

Optimax Holdings Berhad

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

**Unaudited Condensed Consolidated
Interim Financial Report
for the Third Quarter Ended
30 September 2021**

Optimax Holdings Berhad

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(Incorporated in Malaysia)

Unaudited condensed consolidated statement of financial position as at 30 September 2021

	Unaudited As at 30 September 2021 RM'000	Audited As at 31 December 2020 RM'000
Assets		
Property, plant and equipment	49,097	42,985
Right-of-use assets	8,731	9,958
Deferred tax assets	471	462
Total non-current assets	<u>58,299</u>	<u>53,405</u>
Inventories	3,658	2,220
Trade and other receivables	8,013	1,454
Prepayments	1,351	1,001
Current tax assets	408	112
Investment in financial assets ⁽¹⁾	7,596	15,129
Cash and cash equivalents	13,265	10,914
Total current assets	<u>34,291</u>	<u>30,830</u>
Total assets	<u>92,590</u>	<u>84,235</u>
Equity		
Share capital	39,071	39,071
Reserves	17,527	8,799
Total equity attributable to owners of the Company	<u>56,598</u>	<u>47,870</u>
Non-controlling interests	2,247	2,351
Total equity	<u>58,845</u>	<u>50,221</u>

Unaudited condensed consolidated statement of financial position as at 30 September 2021 (continued)

	Unaudited As at 30 September 2021 RM'000	Audited As at 31 December 2020 RM'000
Liabilities		
Deferred tax liabilities	1,251	1,280
Loans and borrowings	13,091	14,214
Lease liabilities	6,061	7,008
Total non-current liabilities	<u>20,403</u>	<u>22,502</u>
Loans and borrowings	3,703	3,441
Lease liabilities	1,418	1,750
Trade and other payables	6,439	5,785
Current tax liabilities	1,782	536
Total current liabilities	<u>13,342</u>	<u>11,512</u>
Total liabilities	<u>33,745</u>	<u>34,014</u>
Total equity and liabilities	<u>92,590</u>	<u>84,235</u>
Net assets per share attributable to owners of the Company (RM)⁽²⁾	<u>0.21</u>	<u>0.18</u>

⁽¹⁾ Investment in financial assets represents investment in the Affin Hwang Aiiman Money Market Fund with a redemption notice of only one (1) business day.

⁽²⁾ Net assets per share attributable to owners of the Company is calculated based on the share capital of 270,000,000 shares after the completion of the restructuring exercise and the Initial Public Offering ("IPO").

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2021

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue	29,769	18,192	62,291	40,809
Other income	96	35	170	164
Inventories and consumables	(5,661)	(3,805)	(12,705)	(8,496)
Staff costs	(11,872)	(6,477)	(25,448)	(16,202)
Depreciation expenses	(1,693)	(1,480)	(5,064)	(4,418)
Other expenses	(3,162)	(2,170)	(6,116)	(5,027)
Results from operating activities	7,477	4,295	13,128	6,830
Finance income	42	42	151	61
Finance costs	(321)	(378)	(1,023)	(1,100)
Profit before tax	7,198	3,959	12,256	5,791
Tax expense	(1,623)	(1,031)	(3,182)	(1,638)
Profit and total comprehensive income for the financial period	5,575	2,928	9,074	4,153
Profit and total comprehensive income attributable to:				
Owners of the Company	5,415	2,595	8,728	3,564
Non-controlling interests	160	333	346	589
Profit and total comprehensive income for the financial period	5,575	2,928	9,074	4,153
Earnings per ordinary share (sen)⁽¹⁾	2.01	1.20	3.23	1.65

⁽¹⁾ Earnings per ordinary share is calculated based on the weighted average number of ordinary shares referred to in Note B10.

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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Registration No: 201801028697 (1290723-T)
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Unaudited condensed consolidated statement of changes in equity for the third quarter ended 30 September 2021

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Invested equity ⁽¹⁾ RM'000	Other reserves RM'000	Retained earnings RM'000			
Unaudited							
At 1 January 2020⁽²⁾	*	2,700	(686) ⁽³⁾	20,644	22,658	1,579	24,237
Effect of restructuring ⁽⁴⁾	19,500	(2,700)	(16,800)	-	-	-	-
New shares issued by the Company for the Public Issue ⁽⁵⁾	21,000	-	-	-	21,000	-	21,000
New shares issuance expenses for the Public Issue ⁽⁶⁾	(1,429)	-	-	-	(1,429)	-	(1,429)
Profit and total comprehensive income for the financial period	-	-	-	3,564	3,564	589	4,153
At 30 September 2020	39,071	-	(17,486)⁽⁷⁾	24,208	45,793	2,168	47,961
Unaudited							
At 1 January 2021	39,071	-	(17,486) ⁽⁷⁾	26,285	47,870	2,351	50,221
Dividends to non-controlling interests	-	-	-	-	-	(450)	(450)
Profit and total comprehensive income for the financial period	-	-	-	8,728	8,728	346	9,074
At 30 September 2021	39,071	-	(17,486)	35,013	56,598	2,247	58,845

* Denotes RM1

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Unaudited condensed consolidated statement of changes in equity for the third quarter ended 30 September 2021 (continued)

- (1) This represents the Company's investment in Optimax Eye Specialist Centre Sdn. Bhd.*
- (2) The comparative figures in the Group's condensed consolidated interim financial report are presented as if the restructuring had occurred before the start of the earliest period presented.*
- (3) This represents business combination reserve which 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 restructuring arose from the restructuring exercise undertaken by the Company in conjunction with the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad.*
- (5) Issuance of new shares pursuant to the IPO.*
- (6) Listing expenses incurred pursuant to the IPO that has been set-off against equity.*
- (7) This consists of business combination reserve of RM686,000 and restructuring reserve of RM16,800,000 as elaborated in (3) and (4) above.*

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2021

	Unaudited Cumulative quarter ended 30 September	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	12,256	5,791
<i>Adjustments for:</i>		
Finance income	(151)	(61)
Finance costs	1,023	1,100
Depreciation of property, plant and equipment	3,724	3,057
Depreciation of right-of-use assets	1,340	1,361
Property, plant and equipment written off	7	-
Fair value gain on investment in financial assets	(42)	(7)
Gain on derecognition of right-of-use assets	(66)	-
Initial public offering expenses	-	603
	<u>18,091</u>	<u>11,844</u>
Operating profit before working capital changes		
Changes in working capital:		
Inventories	(1,438)	(558)
Trade and other receivables	(6,559)	2,287
Prepayments	(350)	118
Trade and other payables	1,263	(2,754)
	<u>11,007</u>	<u>10,937</u>
Cash generated from operations		
Interest received	33	24
Interest paid	(402)	(488)
Tax paid	(2,270)	(1,818)
	<u>8,368</u>	<u>8,655</u>
Net cash from operating activities		
Cash flows from investing activities		
Acquisition of property, plant and equipment	(9,632)	(1,930)
Proceeds from disposal of property, plant and equipment	112	-
Net redemption from/(Increase in) investment in financial assets	7,693	(17,718)
Changes in pledged deposits	(13)	(18)
	<u>(1,840)</u>	<u>(19,666)</u>
Net cash used in investing activities		

Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2021 (continued)

	Unaudited Cumulative quarter ended 30 September	
	2021 RM'000	2020 RM'000
Cash flows from financing activities		
Dividends paid to non-controlling interests	(450)	-
Interest paid	(621)	(417)
Proceeds from issuance of new shares	-	21,000
Payment of listing expenses	-	(2,037)
Net repayment of hire purchase liabilities	(1,436)	(1,429)
Repayment of term loans	(357)	(136)
Payment of lease liabilities	(1,326)	(1,238)
Net cash (used in)/from financing activities	(4,190)	15,743
Net increase in cash and cash equivalents	2,338	4,732
Cash and cash equivalents at the beginning of financial period	9,843	5,674
Cash and cash equivalents at the end of financial period	12,181	10,406

(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	
	2021 RM'000	2020 RM'000
Cash and cash equivalents	13,265	11,473
Pledged deposits	(1,084)	(1,067)
	<u>12,181</u>	<u>10,406</u>

Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2021 (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	
	2021 RM'000	2020 RM'000
Paid in cash	9,500	1,316
Property, plant and equipment purchased using hire purchase arrangement	227	2,125 ⁽¹⁾
Balances remained unpaid at financial period end	228	2,009
	<u>9,955</u>	<u>5,450</u>

⁽¹⁾ The Group entered into hire purchase arrangement to finance an operation equipment amounting to RM1,950,000 in the financial period ended 30 September 2020 in which deposits of RM975,000 was paid in the financial year ended 31 December 2019.

During the financial period, the Group paid the remaining outstanding amounts in relation to property, plant and equipment acquired in the previous financial year of RM132,000 (30.9.2020: RM614,000).

The Group also entered into hire purchase arrangement to finance the plant and equipment acquired in the previous financial year of RM1,760,000 (30.9.2020: RM1,668,000) in which RM705,000 (30.9.2020: RM1,668,000) relates to the balances that remained unpaid at the previous financial year end. The remaining RM1,055,000 (30.9.2020: RM Nil) was initially funded out of the Group's internally generated funds in the previous financial year.

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Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2021 (continued)

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

	←	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
	<u>27,007</u>	<u>(2,803)</u>	<u>4,768</u>	<u>1,711</u>	<u>30,683</u>

	←	Unaudited			→	
	At 1.1.2021 RM'000	Payments RM'000	Acquisition of new lease RM'000	Derecognition RM'000	Remeasurement RM'000	At 30.9.2021 RM'000
Term loans	8,832	(357)	-	-	-	8,475
Hire purchase liabilities ⁽¹⁾	8,823	(2,491)	1,987	-	-	8,319
Lease liabilities	8,758	(1,326)	373	(1,058)	732	7,479
	<u>26,413</u>	<u>(4,174)</u>	<u>2,360</u>	<u>(1,058)</u>	<u>732</u>	<u>24,273</u>

⁽¹⁾ The Group entered into hire purchase arrangement to finance the plant and equipment acquired in the previous financial year of RM1,760,000 in which RM705,000 relates to the balances that remained unpaid at the previous financial year end. The remaining RM1,055,000 was initially funded out of the Group's internally generated funds in the previous financial year. Accordingly, the net repayment of hire purchase liabilities amounted to RM1,436,000 during the financial period.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 Rule 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 2021, 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 Audited Financial Statements for the financial year ended 31 December 2020 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 2020.

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 financial statements for the financial year ended 31 December 2020.

As of 1 January 2021, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2021.

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

The Group has early adopted the Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021* issued by MASB in April 2021 in response to the coronavirus disease pandemic.

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 financial statements for the financial year ended 31 December 2020.

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 current financial quarter under review.

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

Save as disclosed in Note B6 "Status of corporate proposals announced but not completed", 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. Material changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

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:

	Unaudited As at 30 September 2021 RM'000	Audited As at 31 December 2020 RM'000
Capital expenditure commitments		
Property, plant and equipment		
<i>Authorised and contracted for</i>	<u>1,148</u>	<u>4,063</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 Note 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	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
North Malaysia	3,208	3,091	8,573	6,291
Central Malaysia	22,424	11,231	42,254	24,942
South Malaysia	3,668	3,325	10,240	8,189
East Malaysia	469	545	1,224	1,387
	29,769	18,192	62,291	40,809

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. 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 a Director and companies in which a Director has financial interest.

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	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Transactions				
A. Directors				
Lease payments	42	66	174	198
Sales of inventories	-	-	-	(49)
B. Companies in which Directors have financial interests				
Lease payments	107	134	348	401
Purchases of inventories	-	-	-	23
Sales of inventories	(1)	(3)	(9)	(16)
Service fees receivable	(37)	(10)	(38)	(23)

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.

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Unaudited 30.09.2021				
Financial assets				
Investment in financial assets	7,596	-	7,596	7,596
Financial liabilities				
Term loans	-	(9,038)	(9,038)	(8,475)
Hire purchase liabilities	-	(8,506)	(8,506)	(8,319)
	-	(17,544)	(17,544)	(16,794)
Audited 31.12.2020				
Financial assets				
Investment in financial assets	15,129	-	15,129	15,129
Financial liabilities				
Term loans	-	(9,377)	(9,377)	(8,832)
Hire purchase liabilities	-	(9,147)	(9,147)	(8,823)
	-	(18,524)	(18,524)	(17,655)

A17. Fair value information (continued)

Policy on transfer between levels

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

Level 1 fair value

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

Level 3 fair value

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

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

Type	Description of valuation technique and inputs used
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 %
	2021 RM'000	2020 RM'000	
Revenue	29,769	18,192	63.64
Profit before tax ("PBT")	<u>7,198</u>	<u>3,959</u>	81.81

The Group reported revenue of RM29.77 million for the current financial quarter under review. This represents an increase in revenue of approximately 63.64% against the corresponding financial quarter where revenue amounted to approximately RM18.19 million.

On 15 June 2021, the Government of Malaysia announced the National Recovery Plan ("NRP") which consists of four (4) phases of an exit strategy to help the country emerge from the coronavirus ("COVID-19") pandemic and its economic fallout. The transition from one phase to the next phase will be based on three threshold indicators. The indicators include the average number of daily COVID-19 cases, intensive care unit ("ICU") bed occupancy rate and the national vaccination rates (by having two (2) shots). From 7 August 2021 onwards, the number of new COVID-19 cases with serious symptoms were used to indicate whether a state was ready to move up to Phases 2 and 3. Asymptomatic cases were no longer counted.

With the easing and relaxation of certain restriction under NRP, 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 treatments until after the Full Movement Control Order ("FMCO") from 1 June 2021 to 28 June 2021.

In the current financial quarter, the national vaccination programme ("PICK") and MyMedic@Wilayah which are organised by ProtectHealth Corporation Sdn Bhd and Kementerian Wilayah Persekutuan respectively had been rapidly rolled out throughout the country. Through the Group's participation in these two (2) programmes, the Group derived a new revenue stream from the provision of vaccination services.

Besides that, the Group also continued to offer on-going promotions through online platforms as part of its marketing efforts. These have resulted in the increase in revenue during the current financial quarter under review as compared to the corresponding financial quarter.

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 recorded increase in revenue for all geographical segments except for East Malaysia.

	Unaudited		Variance
	Individual quarter		
	ended 30 September		
	2021	2020	
	RM'000	RM'000	%
Revenue			
North Malaysia	3,208	3,091	3.79
Central Malaysia	22,424	11,231	99.66
South Malaysia	3,668	3,325	10.32
East Malaysia	469	545	(13.94)
	<u>29,769</u>	<u>18,192</u>	63.64

While the Group's revenue for the current financial quarter under review increased by 63.64% as compared to the corresponding financial quarter, the Group's PBT increased by 81.81% (from RM3.96 million to RM7.20 million). The increase in PBT was mainly due to:

- (i) the increase in revenue as elaborated above;
- (ii) effective marketing effort as there are ongoing promotions through online platforms; and
- (iii) better control of operating costs after the Group had encountered multiple lockdown since March 2020.

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**

	Unaudited		Variance
	Cumulative quarter		
	ended 30 September		
	2021	2020	%
	RM'000	RM'000	
Revenue	62,291	40,809	52.64
PBT	12,256	5,791	111.64

The Group reported revenue of RM62.30 million for the current financial period, as compared to RM40.81 million in the corresponding financial period, representing an increase of RM21.49 million or 52.64%.

The increase in revenue was mainly due to the easing and relaxation of certain restrictions under the NRP during the current financial period as compared to the previous MCO and its extension under the Conditional Movement Control Order from 4 May 2020 to 9 June 2020 and Recovery Movement Control Order from 10 June 2020 to 31 December 2020 during the corresponding financial period.

Besides, the Group had participated in PICK and MyMedic@Wilayah as mentioned above. With these two (2) programmes, the Group derived a new revenue stream from the provision of vaccination services, which has contributed positively to the increase of both revenue and PBT.

In terms of geographical segmentation (as tabulated below), save for East Malaysia, the Group recorded increase in revenue for all other geographical segments.

	Unaudited		Variance
	Cumulative quarter		
	ended 30 September		
	2021	2020	%
	RM'000	RM'000	
Revenue			
North Malaysia	8,573	6,291	36.27
Central Malaysia	42,254	24,942	69.41
South Malaysia	10,240	8,189	25.05
East Malaysia	1,224	1,387	(11.75)
	62,291	40,809	52.64

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)**

While the Group's revenue for the current financial period only increased by 52.64% as compared to the corresponding financial period, the Group's PBT increased by 111.64%. The increase in PBT was mainly due to:

- (i) the increase in revenue as elaborated above;
- (ii) in the corresponding financial period ended 30 September 2020, the Group's revenue had decreased significantly due to the implementation of MCO while a portion of the costs continued to accrued. The major cost items which continue to be accrued including staff costs, depreciation expenses, finance costs and other expenses such as sales and marketing expenses, administration and office expenses, professional fees and insurance;
- (iii) 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 was incurred in the corresponding financial period ended 30 September 2020; and
- (iv) the initial public offering expenses of RM0.60 million was incurred in corresponding financial period ended 30 September 2020, in which such expenses were not incurred during the current financial period under review.

B2. Variation of results against immediate preceding financial quarter

	Unaudited Individual quarter ended		Variance %
	30 September 2021 RM'000	30 June 2021 RM'000	
Revenue	29,769	18,033	65.08
PBT	7,198	2,973	142.11

The Group's revenue increased from RM18.03 million to RM29.77 million, which was an increase of 65.08%.

The increase in revenue was mainly due to the easing and relaxation of certain restrictions under the NRP during the current financial quarter as compared to previous MCO 2.0 and its extension under CMCO from 5 March 2021 to 6 May 2021, MCO 3.0 from 7 May 2021 to 31 May 2021 and FMCO from 1 June 2021 to 28 June 2021 during the preceding financial quarter.

Besides, the Group's new revenue stream from the provision of vaccination services during the current financial quarter had also contributed to the Group's revenue during these period.

The Group's PBT increased by RM4.23 million mainly due to the increase in revenue in the current financial quarter under review.

B3. Commentary on prospects

On 15 June 2021, the Government of Malaysia announced the introduction of the National Recovery Plan ("NRP") which contains a four-phased exit strategy to transition out of the COVID-19 crisis. The strategy of the NRP is based on three headline indicators: i) average number of daily new cases; ii) utilisation of intensive care unit beds; and iii) percentage of the eligible population fully vaccinated. From 7 August 2021 onwards, the number of new COVID-19 cases with serious symptoms were used to indicate whether a state was ready to move up to Phases 2 and 3. Asymptomatic cases were no longer counted.

As a provider of eye specialist services, the Group's business falls within essential services, and thus, the Group was able to continue its operations during the MCO 3.0, FMCO and NRP periods. The Group will continue to monitor the situation to assess and address the impact of the COVID-19 pandemic on its business and financial condition.

In addition, with the Group's participation in PICK and Mymedic@Wilayah as mentioned above, the roll out of booster shot is expected to contribute positively to the Group's performance.

The Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2021 remain 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		Cumulative quarter ended 30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	1,622	1,028	3,220	1,656
Deferred tax expense				
Current financial period	1	3	(38)	(18)
	<u>1,623</u>	<u>1,031</u>	<u>3,182</u>	<u>1,638</u>
Effective tax rate	22.55%	26.04%	25.96%	28.29%

The effective tax rate of 22.55% for individual quarter ended 30 September 2021 was lower than the statutory tax rate of 24% due to the utilisation of the unrecognised deferred tax assets during the current financial quarter.

The effective tax rate of 25.96% for cumulative quarter ended 30 September 2021 was higher than the statutory tax rate of 24% due to the non-deductible expenses incurred.

Income tax expense in the form of provision is recognised based on management's estimate.

B6. Status of corporate proposals announced but not completed

On 30 April 2021, the Group announced the following proposals ("Proposals"):

- (a) Proposed bonus issue of 67,500,000 warrants in the Company ("Warrant(s)") on the basis of one (1) Warrant for every four (4) existing ordinary shares in the Company held on an entitlement date to be determined and announced later; and
- (b) Proposed establishment of an employees' share option scheme ("ESOS") involving up to 20% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible executive directors and employees of the Company and its non-dormant subsidiaries.

On 18 August 2021, the Company announced that the listing application in relation to the Proposals has been submitted to Bursa Malaysia Securities Berhad.

B6. Status of corporate proposals announced but not completed (continued)

On 26 October 2021, the Company announced that Bursa Malaysia Securities Berhad had vide its letter dated 25 October 2021, granted its approval-in-principle for the Proposals.

On 8 November 2021, the circular and notice of Extraordinary General Meeting (“EGM”) in relation to the Proposals was despatched to the shareholders.

There were no other corporate proposals announced but not completed for the current financial quarter under review.

B7. Loans and borrowings

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

	Note	Unaudited As at 30 September 2021 RM’000	Audited As at 31 December 2020 RM’000
Non-current			
Term loans – secured		7,990	8,360
Hire purchase liabilities	B7.1	5,101	5,854
		<u>13,091</u>	<u>14,214</u>
Current			
Term loans – secured		485	472
Hire purchase liabilities	B7.1	3,218	2,969
		<u>3,703</u>	<u>3,441</u>
		<u>16,794</u>	<u>17,655</u>

B7. Loans and borrowings (continued)**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
Unaudited			
30.9.2021			
Less than one year	3,591	373	3,218
Between one to five years	5,428	327	5,101
	9,019	700	8,319
Audited			
31.12.2020			
Less than one year	3,383	414	2,969
Between one to five years	6,254	400	5,854
	9,637	814	8,823

B8. Material litigation

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

B9. Dividends

The Board of Directors of the Company declared an interim tax-exempt dividend of 1.90 sen per ordinary share totalling RM5,130,000 in respect of the financial year ending 31 December 2021. The entitlement date is fixed on 10 December 2021 and payment will be made on 24 December 2021. The total dividends declared to date for the current financial year ending 31 December 2021 is 1.90 sen per ordinary share (September 2020: nil).

B10. Earnings per ordinary share

The calculation of earnings per ordinary share at 30 September 2021 and 2020, 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		Unaudited Cumulative quarter ended 30 September	
	2021	2020	2021	2020
Profit for the financial period attributable to owners of the Company (RM'000)	<u>5,415</u>	<u>2,595</u>	<u>8,728</u>	<u>3,564</u>
Earnings per ordinary share attributable to owners of the Company				
Based on weighted average number of ordinary shares outstanding during the financial period				
In thousands of shares	270,000	215,556	270,000	215,556
Earnings per ordinary share (sen)	<u>2.01</u>	<u>1.20</u>	<u>3.23</u>	<u>1.65</u>
Based on enlarged ordinary shares in issue after the restructuring exercise and IPO				
In thousands of shares	270,000	270,000	270,000	270,000
Earnings per ordinary share (sen) (For illustrative purpose only)	<u>2.01</u>	<u>0.96</u>	<u>3.23</u>	<u>1.32</u>

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

	Unaudited As at 30 September 2021 RM'000	Audited As at 31 December 2020 RM'000
Current Trade		
Trade receivables	6,911	541
Non-trade		
Other receivables	415	303
Deposits	687	610
	1,102	913
	<u>8,013</u>	<u>1,454</u>

(a) Ageing analysis of trade receivables

	Unaudited As at 30 September 2021 RM'000	Audited As at 31 December 2020 RM'000
Current (not past due)	4,947	468
1 – 30 days past due	1,705	30
31 – 120 days past due	257	37
More than 120 days past due	2	6
	<u>6,911</u>	<u>541</u>

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

B12. Profit before tax

	← Unaudited →			
	Individual quarter ended		Cumulative quarter ended	
	30 September	30 September	30 September	30 September
Note	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Material expenses/ (income)				
Depreciation expenses				
- property, plant and equipment	1,275	1,039	3,724	3,057
- right-of-use assets	418	441	1,340	1,361
Initial public offering expenses	-	303	-	603
Property, plant and equipment written off	-	-	7	-
Fair value gain on investment in financial assets	(11)	(7)	(42)	(7)
Finance income				
- investment in financial assets	(31)	(37)	(118)	(37)
- cash and cash equivalents	(11)	(5)	(33)	(24)
Finance costs				
- bank overdraft	2	-	2	30
- term loans	73	83	219	321
- hire purchase liabilities	122	104	402	291
- lease liabilities	124	191	400	458
Donation	-	-	-	200
COVID-19 related rent concession	-	-	-	(76)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76)</u>
Expenses arising from leases				
Expenses relating to short-term leases	(i)	193	1	376
Expenses relating to leases of low-value assets	(ii)	82	5	114
Gain on derecognition of right-of-use assets		(66)	-	(66)
		<u>(66)</u>	<u>-</u>	<u>(66)</u>

- (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 status on the 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 24 months	10,354	49.31	8,044	77.69	(2,310) ⁽¹⁾	(22.31)
Repayment of borrowings	Within 3 months	3,520	16.76	3,569	101.39	49 ⁽²⁾	1.39
Working capital	Within 12 months	3,526	16.79	3,526	100.00	-	-
Estimated listing expenses	Within 1 month	3,600	17.14	3,731	103.64	131 ⁽²⁾	3.64
Total		21,000	100.00	18,870	89.86	(2,130)	(10.14)

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

- ⁽¹⁾ The allocated IPO proceeds for capital expenditure has not been fully utilised as at the date of this report. The Group has announced that the timeframe for the utilisation of proceeds allocated for capital expenditure will be extended for another 12 months. Accordingly, the timeframe for the utilisation of proceeds allocated for capital expenditure will be for a period of up to 24 months from 18 August 2020, being the date of the listing of and quotation for the Company's entire enlarged issued capital on the ACE Market of Bursa Malaysia Securities Berhad.
- ⁽²⁾ As the actual amount utilised for repayment of borrowings and estimated listing expenses are higher than the estimated amounts, the shortfalls were funded from the Group's internally generated funds.