

Optimax Holdings Berhad

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

**Unaudited Condensed Consolidated
Interim Financial Report
for the Fourth Quarter Ended
31 December 2023**

Optimax Holdings Berhad

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

Unaudited condensed consolidated statement of financial position as at 31 December 2023

	Unaudited As at 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000
Assets		
Property, plant and equipment	73,489	58,046
Right-of-use assets	15,720	9,949
Deferred tax assets	342	307
Total non-current assets	<u>89,551</u>	<u>68,302</u>
Inventories	5,049	4,291
Trade and other receivables	3,184	2,549
Prepayments	1,355	1,610
Current tax assets	283	406
Investment in financial assets ⁽¹⁾	3,033	4,919
Pledged deposits	1,128	1,107
Cash and cash equivalents	16,156	18,202
Total current assets	<u>30,188</u>	<u>33,084</u>
Total assets	<u>119,739</u>	<u>101,386</u>
Equity		
Share capital	41,053	39,072
Reserves	21,965	19,048
Total equity attributable to owners of the Company	<u>63,018</u>	<u>58,120</u>
Non-controlling interests	4,939	3,867
Total equity	<u>67,957</u>	<u>61,987</u>

Unaudited condensed consolidated statement of financial position as at 31 December 2023 (continued)

	Unaudited As at 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000
Liabilities		
Deferred tax liabilities	2,786	2,777
Loans and borrowings	15,043	13,403
Lease liabilities	12,042	7,270
Total non-current liabilities	<u>29,871</u>	<u>23,450</u>
Loans and borrowings	3,135	3,808
Lease liabilities	2,873	1,655
Trade and other payables	15,409	9,323
Current tax liabilities	494	1,163
Total current liabilities	<u>21,911</u>	<u>15,949</u>
Total liabilities	<u>51,782</u>	<u>39,399</u>
Total equity and liabilities	<u>119,739</u>	<u>101,386</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.12 ⁽²⁾</u>	<u>0.11 ⁽²⁾</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 540,303,750 shares.

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 2022 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 fourth quarter ended 31 December 2023

	← Unaudited →			
	Individual quarter ended 31 December 2023		Cumulative quarter ended 31 December 2023	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue	31,417	28,413	113,953	108,041
Other income	(31)	91	163	238
Inventories and consumables	(6,147)	(6,409)	(24,587)	(23,671)
Staff costs	(13,024)	(11,393)	(45,747)	(41,425)
Depreciation expenses	(2,760)	(2,131)	(9,877)	(7,820)
Other expenses	(3,929)	(2,753)	(12,662)	(10,736)
Results from operating activities	5,526	5,818	21,243	24,627
Finance income	130	50	205	108
Finance costs	(364)	(170)	(1,439)	(1,230)
Profit before tax	5,292	5,698	20,009	23,505
Tax expense	(1,690)	(2,080)	(5,726)	(7,091)
Profit and total comprehensive income for the financial period	3,602	3,618	14,283	16,414
Profit and total comprehensive income attributable to:				
Owners of the Company	3,177	3,835	12,891	14,691
Non-controlling interests	425	(217)	1,392	1,723
Profit and total comprehensive income for the financial period	3,602	3,618	14,283	16,414
Earnings per ordinary share (sen) ⁽¹⁾				
- Basic earnings per ordinary share (sen)	0.59	0.90	2.39	3.45
- Diluted earnings per ordinary share (sen)	0.57	0.90	2.30	3.45

⁽¹⁾ Earnings per ordinary share is calculated based on the weighted average number of ordinary shares referred to in Note B9.

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 2022 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 fourth quarter ended 31 December 2023

	←——— Attributable to owners of the Company ———→				Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Other reserves RM'000 ⁽¹⁾	Retained earnings RM'000			
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	39,072	-	(17,486)	36,534	58,120	3,867	61,987
At 1 January 2023	39,072	-	(17,486)	36,534	58,120	3,867	61,987
Conversion of bonus warrants	1,981	-	-	-	1,981	-	1,981
Dividends to owners of the Company	-	-	-	(9,740)	(9,740)	-	(9,740)
Dividends to non-controlling interests	-	-	-	-	-	(510)	(510)
Changes in ownership interests in a subsidiary	-	-	-	(232)	(232)	190	(42)
Foreign currency translation differences for foreign operations	-	(2)	-	-	(2)	-	(2)
Profit and total comprehensive income for the financial period	-	-	-	12,891	12,891	1,392	14,283
At 31 December 2023	41,053	(2)	(17,486)	39,453	63,018	4,939	67,957

⁽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 2022 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 fourth quarter ended 31 December 2023

	Unaudited Cumulative quarter ended 31 December	
	2023 RM'000	2022 RM'000
Cash flows from operating activities		
Profit before tax	20,009	23,505
<i>Adjustments for:</i>		
Finance income	(205)	(108)
Finance costs	1,439	1,230
Property, plant and equipment written off	15	-
Depreciation of property, plant and equipment	7,342	5,939
Depreciation of right-of-use assets	2,535	1,881
Fair value gain on investment in financial assets	(94)	(171)
Operating profit before working capital changes	31,041	32,276
Changes in working capital:		
Inventories	(758)	(1,221)
Trade and other receivables	(635)	2,323
Prepayments	255	(404)
Trade and other payables	2,137	587
Cash generated from operations	32,040	33,561
Interest received	185	96
Interest paid	(626)	(541)
Tax refund	135	181
Tax paid	(6,433)	(6,258)
Net cash from operating activities	25,301	27,039
Cash flows from investing activities		
Acquisition of property, plant and equipment	(11,325)	(8,426)
Acquisition of non-controlling interests	(42)	-
Net redemption /(increase in) from investment in financial assets	2,000	(104)
Changes in pledged deposits	(21)	(18)
Net cash used in investing activities	(9,388)	(8,548)

Unaudited condensed consolidated statement of cash flows for the fourth quarter ended 31 December 2023 (continued)

	Unaudited Cumulative quarter ended 31 December	
	2023 RM'000	2022 RM'000
Cash flows from financing activities		
Proceeds from conversion of bonus warrants	1,981	1
Drawdown of term loan	134	-
Dividends paid to owners of the Company	(9,740)	(11,610)
Dividends paid to non-controlling interests	(510)	(560)
Interest paid	(813)	(689)
Repayment of hire purchase liabilities	(6,216)	(3,662)
Net repayment of term loans	(477)	(591)
Payment of lease liabilities	(2,316)	(1,705)
Net cash used in financing activities	(17,957)	(18,816)
Net decrease in cash and cash equivalents	(2,044)	325
Effect of exchange rate fluctuations on translation reserve	(2)	-
Cash and cash equivalents at the beginning of financial period	18,202	18,525
Cash and cash equivalents at the end of financial period	16,156	18,200

(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 31 December	
	2023 RM'000	2022 RM'000
Cash and cash equivalents	17,284	19,307
Pledged deposits	(1,128)	(1,107)
	<u>16,156</u>	<u>18,200</u>

Unaudited condensed consolidated statement of cash flows for the fourth quarter ended 31 December 2023 (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 31 December	
	2023 RM'000	2022 RM'000
Paid in cash	10,589	8,326
Property, plant and equipment purchased using hire purchase arrangement	7,525	5,657
Balances remained unpaid at financial period end	4,686	736
	<u>22,800</u>	<u>14,719</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 RM736,000 (30.06.2022: RM100,000).

In the previous financial quarter ended 31 March 2022, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2021 of RM2,679,000, which was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2021.

Unaudited condensed consolidated statement of cash flows for the fourth quarter ended 31 December 2023 (continued)

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

	← Unaudited →				At 31.12.2022 RM'000
	At 1.1.2022 RM'000	Payments RM'000	Acquisition of new lease RM'000	Remeasure- ment RM'000	
Term loans	8,317	(591)	-	-	7,726
Hire purchase liabilities ⁽¹⁾	7,491	(3,662)	5,657	-	9,486
Lease liabilities	8,275	(1,705)	2,144	211	8,925
	<u>24,083</u>	<u>(5,958)</u>	<u>7,801</u>	<u>211</u>	<u>26,137</u>

	← Unaudited →				At 31.12.2023 RM'000
	At 1.1.2023 RM'000	Payments RM'000	Acquisition of new lease RM'000	Remeasure- ment RM'000	
Term loans	7,726	(477)	134	-	7,383
Hire purchase liabilities	9,486	(6,216)	7,525	-	10,795
Lease liabilities	8,925	(2,316)	7,990	316	14,915
	<u>26,137</u>	<u>(9,009)</u>	<u>15,649</u>	<u>316</u>	<u>33,093</u>

⁽¹⁾ In the previous financial quarter ended 31 March 2022, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2021 of RM2,679,000, which was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2021.

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 2022 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The condensed consolidated interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 2022.

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 2022.

As of 1 January 2023, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2023.

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

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 2022.

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

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 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000
Capital expenditure commitments		
Property, plant and equipment		
<i>Authorised and contracted for</i>	<u>7,691</u>	<u>4,198</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 B6.

A11. Dividends paid

On 30 March 2023, the Group paid a second 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.

On 29 December 2023, the Group paid a first interim tax-exempted dividend of 0.60 sen per ordinary share totalling to RM3,259,822 in respect of the financial year ended 31 December 2023.

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 31 December		Cumulative quarter ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue				
North Malaysia	5,389	4,658	19,320	19,083
Central Malaysia	18,513	17,048	67,020	62,202
South Malaysia	6,510	5,674	23,805	23,280
East Malaysia	1,005	1,033	3,808	3,476
	31,417	28,413	113,953	108,041

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 investment 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		Cumulative quarter	
	ended 31 December 2023	2022	ended 31 December 2023	2022
	RM'000	RM'000	RM'000	RM'000
Transactions				
A. Directors				
Lease payments	30	30	118	117
B. Companies in which Directors have financial interests				
Lease payments	232	184	884	673
Sales of inventories	(4)	(4)	(16)	(191)
Service fees receivable	-	(2)	(6)	(78)
Service fees payable	-	-	16	-

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 30.12.2023				
Financial assets				
Investment in financial assets	3,033	-	3,033	3,033
Financial liabilities				
Term loans	-	(7,903)	(7,903)	(7,383)
Hire purchase liabilities	-	(11,744)	(11,744)	(10,795)
	-	(19,647)	(19,647)	(18,178)
Audited 31.12.2022				
Financial assets				
Investment in financial assets	4,918	-	4,918	4,918
Financial liabilities				
Term loans	-	(8,200)	(8,200)	(7,726)
Hire purchase liabilities	-	(10,292)	(10,292)	(9,485)
	-	(18,492)	(18,492)	(17,211)

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 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 %
	2023	2022	
	RM'000	RM'000	
Revenue	31,417	28,413	10.57
Profit before tax ("PBT")	<u>5,292</u>	<u>5,698</u>	(7.13)

The Group reported revenue of RM31.42 million for the current financial quarter under review. This represents an increase in revenue of approximately 10.57% against the corresponding financial quarter where revenue amounted to approximately RM28.41 million.

The increase in revenue is mainly due to the effective marketing effort from ongoing promotions through online platforms and contribution from newly set up satellite clinics/centre.

The decrease in profit before tax comparing to previous quarter is mainly due to increase in operating cost where additional staffs (ie doctors, nurse, optometrist and supporting staff) hired in advance for the upcoming expansion of new ambulatory care centres and satellite clinics/centres at the new location. Hence, staffs will be well trained in our existing centres before transferring them to the upcoming new ambulatory care centres and satellite clinics/centres.

Besides, the Group has incurred pre-operation costs (i.e., consultancy and professional costs) in the Cambodia ambulatory care centre.

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 all geographical segments except East Malaysia.

	Unaudited Individual quarter ended 31 December		Variance %
	2023 RM'000	2022 RM'000	
Revenue			
North Malaysia	5,389	4,658	15.69
Central Malaysia	18,513	17,048	8.59
South Malaysia	6,510	5,674	14.73
East Malaysia	1,005	1,033	(2.71)
	<u>31,417</u>	<u>28,413</u>	

The increase in revenue is mainly due to the effective marketing effort from ongoing promotions through online platforms and contribution from newly set up satellite clinics/centre.

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 31 December		
	2023	2022	%
	RM'000	RM'000	
Revenue	113,953	108,041	5.47
PBT	20,009	23,505	(14.87)

The Group reported revenue of RM113.95 million for the current financial period, as compared to RM108.04 million in the corresponding financial period, representing an increase of RM5.91 million or 5.47%.

The decrease in PBT is mainly due to the below reasons:

- a. An increase in operating cost where additional staffs (ie doctors, nurse, optometrist and supporting staff) hired in advance for the upcoming expansion of new ambulatory care centres and satellite clinics/centres at the new location. Hence, staffs will be well trained in the existing centres before transferring them to the upcoming new ambulatory care centres and satellite clinics/centres.
- b. The Group hired an operations team and plastic surgery surgeons in preparation to apply for a plastic surgery license, which was successfully obtained in August 2023.
- c. Pre-operation costs (i.e., consultancy and professional costs) were incurred at the Cambodia ambulatory care centre.

All the above costs are expected to be normalised once the new ambulatory care centres/satellite clinics commence in FY2024.

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 recorded increase in revenue for all geographical segments:

	Unaudited		Variance
	Cumulative quarter		
	ended 31 December		
	2023	2022	
	RM'000	RM'000	%
Revenue			
North Malaysia	19,320	19,083	1.24
Central Malaysia	67,020	62,202	7.75
South Malaysia	23,805	23,280	2.26
East Malaysia	3,808	3,476	9.55
	<u>113,953</u>	<u>108,041</u>	

The increase in revenue is mainly due to the effective marketing effort from ongoing promotions through online platforms and contribution from newly set up satellite clinics/centre.

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B2. Variation of results against immediate preceding financial quarter

	Unaudited Individual quarter ended		Variance %
	31 December 2023 RM'000	30 September 2023 RM'000	
Revenue	31,417	28,547	10.15
PBT	<u>5,292</u>	<u>4,568</u>	15.85

The Group's revenue increased from RM28.55 million to RM31.42 million, which was an increase of 10.15%.

The Group's PBT increased by RM0.724 million mainly due to the higher revenue.

B3. Commentary on prospects

The 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 outlook for the healthcare industry remains robust which is in line with the Government's agenda. This is driven by the increase in demand and awareness from both local and foreign patients that are more health conscious.

Nonetheless, the Group will continue to optimize its operational costs and seek strategic locations across Malaysia to set up more ambulatory care centres/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 2024 will 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 31 December		Cumulative quarter ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	1,685	1,199	5,751	6,222
Deferred tax expense				
Current financial period	5	881	(25)	869
	<u>1,690</u>	<u>2,080</u>	<u>5,726</u>	<u>7,091</u>
Effective tax rate	31.93%	36.50%	28.62%	30.17%

The overall effective tax rates of 31.93% for individual quarter and 28.62% for cumulative quarter ended 31 December 2023 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. Loans and borrowings

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

	Note	Unaudited As at 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000
Non-current			
Term loans – secured		6,813	7,346
Hire purchase liabilities	B6.1	<u>8,230</u>	<u>6,057</u>
		<u>15,043</u>	<u>13,403</u>
Current			
Term loans – secured		570	380
Hire purchase liabilities	B6.1	<u>2,565</u>	<u>3,428</u>
		<u>3,135</u>	<u>3,808</u>
		<u>18,178</u>	<u>17,211</u>

B6. Loans and borrowings (continued)**B6.1 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			
31.12.2023			
Less than one year	3,110	545	2,565
Between one to five years	9,068	838	8,230
	<u>12,178</u>	<u>1,383</u>	<u>10,795</u>
Audited			
31.12.2022			
Less than one year	3,850	422	3,428
Between one to five years	6,539	482	6,057
	<u>10,389</u>	<u>904</u>	<u>9,485</u>

B7. Material litigation

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

B8. Dividends

The Board of Directors of the Company proposed second interim tax-exempt dividend of 0.60 sen per ordinary share in respect of the financial year ended 31 December 2023. The entitlement date is fixed on 20 March 2024 and payment will be made on 1 April 2024. The total dividends declared to date for the current financial year ended 31 December 2023 is 1.20 sen per ordinary share (31.12.2022: 2.40 sen).

B9. Earnings per ordinary share

The calculation of earnings per ordinary share at 31 December 2023 and 2022, 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		Unaudited Cumulative quarter ended 31 December	
	2023	2022	2023	2022
Basic earnings per share				
Net profit for the financial period attributable to owners of the Company (RM'000)	3,182	3,835	12,891	14,691
Weighted average number of ordinary shares ('000)	540,220	425,344	540,220	425,344
Basic earnings per ordinary share (sen)	0.59	0.90	2.39	3.45
Diluted earnings per share				
Net profit for the financial period attributable to owners of the Company (RM'000)	3,182	3,835	12,891	14,691
Weighted average number of ordinary shares (basic)('000)	540,220	425,344	540,220	425,344
Effect of warrant issue ('000)	20,996	-*	20,996	-*
Weighted average number of ordinary shares (diluted)('000)	561,216	425,344	561,216	425,344
Diluted Basic Earnings Per Share (sen)	0.57	0.90	2.30	3.45

* The effect on the earnings per share in respect of potential ordinary shares from the exercise of share options was anti-dilutive and therefore excluded from the calculation of diluted earnings per ordinary share.

B10. Trade and other receivables

	Unaudited As at 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000
Current Trade		
Trade receivables	1,471	1,181
Non-trade		
Other receivables	236	568
Deposits	1,477	800
	1,713	1,368
	3,184	2,549

(a) Ageing analysis of trade receivables

	Unaudited As at 31 December 2023 RM'000	Audited As at 31 December 2022 RM'000
Current (not past due)	1,042	631
1 – 30 days past due	9	38
31 – 120 days past due	-	36
More than 120 days past due	420	476
	1,471	1,181

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

B11. Profit before tax

	← Unaudited →				
	Individual quarter ended 31 December		Cumulative quarter ended 31 December		
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Material expenses/ (income)					
Depreciation expenses					
- property, plant and equipment		2,003	1,534	7,342	5,939
- right-of-use assets		757	492	2,535	1,881
Property, plant and equipment written off		15	-	15	-
Fair value gain on investment in financial assets		(25)	(60)	(94)	(171)
Finance income					
- investment in financial assets		(20)	(3)	(20)	(12)
- cash and cash equivalents		(110)	(47)	(185)	(96)
Finance costs					
- bank overdrafts		4	-	6	-
- term loans		89	(66)	348	190
- hire purchase liabilities		102	114	465	499
- lease liabilities		169	122	620	541
		<u>169</u>	<u>122</u>	<u>620</u>	<u>541</u>
Expenses arising from leases					
Expenses relating to short-term leases	(i)	154	93	184	218
Expenses relating to leases of low-value assets	(ii)	<u>4</u>	<u>17</u>	<u>25</u>	<u>52</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.