid-19 Related Rent Concessions)* issued by MASB in June 2020 in response to the coronavirus disease (“COVID-19”) pandemic. The amendment is effective for annual periods beginning on or after 1 June 2020.

The adoption of the above pronouncements did not have any material impact to the condensed consolidated interim financial report of the Group.

**A3. Auditors' report**

There was no qualified audit report issued by the auditors in the audited combined financial statements for the financial years ended 31 December 2019, 2018, 2017 and 2016.

**A4. Seasonal or cyclical factors**

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

**A5. Exceptional items**

There were no material exceptional items during the cumulative quarter ended 30 September 2020, except for initial public offering expenses amounting to RM0.60 million and donation to the Ministry of Health of Malaysia amounting to RM0.20 million that were charged out to the profit or loss account.

**A6. Material changes in accounting estimates**

There were no material changes in accounting estimates for the current financial quarter under review.

**A7. Material events subsequent to the statement of financial position date**

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in the condensed consolidated interim financial report.

**A8. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review except for those disclosed in Note B6.

**A9. Capital commitments**

Outstanding capital commitments in respect of capital expenditure at financial position date not provided for at the end of each reporting period are as follows:

	<b>Unaudited As at 30 September 2020 RM'000</b>	<b>Audited As at 31 December 2019 RM'000</b>
<b>Capital expenditure commitments</b>		
<b>Property, plant and equipment</b>		
<i>Authorised and contracted for</i>	<u>5,585</u>	<u>5,644</u>

## A10. Debt and equity securities

There were no other issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review, except as disclosed in Notes B6 and B7.

## A11. Dividends paid

There were no dividends paid during the current financial quarter under review.

## A12. Operating segments

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

### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
North Malaysia	3,091	2,413	6,291	7,448
Central Malaysia	11,231	9,821	24,942	27,564
South Malaysia	3,325	3,082	8,189	8,562
East Malaysia	545	753	1,387	2,239
	<u>18,192</u>	<u>16,069</u>	<u>40,809</u>	<u>45,813</u>

## A13. Valuations of property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any.

## A14. Contingencies

There were no contingent assets and contingent liabilities as at the date of this condensed consolidated interim financial report.

## A15. Investment in financial assets

The investment in financial assets relates to the funds received pursuant to the IPO referred to in Note B6. As disclosed in the Prospectus, pending the eventual utilisation of proceeds from the IPO, the funds have been placed in short-term money market instruments.

## A16. Related party transactions

### Identity of related parties

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

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

The Group has related party relationship with Directors and companies in which Directors have financial interests.

### Significant related party transactions

Significant related party transactions of the Group are as follows:

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Transactions</b>				
<b>A. Directors</b>				
Lease payments	66	66	198	198
Sales of inventories	-	(3)	(49)	(3)
<b>B. Companies in which Directors have financial interests</b>				
Casual wages	-	6	-	21
Lease payments	134	123	401	345
Purchases of inventories	-	2	23	2
Sales of inventories	(3)	(3)	(16)	(3)
Service fees receivable	(10)	(24)	(23)	(125)

## A17. Fair value information

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

The table below analyses other financial instruments at fair value.

	<b>Fair value of financial instruments carried at fair value Level 1 RM'000</b>	<b>Fair value of financial instruments not carried at fair value Level 3 RM'000</b>	<b>Total fair value RM'000</b>	<b>Carrying amount RM'000</b>
<b>Unaudited 30.9.2020</b>				
<b>Financial asset</b>				
Investment in financial assets	17,762	-	17,762	17,762
<b>Financial liabilities</b>				
Term loans	-	(12,581)	(12,581)	(12,287)
Hire purchase liabilities	-	(9,765)	(9,765)	(9,315)
	-	(22,346)	(22,346)	(21,602)
<b>Audited 31.12.2019</b>				
<b>Financial liabilities</b>				
Term loans	-	(13,816)	(13,816)	(12,423)
Hire purchase liabilities	-	(5,628)	(5,628)	(5,976)
	-	(19,444)	(19,444)	(18,399)

### ***Policy on transfer between levels***

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

### ***Level 1 fair value***

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

### ***Level 2 fair value***

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

**A17. Fair value information (continued)***Non-derivatives financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

***Transfer between Level 1 and Level 2 fair values***

There has been no transfer between Level 1 and Level 2 fair values during the current financial quarter under review.

***Level 3 fair value***

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

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

<b>Type</b>	<b>Description of valuation technique and inputs used</b>
Term loans and hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the respective entities at the reporting date.



## PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

### B1. Review of financial performance

#### (a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

##### Current financial quarter against corresponding financial quarter

	Unaudited Individual quarter ended 30 September		Variance %
	2020 RM'000	2019 RM'000	
Revenue	18,192	16,069	13.21
Profit before tax ("PBT")	<u>3,959</u>	<u>3,609</u>	9.70

The Group reported revenue of RM18.19 million for the current financial quarter under review. This represents an increase in revenue of approximately 13.21% against the corresponding financial quarter amounting to approximately RM16.07 million.

Due to the imposition of the Movement Control Order ("MCO") under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 from 18 March 2020 until 3 May 2020 ("MCO Period"), the Group's revenue was unfavourably affected particularly for the three-month financial period ended 30 June 2020 as the Group has implemented measures and precautions to safeguard and protect its customers and employees. These measures and precautions include the minimisation of business operational days, as well as the number of operational specialist centres at any one time<sup>(1)</sup>.

With the easing and relaxation of certain restrictions under the MCO and its extension under the Conditional MCO ("CMCO") from 4 May 2020 to 9 June 2020 ("CMCO Period") and Recovery MCO ("RMCO") from 10 June 2020 to 31 December 2020 ("RMCO Period"), the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO. This has resulted in the increase in revenue during the current financial quarter under review.

*Note:*

<sup>(1)</sup> For a large portion of the MCO Period, the Group's specialist centres in Ipoh, Klang, Shah Alam and TTDI were temporarily closed, whilst its specialist centres in Seri Petaling and Seremban were closed on alternate days. The remainder of its specialist centres remained open throughout the MCO Period.

## B1. Review of financial performance (continued)

### (a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

#### Current financial quarter against corresponding financial quarter (continued)

In terms of geographical segmentation (as tabulated below), the Group's increase in revenue was evident across all geographical segments except for East Malaysia.

	Unaudited Individual quarter ended 30 September		Variance %
	2020 RM'000	2019 RM'000	
<b>Revenue</b>			
North Malaysia	3,091	2,413	28.10
Central Malaysia	11,231	9,821	14.36
South Malaysia	3,325	3,082	7.88
East Malaysia	545	753	(27.62)
	<u>18,192</u>	<u>16,069</u>	13.21

While the Group's revenue for current financial quarter under review increased by 13.21% as compared to corresponding financial quarter, the Group's PBT increased by 9.70%. The increase in PBT was mainly due to the increase in revenue as elaborated above.

#### Current financial period against corresponding financial period

	Unaudited Cumulative quarter ended 30 September		Variance %
	2020 RM'000	2019 RM'000	
Revenue	40,809	45,813	(10.92)
PBT	<u>5,791</u>	<u>9,930</u>	(41.68)

The Group reported revenue of RM40.81 million for the current financial period, as compared to RM45.81 million in the corresponding financial period, representing a decrease of RM5.00 million or 10.92%.

The decrease in revenue was mainly due to the imposition of the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 in order to curb the spread of the COVID-19 as elaborated above.

**B1. Review of financial performance (continued)****(a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)****Current financial period against corresponding financial period (continued)**

In terms of geographical segmentation (as tabulated below), the Group's decrease in revenue was evident across all geographical segments, particularly East Malaysia, North Malaysia and Central Malaysia.

	<b>Unaudited Cumulative quarter ended 30 September</b>		<b>Variance %</b>
	<b>2020</b>	<b>2019</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>			
North Malaysia	6,291	7,448	(15.53)
Central Malaysia	24,942	27,564	(9.51)
South Malaysia	8,189	8,562	(4.36)
East Malaysia	1,387	2,239	(38.05)
	<u>40,809</u>	<u>45,813</u>	(10.92)

While the Group's revenue for current financial period decreased by 10.92% as compared to corresponding financial period, the Group's PBT decreased by 41.68%. The decrease in PBT was mainly due to:

- (i) the decrease in revenue as elaborated above while a portion of the Group's costs continued to accrue. The major cost items which continue to be accrued include staff costs, depreciation expenses, finance costs and other expenses such as sales and marketing expenses, administration and office expenses, professional fees and insurance;
- (ii) RM0.20 million worth of donation made to the Ministry of Health of Malaysia for the purchase of ventilators, protective gear, test kits and other necessities to combat the COVID-19 outbreak; and
- (iii) the initial public offering expenses of RM0.60 million.

## B2. Variation of results against immediate preceding financial quarter

	Unaudited Individual quarter ended		Variance %
	30 September 2020 RM'000	30 June 2020 RM'000	
Revenue	18,192	9,539	90.71
PBT	<u>3,959</u>	<u>177</u>	> 100

The Group's revenue increased from RM9.54 million to RM18.19 million, which was an increase of 90.71%.

Due to the imposition of the MCO under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967, the Group's revenue was unfavourably affected particularly for the three-month financial period ended 30 June 2020 as the Group has implemented measures and precautions to safeguard and protect its customers and employees. These measures and precautions include the minimisation of business operational days, as well as the number of operational specialist centres at any one time.

With the easing and relaxation of certain restrictions under the MCO and its extension under the CMCO and RMCO, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO. This has resulted in the increase in revenue during the current financial quarter under review.

The Group's PBT increased by RM3.78 million mainly due to the increase in revenue as elaborated above.

## B3. Commentary on prospects

The Government of Malaysia had on 16 March 2020 announced the imposition of MCO in an effort to contain the COVID-19 outbreak in Malaysia. The MCO was imposed on 18 March 2020 and three subsequent 14-day extensions of the MCO were announced on 25 March 2020, 10 April 2020 and 23 April 2020 respectively to extend the effective date of the MCO from 1 April 2020 until 14 April 2020, from 15 April 2020 until 28 April 2020 and thereafter from 29 April 2020 to 12 May 2020. The MCO however was eased and relaxed, and extended under CMCO from 4 May 2020 to 9 June 2020 instead. Under the CMCO, certain restrictions previously gazetted under the MCO were gradually eased and almost all economic sectors were allowed to reopen. The CMCO was then uplifted and RMCO was imposed from 10 June 2020 to 31 December 2020 instead. Under the RMCO, further restrictions previously gazetted under the CMCO were gradually eased.

During the MCO period, all government and private premises except those involved in essential services (which include, amongst others, communications and internet, banking and finance and healthcare and medical) were required to be closed during the MCO Period. As a provider of eye specialist services, the business falls within essential services, and thus, the Group was able to continue operations during the MCO Period.

### **B3. Commentary on prospects (continued)**

However, in response to the COVID-19 outbreak, the Group had implemented several measures in business conduct to safeguard and protect its customers and employees. Notwithstanding the Group's continued operations subject to the above measures and precautions, the Group has generally advised its customers to reschedule procedures relating to refractive surgery until after the MCO is lifted as these are regarded as an elective surgery. Fewer customers would also be seeking refractive surgery during the MCO Period. The Group has also advised its customers to reschedule non-urgent cataract treatments during the MCO Period. Therefore, the MCO restrictions on a prolonged basis would adversely impact its business and financial performance during the MCO Period. Such negative impact may also persist after the end of the MCO or lockdown period in Malaysia.

After the end of the MCO and during the CMCO Period, the Group had begun to operate all of its specialist centres as normal subject to the Group being able to safeguard and protect its customers and employees.

The Group's business was mainly affected by the MCO with less impact due to the COVID-19 outbreak, in particular the number of refractive surgeries and cataract surgeries, which declined significantly during the MCO Period due to the deferment of surgeries as well as the temporary closure of several of its specialist centres as part of the preventive measures undertaken by the Group during the MCO Period. As a portion of its costs continue to accrue during this period, the Group's profit and profit margin was negatively impacted particularly for the three-month financial period ended 30 June 2020.

With the easing and relaxation of certain restrictions under the MCO and its extension under the CMCO from 4 May 2020 to 9 June 2020 and RMCO from 10 June 2020 to 31 December 2020, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO. Nonetheless, due to the spike in number of COVID-19 cases in recent months, further restrictions had been reimposed in a number of states such as Kuala Lumpur, Putrajaya, Selangor and Sabah in order to contain the spread of COVID-19. Therefore, there is no assurance that this gradual recovery in the number of patients for refractive surgeries and cataract surgeries is sufficient to negate the loss in revenue and profitability due to the MCO and COVID-19 outbreak.

The Group will continue to monitor the situation to assess and address the impact of the COVID-19 outbreak, MCO, CMCO and RMCO on its business and financial condition, particularly if the MCO is reintroduced or specific restrictions are introduced by the relevant authorities to adhere to appropriate social distancing practices which are deemed necessary to mitigate the spread of the COVID-19.

While its financial performance has been adversely affected during the MCO, the Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2020 remains favourable.

**B4. Profit forecast**

Not applicable as the Group does not publish any profit forecast.

**B5. Tax expense**

Tax expense comprises the following:

	← Unaudited →			
	Individual quarter ended 30 September 2020 RM'000	2019 RM'000	Cumulative quarter ended 30 September 2020 RM'000	2019 RM'000
<b>Recognised in profit or loss</b>				
<b>Current tax expense</b>				
Current financial period	1,028	1,453	1,656	3,319
<b>Deferred tax expense</b>				
Current financial period	3	(337)	(18)	(335)
	<u>1,031</u>	<u>1,116</u>	<u>1,638</u>	<u>2,984</u>
Effective tax rate	26.04%	30.92%	28.29%	30.05%

Effective tax rates for the individual quarter and cumulative quarter ended 30 September 2020 were higher than the statutory tax rate of 24% due to the increase of non-deductible expenses incurred.

Income tax expense is recognised based on management's estimate.

## **B6. Status of corporate proposals**

### **Pre-IPO Exercise**

On 8 January 2020, the Company entered into Share Sale Agreement (“SSA”) with the shareholders of OESC to acquire the entire issued share capital of OESC for a purchase consideration of RM19,500,000 which was wholly satisfied by the issuance of 199,999,999 new ordinary shares at an issue price of approximately RM0.0975 per share by the Company. This will result in a total issued share capital of 200,000,000 ordinary shares.

The Pre-IPO Exercise was completed on 15 June 2020.

### **IPO**

On 31 January 2020, the Group submitted the relevant applications to the Securities Commission Malaysia (“SC”) and Bursa Securities in relation to the proposed initial offering of 70,000,000 ordinary shares of the Company (“IPO”), and the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities (“Listing”). The total enlarged issued share capital of the Company subsequent to the IPO is 270,000,000 ordinary shares.

Bursa Securities has, vide its letter dated 22 June 2020, approved its admission to the Official List and the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Securities, subject to certain conditions.

The Company’s Listing is an exempt transaction under Section 212(8) of the Capital Markets and Services Act, 2007 and is therefore not subject to the approval of the SC. The SC has, vide its letter dated 22 June 2020, approved the resultant equity structure of the Company under the equity requirement for public listed companies pursuant to the Company’s Listing, subject to a condition.

Ministry of International Trade and Industry of Malaysia had stated that it has taken note of and has no objection to the Listing vide its letter dated 12 May 2020.

The IPO and Listing were completed on 18 August 2020.

## B7. Loans and borrowings

Particulars of the Group's loans and borrowings are as follows:

	Note	Unaudited As at 30 September 2020 RM'000	Audited As at 31 December 2019 RM'000
<b>Non-current</b>			
Term loans – secured		12,108	11,885
Hire purchase liabilities	B7.1	6,449	4,228
		<u>18,557</u>	<u>16,113</u>
<b>Current</b>			
Term loans – secured		179	538
Hire purchase liabilities	B7.1	2,866	1,748
Bank overdrafts – secured		-	1,796
		<u>3,045</u>	<u>4,082</u>
		<u>21,602</u>	<u>20,195</u>

### B7.1 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
<b>Unaudited 30.9.2020</b>			
Less than one year	3,352	486	2,866
Between one to five years	6,948	499	6,449
	<u>10,300</u>	<u>985</u>	<u>9,315</u>
<b>Audited 31.12.2019</b>			
Less than one year	2,067	319	1,748
Between one to five years	4,556	328	4,228
	<u>6,623</u>	<u>647</u>	<u>5,976</u>



**B8. Material litigation**

There are no material litigations as at the date of this report.

**B9. Dividends**

The Board of Directors does not recommend any dividend for the current financial quarter under review.

**B10. Earnings per ordinary share**

The calculation of earnings per ordinary share at 30 September 2020 and 2019, was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2020	2019	2020	2019
Profit for the financial period attributable to owners of the Company (RM'000)	<u>2,595</u>	<u>2,239</u>	<u>3,564</u>	<u>6,241</u>
<b>Earnings per ordinary share attributable to owners of the Company</b>				
Based on weighted average number of ordinary shares (‘000)	270,000	270,000	270,000	270,000
Earnings per ordinary share (sen)	<u>0.96</u>	<u>0.83</u>	<u>1.32</u>	<u>2.31</u>

Earnings per ordinary share is calculated based on the share capital of 270,000,000 shares as the Pre-IPO Exercise and IPO referred to in Note B6 have been completed.

The Company has no potential ordinary shares in issue as at the date of the statement of financial position. Diluted earnings per share is equal to basic earnings per share.

**B11. Trade and other receivables**

	<b>Unaudited As at 30 September 2020 RM'000</b>	<b>Audited As at 31 December 2019 RM'000</b>
<b>Current Trade</b>		
Trade receivables	396	518
<b>Non-trade</b>		
Other receivables	46	241
Deposits	600	1,595
	646	1,836
	1,042	2,354

**(a) Ageing analysis of trade receivables**

	<b>Unaudited As at 30 September 2020 RM'000</b>	<b>Audited As at 31 December 2019 RM'000</b>
Current (not past due)	226	485
1 – 30 days past due	65	20
31 – 120 days past due	101	9
More than 120 days past due	4	4
	396	518

Trade receivables that are past due have not been impaired as these debtors have historically been creditworthy with good payment records with the Group.

**B12. Profit before tax**

	← Unaudited →				
	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Material expenses/ (income)</b>					
Depreciation expenses					
- property, plant and equipment		1,039	928	3,057	2,874
- right-of-use assets		441	468	1,361	1,305
Initial public offering expenses		303	246	603	246
Fair value gain on investment in financial assets		(7)	-	(7)	-
Finance income		(42)	(10)	(61)	(37)
Finance costs					
- bank overdrafts		-	-	30	28
- term loans		83	140	321	430
- hire purchase liabilities		104	105	291	317
- lease liabilities		191	123	458	348
- others		-	14	-	14
Donation		-	-	200	-
COVID-19 related rent concessions		-	-	(76)	-
<b>Expenses arising from leases</b>					
Expenses relating to short-term leases	(i)	1	9	121	11
Expenses relating to leases of low-value assets	(ii)	5	4	11	8
Gain on derecognition of right-of-use assets		-	(23)	-	(23)

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

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

*The Group did not report any other income including investment income, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and gain or loss on derivatives.*

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### B13. Utilisation of proceeds

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

Purpose	Intended timeframe for utilisation upon listing	Proposed utilisation		Amount utilised as at the date of this report		Deviation	
		RM'000	%	RM'000	%	RM'000	%
Capital expenditure	Within 12 months	10,354	49.31	-	-	-	-
Repayment of borrowings	Within 3 months	3,520	16.76	3,569	101.39	49 <sup>(1)</sup>	1.39
Working capital	Within 12 months	3,526	16.79	-	-	-	-
Estimated listing expenses	Within 1 month	3,600	17.14	3,731	103.64	131 <sup>(1)</sup>	3.64
<b>Total</b>		<b>21,000</b>	<b>100.00</b>	<b>7,300</b>	<b>34.76</b>	<b>180</b>	<b>2.53</b>

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

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