

Optimax Holdings Berhad

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

**Unaudited Condensed Consolidated
Interim Financial Report
for the Fourth Quarter Ended
31 December 2022**

Optimax Holdings Berhad

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

Unaudited condensed consolidated statement of financial position as at 31 December 2022

	Unaudited As at 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000
Assets		
Property, plant and equipment	58,046	49,266
Right-of-use assets	9,949	9,462
Deferred tax assets	307	369
Total non-current assets	<u>68,302</u>	<u>59,097</u>
Inventories	4,291	3,070
Trade and other receivables	2,240	4,563
Prepayments	1,610	1,206
Current tax assets	406	433
Investment in financial assets ⁽¹⁾	4,919	4,632
Cash and cash equivalents	19,307	19,614
Total current assets	<u>32,773</u>	<u>33,518</u>
Total assets	<u><u>101,075</u></u>	<u><u>92,615</u></u>
Equity		
Share capital	39,072	39,071
Reserves	19,048	15,967
Total equity attributable to owners of the Company	<u>58,120</u>	<u>55,038</u>
Non-controlling interests	3,867	2,704
Total equity	<u>61,987</u>	<u>57,742</u>

Unaudited condensed consolidated statement of financial position as at 31 December 2022 (continued)

	Unaudited As at 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000
Liabilities		
Deferred tax liabilities	2,777	1,957
Loans and borrowings	13,403	12,188
Lease liabilities	7,270	6,760
Total non-current liabilities	<u>23,450</u>	<u>20,905</u>
Loans and borrowings	3,809	3,620
Lease liabilities	1,655	1,515
Trade and other payables	9,011	7,788
Current tax liabilities	1,163	1,045
Total current liabilities	<u>15,638</u>	<u>13,968</u>
Total liabilities	<u>39,088</u>	<u>34,873</u>
Total equity and liabilities	<u>101,075</u>	<u>92,615</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.11 ⁽²⁾</u>	<u>0.10 ⁽³⁾</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 540,003,000 shares after the conversion of a total 1,500 warrants which have been listed on 7 March 2022 and 27 April 2022 and the listing of and quotation for the bonus shares on 9 May 2022.

⁽³⁾ The comparative figures for net assets per share had been restated to reflect the adjustment as disclosed in Note 2 above.

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 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

Optimax Holdings Berhad

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

Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the fourth quarter ended 31 December 2022

	← Unaudited →			
	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	← Unaudited →		Unaudited	Audited
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue	28,413	26,607	108,041	88,898
Other income	91	-	238	169
Inventories and consumables	(6,409)	(6,768)	(23,671)	(19,473)
Staff costs	(11,393)	(9,274)	(41,425)	(34,722)
Depreciation expenses	(2,131)	(1,516)	(7,820)	(6,580)
Other expenses	(2,753)	(2,519)	(10,736)	(8,634)
Results from operating activities	5,818	6,530	24,627	19,658
Finance income	50	40	108	191
Finance costs	(170)	(235)	(1,230)	(1,258)
Profit before tax	5,698	6,335	23,505	18,591
Tax expense	(2,080)	(2,308)	(7,091)	(5,490)
Profit and total comprehensive income for the financial period	3,618	4,027	16,414	13,101
Profit and total comprehensive income attributable to:				
Owners of the Company	3,835	3,570	14,691	12,298
Non-controlling interests	(217)	457	1,723	803
Profit and total comprehensive income for the financial period	3,618	4,027	16,414	13,101
Earnings per ordinary share (sen) ⁽¹⁾				
- Basic earnings per ordinary shares (sen)	0.71	0.66	2.72	2.28
- Diluted earnings per ordinary shares (sen)	0.57	0.53	2.18	1.82

⁽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 2021 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 changes in equity for the period ended 31 December 2022

	← Attributable to owners of the Company →					
	← Non-distributable →		Distributable			
	Share capital RM'000	Other reserves RM'000 ⁽¹⁾	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Audited						
At 1 January 2021	39,071	(17,486)	26,285	47,870	2,351	50,221
Dividends to owners of the Company	-	-	(5,130)	(5,130)	-	(5,130)
Dividends to non-controlling interests	-	-	-	-	(450)	(450)
Profit and total comprehensive income for the financial period	-	-	12,298	12,298	803	13,101
At 31 December 2021	<u>39,071</u>	<u>(17,486)</u>	<u>33,453</u>	<u>55,038</u>	<u>2,704</u>	<u>57,742</u>
Unaudited						
At 1 January 2022	39,071	(17,486)	33,453	55,038	2,704	57,742
Conversion of bonus warrants	1	-	-	1	-	1
Dividends to owners of the Company	-	-	(11,610)	(11,610)	-	(11,610)
Dividends to non-controlling interests	-	-	-	-	(560)	(560)
Profit and total comprehensive income for the financial period	-	-	14,691	14,691	1,723	16,414
At 31 December 2022	<u>39,072</u>	<u>(17,486)</u>	<u>36,534</u>	<u>58,120</u>	<u>3,867</u>	<u>61,987</u>

⁽¹⁾ This consists of business combination reserve of RM686,000 and restructuring reserve of RM16,800,000 arose from the restructuring exercise.

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 2021 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 cash flows for the period ended 31 December 2022

	Cumulative quarter ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000
Cash flows from operating activities		
Profit before tax	23,505	18,591
<i>Adjustments for:</i>		
Finance income	(108)	(191)
Finance costs	1,230	1,258
Depreciation of property, plant and equipment	5,939	4,880
Depreciation of right-of-use assets	1,881	1,700
Write-off of property, plant and equipment	-	6
Fair value gain on investment in financial assets	(171)	(52)
Bad debts written off	-	4
Gain on derecognition of right-of-use assets	-	(67)
	<hr/>	<hr/>
Operating profit before working capital changes	32,276	26,129
Changes in working capital:		
Inventories	(1,221)	(850)
Trade and other receivables	2,323	(3,113)
Prepayments	(404)	(205)
Trade and other payables	587	2,740
	<hr/>	<hr/>
Cash generated from operations	33,561	24,701
Interest received	96	45
Interest paid	(541)	(522)
Tax refund	181	-
Tax paid	(6,258)	(4,532)
	<hr/>	<hr/>
Net cash from operating activities	27,039	19,692
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,426)	(11,084)
Proceeds from disposal of property, plant and equipment	-	112
Net (increase in)/redemption from investment in financial assets	(104)	10,695
Changes in pledged deposits	(18)	(18)
	<hr/>	<hr/>
Net cash used in investing activities	(8,548)	(295)

Unaudited condensed consolidated statement of cash flows for the period ended 31 December 2022 (continued)

	Unaudited Cumulative quarter ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000
Cash flows from financing activities		
Proceeds from conversion of bonus warrants	1	-
Dividends paid to owners of the Company	(11,610)	(5,130)
Dividends paid to non-controlling interests	(560)	(450)
Interest paid	(689)	(736)
Net repayment of hire purchase liabilities	(3,662)	(2,264)
Repayment of term loans	(591)	(515)
Payment of lease liabilities	(1,705)	(1,620)
Net cash from/(used in) financing activities	(18,816)	(10,715)
Net (decrease)/increase in cash and cash equivalents	(325)	8,682
Cash and cash equivalents at the beginning of financial period	18,525	9,843
Cash and cash equivalents at the end of financial period	18,200	18,525

(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:

	Cumulative quarter ended 31 December	
	Unaudited 2022 RM'000	Audited 2021 RM'000
Cash and cash equivalents	19,307	19,614
Pledged deposits	(1,107)	(1,089)
	<u>18,200</u>	<u>18,525</u>

Unaudited condensed consolidated statement of cash flows for the period ended 31 December 2022 (continued)

(ii) Acquisition of property, plant and equipment

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

	Cumulative quarter ended 31 December	
	2022 Unaudited RM'000	2021 Audited RM'000
Paid in cash	8,326	10,952
Property, plant and equipment purchased using hire purchase arrangement	5,657	227
Balances remained unpaid at financial period end	736	100
	<u>14,719</u>	<u>11,279</u>

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 RM100,000 (31.12.2021: RM132,000).

The Group also entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year of RM2,679,000 which was initially funded out of the Group's internally generated funds in the previous financial year. The Group also acquired plant and equipment of RM2,978,000 during the financial period via hire purchase arrangement.

In the corresponding financial year ended 31 December 2021, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2020 of RM1,760,000 in which RM705,000 is related to the balances that remained unpaid at the previous financial year ended 31 December 2020. The remaining RM1,055,000 was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2020.

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Unaudited condensed consolidated statement of cash flows for the period ended 31 December 2022 (continued)

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

	← Audited →					At 31.12.2021 RM'000
	At 1.1.2021 RM'000	Payments RM'000	Acquisition of new lease RM'000	Derecognition RM'000	Remeasurement RM'000	
Term loans	8,832	(515)	-	-	-	8,317
Hire purchase liabilities ⁽¹⁾	8,823	(3,319)	1,987	-	-	7,491
Lease liabilities	8,758	(1,620)	1,508	(1,103)	732	8,275
	26,413	(5,454)	3,495	(1,103)	732	24,083
	← Unaudited →					At 31.12.2022 RM'000
	At 1.1.2022 RM'000	Payments RM'000	Acquisition of new lease RM'000	Derecognition RM'000	Remeasurement RM'000	At 31.12.2022 RM'000
Term loans	8,317	(591)	-	-	-	7,726
Hire purchase liabilities ⁽²⁾	7,491	(3,662)	5,657	-	-	9,486
Lease liabilities	8,275	(1,705)	2,144	-	211	8,925
	24,083	(5,958)	7,801	-	211	26,137

⁽¹⁾ In the corresponding financial quarter ended 31 December 2021, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2020 of RM1,760,000 in which RM705,000 is related to the balances that remained unpaid at the previous financial year ended 31 December 2020. The remaining RM1,055,000 was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2020.

⁽²⁾ The Group had also entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year of RM2,679,000, which was initially funded out of the Group's internally generated funds in the previous financial year. The Group also acquired plant and equipment of RM2,978,000 during the financial period via hire purchase arrangement.

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 2021 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 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Within the context of this condensed consolidated interim financial report for the fourth quarter ended 31 December 2022, 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 2021 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 2021.

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 2021.

As of 1 January 2022, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2022.

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

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 2021.

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 during the statement of financial position date

Save as disclosed in Note B6 "Status of corporate proposals announced completed", there were no material event during the current financial quarter under review that have not been reflected in the condensed consolidated interim financial report.

A8. 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.

A9. 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.

A10. 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 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000
Capital expenditure commitments		
Property, plant and equipment		
<i>Authorised and contracted for</i>	<u>4,198</u>	<u>7,556</u>

A11. 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.

A12. Dividends paid

On 28 March 2022, the Group paid a second interim tax-exempted dividend of 1.90 sen (31.12.2021: 1.90 sen) per ordinary share totalling to RM5,130,019 (31.12.2021: RM5,130,000) in respect of the financial year ended 31 December 2021.

On 16 December 2022, the Group paid a first interim tax-exempted dividend of 1.20 sen per ordinary share totalling to RM6,480,035 in respect of the financial year ended 31 December 2022.

A13. 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 31 December		Cumulative quarter ended 31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue				
North Malaysia	4,658	5,161	19,083	13,734
Central Malaysia	17,048	15,986	62,202	58,240
South Malaysia	5,674	4,947	23,280	15,187
East Malaysia	1,033	513	3,476	1,737
	28,413	26,607	108,041	88,898

A14. 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.

A15. Contingencies

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

A16. Investment in financial assets

The investment in financial assets relates to the investment in short-term money market instruments.

A17. 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		Cumulative quarter	
	ended 31 December		ended 31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Transactions				
A. Directors				
Lease payments	30	42	117	203

A17. Related party transactions (continued)**Significant related party transactions (continued)**

	← Unaudited →			
	Individual quarter		Cumulative quarter	
	ended 31 December		ended 31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
B. Companies in which Directors have financial interests				
Lease payments	184	91	673	439
Purchases of inventories	-	-	-	-
Sales of inventories	(4)	(271)	(191)	(280)
Service fees receivable	(2)	(81)	(78)	(119)

A18. 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				
	31.12.2022				
Financial assets					
Investment in financial assets	4,919	-	4,919	4,919	
Financial liabilities					
Term loans	-	(8,200)	(8,200)	(7,726)	
Hire purchase liabilities	-	(10,292)	(10,292)	(9,486)	
	-	(18,492)	(18,492)	(17,212)	

A18. Fair value information (continued)

	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
Audited				
31.12.2021				
Financial assets				
Investment in financial assets	4,632	-	4,632	4,632
Financial liabilities				
Term loans	-	(8,925)	(8,925)	(8,317)
Hire purchase liabilities	-	(7,807)	(7,807)	(7,491)
	-	(16,732)	(16,732)	(15,808)

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 MAIN 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 31 December		Variance %
	2022 RM'000	2021 RM'000	
Revenue	28,413	26,607	6.79
Profit before tax ("PBT")	<u>5,698</u>	<u>6,335</u>	(10.06)

The Group reported revenue of RM28.41 million for the current financial quarter under review. This represents an increase in revenue of approximately 6.79% against the corresponding financial quarter where revenue amounted to approximately RM26.61 million.

The slight increase in revenue by comparing to the corresponding financial quarter is mainly due to the easing and relaxation of certain restrictions under the Government of Malaysia's National Recovery Plan ("NRP") in controlling the coronavirus disease ("**COVID-19**") pandemic while progressively reopening society and the economy towards the new normal, there was an increase in the number of patients seeking treatments, including patients for refractive surgeries and cataract surgeries who had postponed their treatments during the various movement control orders implemented within Malaysia.

Besides that, ongoing promotions for eye specialist services through online platforms have sustained the momentum 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.

	Unaudited Individual quarter ended 31 December		Variance %
	2022 RM'000	2021 RM'000	
Revenue			
North Malaysia	4,658	5,161	(9.75)
Central Malaysia	17,048	15,986	6.64
South Malaysia	5,674	4,947	14.70
East Malaysia	1,033	513	101.36
	<u>28,413</u>	<u>26,607</u>	

While the Group's revenue for the current financial quarter under review increased by 6.79% as compared to the corresponding financial quarter, the Group's PBT decreased by 10.06% (from RM6.35 million to RM5.70 million). The decrease in PBT was mainly due to an increase in staff costs, as an additional performance bonus was given out to staff.

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 Cumulative quarter ended 31 December		Variance %
	2022	2021	
	RM'000	RM'000	
Revenue	108,041	88,898	21.53
PBT	23,505	18,591	26.43

The Group reported revenue of RM108.04 million for the current financial period, as compared to RM88.90 million in the corresponding financial period, representing an increase of RM19.14 million or 21.53%.

With the easing and relaxation of certain restrictions under the Government of Malaysia's National Recovery Plan ("NRP") in controlling the coronavirus disease ("COVID-19") pandemic while progressively reopening society and the economy towards the new normal, there was an increase in the number of patients seeking treatments, including patients for refractive surgeries and cataract surgeries who had postponed their treatments during the various movement control orders implemented within Malaysia.

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

	Unaudited Cumulative quarter ended 31 December		Variance %
	2022	2021	
	RM'000	RM'000	
Revenue			
North Malaysia	19,083	13,734	38.95
Central Malaysia	62,202	58,240	6.80
South Malaysia	23,280	15,187	53.29
East Malaysia	3,476	1,737	100.12
	108,041	88,898	

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 21.53% as compared to the corresponding financial period, the Group's PBT increased by 26.43%. The increase in PBT was mainly due to:

- (i) the increase in revenue as elaborated above;
- (i) effective marketing effort from ongoing promotions through online platforms; and
- (ii) better control of operating costs drawing from the experience gained from multiple movement control lockdowns since March 2020.

B2. Variation of results against immediate preceding financial quarter

	Unaudited Individual quarter ended		Variance %
	31 December 2022 RM'000	30 September 2022 RM'000	
Revenue	28,413	28,717	1.06
PBT	<u>5,698</u>	<u>6,468</u>	(11.90)

The Group's revenue decreased from RM28.72 million to RM28.41 million, which was a slight decrease of 1.06%.

The group's PBT decreased by RM0.77 million mainly due to an increase in staff costs, as an additional performance bonus was given out to staff.

B3. Commentary on prospects

With the easing of SOPs and relaxed restrictions, the performance of some branches of the Group has improved, with some returning to pre-COVID-19 levels.

Meanwhile, the resurgence of COVID-19 infections, inflationary pressure due to rising food and energy prices, and disrupted supply chains following the Russia-Ukraine war remain threats to both the local and global economy.

Nonetheless, the Group will continue to monitor its operational costs and seek strategic locations to set up more ambulatory care centers/satellite clinics to support its growth.

Accordingly, the Board of Directors is cautiously optimistic that the Group's prospects for the financial year ending on 31 December 2023 will remain favorable.

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 31 December 2022		Cumulative quarter ended 31 December 2021	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	1,199	1,500	6,222	4,720
Deferred tax expense				
Current financial period	881	808	869	770
	<u>2,080</u>	<u>2,308</u>	<u>7,091</u>	<u>5,490</u>
Effective tax rate	36.50%	36.43%	30.17%	29.53%

The overall effective tax rates of 36.50% for individual and 30.17% for cumulative quarter ended 31 December 2022 were 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 completed

On 26 May 2022, the Company announced that the Company proposes to undertake the following:

- (i) Proposed transfer of the listing of and quotation for the entire issued share capital of Optimax from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Proposed Transfer"); and
- (ii) Proposed adoption of a new Constitution of Optimax to facilitate the implementation of the Proposed Transfer.

The Company has obtained the shareholders' approval at the extraordinary general meeting of the Company held on 23 June 2022 for the adoption of a new Constitution to substitute Company's existing Constitution in its entirety to facilitate the implementation of the Proposed Transfer and streamline the Company's existing Constitution to be in line with the Main Market Listing Requirements of Bursa Securities.

B6. Status of corporate proposals announced completed (continued)

On 26 July 2022, the Company announced that the application for the Proposed Transfer has been submitted to the Securities Commission Malaysia.

On 22 September 2022, the Company announced that the application for the Proposed Transfer has been approved by the Securities Commission Malaysia .

On 7 October 2022, the Company announced that the application for the Proposed Transfer has been submitted to the Bursa Securities.

On 27 October 2022, the Company announced that the application for the Proposed Transfer has been approved by the Bursa Securities.

On 3 November 2022, the Company announced that the listing of and quotation for the entire issued share capital and outstanding warrants 2021/2026 of Optimax have been transferred from the ACE Market to the Main Market of Bursa Securities with effect from 9:00 a.m. on Thursday, 3 November 2022, marking the completion of the Transfer.

Save for the above, there are no other corporate proposals announced 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 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000
Non-current			
Term loans – secured		7,346	7,867
Hire purchase liabilities	B7.1	6,057	4,321
		13,403	12,188
Current			
Term loans – secured		380	450
Hire purchase liabilities	B7.1	3,429	3,170
		3,809	3,620
		17,212	15,808

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 31.12.2022			
Less than one year	3,850	421	3,429
Between one to five years	6,539	482	6,057
	<u>10,389</u>	<u>903</u>	<u>9,486</u>
Audited 31.12.2021			
Less than one year	3,530	360	3,170
Between one to five years	4,581	260	4,321
	<u>8,111</u>	<u>620</u>	<u>7,491</u>

B8. Material litigation

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

B9. Dividends

The Board of Directors of the Company proposed a second interim tax-exempt dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 December 2022. The entitlement date is fixed on 21 March 2023 and payment will be made on 30 March 2023. The total dividends declared to date for the current financial year ended 31 December 2022 is 2.40 sen per ordinary share (31.12.2021: 3.80 sen, comprised of first and second interim dividend of 1.90 sen respectively).

B10. Earnings per ordinary share

The calculation of earnings per ordinary share at 31 December 2022 and 2021, 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 31 December 2022		Unaudited Cumulative quarter ended 31 December 2022	
	2022	2021	2022	2021
Profit for the financial period attributable to owners of the Company (RM'000)	<u>3,835</u>	<u>3,570</u>	<u>14,691</u>	<u>12,298</u>

B10. Earnings per ordinary share (continued)

	Unaudited Individual quarter ended 31 December		Unaudited Cumulative quarter ended 31 December	
	2022	2021	2022	2021
Basic earnings per ordinary share attributable to owners of the Company				
Based on weighted average number of ordinary shares ('000)	540,000	540,000	540,000	540,000
Effect on conversion of the bonus warrants ('000)	3	3	3	3
Adjusted weighted average number of ordinary shares ('000) ⁽¹⁾	<u>540,003</u>	<u>540,003</u>	<u>540,003</u>	<u>540,003</u>
Basic earnings per ordinary shares (sen) ('000) ⁽²⁾	<u>0.71</u>	<u>0.66</u>	<u>2.72</u>	<u>2.28</u>
Diluted earnings per ordinary share attributable to owners of the Company				
Based on weighted average number of ordinary shares ('000)	540,000	540,000	540,000	540,000
Effect on conversion of the bonus warrants ('000)	3	3	3	3
Effect of dilution arising from conversion of all bonus warrants ('000)	134,997	134,997	134,997	134,997
Adjusted weighted average number of ordinary shares ('000) ⁽³⁾	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
Diluted earnings per ordinary share (sen) ('000) ⁽⁴⁾	<u>0.57</u>	<u>0.53</u>	<u>2.18</u>	<u>1.82</u>

⁽¹⁾ Included the effects of the conversion of a total 1,500 bonus warrants which have been listed on 7 March 2022 and 27 April 2022 and the listing of and quotation for bonus shares on 9 May 2022.

⁽²⁾ The calculation of basic earnings per share has been adjusted retrospectively to reflect the changes in the number of Optimax Shares as disclosed in Note 1 above as per the requirement of MFRS 133, Earnings per Share, Paragraph 64.

⁽³⁾ Included the assumption that the remaining bonus warrants (issued on 30 December 2021) are converted to Optimax Shares (as at the date of this report, these bonus warrants have not been converted to Optimax Shares).

⁽⁴⁾ The calculation of diluted earnings per share has been adjusted retrospectively to reflect the changes in the number of Optimax Shares as disclosed in Note 2 above as per the requirement of MFRS 133, Earnings per Share, Paragraph 64.

B11. Trade and other receivables

	Unaudited As at 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000
Current Trade		
Trade receivables	1,183	3,432
Non-trade		
Other receivables	259	438
Deposits	798	693
	1,057	1,131
	2,240	4,563

(a) Ageing analysis of trade receivables

	Unaudited As at 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000
Current (not past due)	633	1,978
1 – 30 days past due	38	1
31 – 120 days past due	36	1,435
More than 120 days past due	476	18
	1,183	3,432

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 31 December		Cumulative quarter ended 31 December		
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<i>Material expenses/ (income)</i>					
Depreciation expenses					
- property, plant and equipment		1,534	1,118	5,939	4,880
- right-of-use assets		492	469	1,881	1,700
Property, plant and equipment written off		-	-	-	6
Fair value gain on investment in financial assets		(60)	(9)	(171)	(52)
Finance income					
- investment in financial assets		(3)	(26)	(12)	(146)
- cash and cash equivalents		(47)	(14)	(96)	(45)
Finance costs					
- term loans		(66)	72	190	253
- hire purchase liabilities		114	118	499	483
- lease liabilities		122	56	541	520
<i>Expenses arising from leases</i>					
Expenses relating to short-term leases	(i)	93	163	218	539
Expenses relating to leases of low-value assets	(ii)	17	32	52	146
Gain on derecognition of right-of- use assets		-	(1)	-	(67)

- (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.