



ALPHA IVF GROUP BERHAD

Registration No. 202101005100 (1405399-X)

**ALPHA IVF GROUP BERHAD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
29 FEBRUARY 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2024⁽¹⁾**

	Note	3-MONTH ENDED		PERIOD-TO-DATE	
		29.2.2024 RM'000	28.2.2023 ⁽²⁾ RM'000	29.2.2024 RM'000	28.2.2023 ⁽²⁾ RM'000
Revenue	A9	40,703	N/A	120,841	N/A
Cost of sales		(17,072)	N/A	(51,435)	N/A
Gross profit		23,631	N/A	69,406	N/A
Other income		647	N/A	1,672	N/A
Administrative expenses		(5,419)	N/A	(15,149)	N/A
Other expenses		(657)	N/A	(2,720)	N/A
Finance costs		(190)	N/A	(613)	N/A
Profit before taxation ("PBT")	B12	18,012	N/A	52,596	N/A
Income tax expense	B6	(4,240)	N/A	(12,843)	N/A
Profit after taxation ("PAT")		13,772	N/A	39,753	N/A
Other comprehensive income					
<u>Item that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		60	N/A	157	N/A
Total comprehensive income		13,832	N/A	39,910	N/A
Profit after taxation attributable to:					
Owners of the Company		13,588	N/A	38,924	N/A
Non-controlling interests		184	N/A	829	N/A
		13,772	N/A	39,753	N/A
Total comprehensive income attributable to:					
Owners of the Company		13,634	N/A	39,044	N/A
Non-controlling interests		198	N/A	866	N/A
		13,832	N/A	39,910	N/A
Earning per share attributable to Owners of the Company					
Basic/Diluted (sen) ⁽³⁾	B11	0.30	N/A	0.87	N/A

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2024⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income as disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of Alpha IVF Group Berhad dated 1 March 2024 ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and period-to-date available as there was no interim financial report prepared for the comparative financial period concerned.
- (3) The basic and diluted earnings per share of the Company are computed based on Profit After Taxation attributable to the owners of the Company divided by the number of ordinary shares before the IPO of the Company. The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

N/A - Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024⁽¹⁾

	Note	Unaudited As at 29.2.2024 RM'000	Audited As at 31.5.2023 RM'000
ASSETS			
Non-Current Assets			
Equipment		8,587	4,182
Right-of-use assets		16,164	18,210
Goodwill		8,931	8,931
Deferred tax assets		2,059	2,151
		<u>35,741</u>	<u>33,474</u>
Current Assets			
Inventories		2,614	2,690
Trade receivables		912	1,275
Other receivables, deposits and prepayments		8,064	2,830
Short-term investments		32,105	27,050
Fixed deposits with a licensed bank		-	8,580
Cash and bank balances		19,095	19,952
		<u>62,790</u>	<u>62,377</u>
TOTAL ASSETS		<u>98,531</u>	<u>95,851</u>
EQUITY AND LIABILITIES			
Share capital		5,528	5,528
Retained profits		30,609	23,064
Reorganisation reserve		22,499	22,499
Foreign exchange translation reserve		626	506
Equity attributable to owners of the Company		<u>59,262</u>	<u>51,597</u>
Non-controlling interests		2,061	2,957
Total Equity		<u>61,323</u>	<u>54,554</u>
Non-Current Liabilities			
Lease liabilities		14,565	16,430
Borrowings	B8	-	3,029
Deferred tax liabilities		48	144
Provision for restoration costs		1,090	1,073
		<u>15,703</u>	<u>20,676</u>
Current Liabilities			
Trade payables		3,786	3,159
Other payables and accruals		4,963	4,881
Contract liabilities		5,687	5,186
Amount owing to a director		-	49
Lease liabilities		2,701	2,429
Borrowings	B8	-	1,320
Current tax liabilities		4,368	3,597
		<u>21,505</u>	<u>20,621</u>
Total Liabilities		<u>37,208</u>	<u>41,297</u>
TOTAL EQUITY AND LIABILITIES		<u>98,531</u>	<u>95,851</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024⁽¹⁾ (CONT'D)**

	Unaudited As at 29.2.2024	Audited As at 31.5.2023
Number of ordinary shares ('000)	4,495,500	6,142,500
Net assets per ordinary share attributable to Owners of the Company (RM)⁽²⁾	0.01	0.01

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 1 March 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) The net assets per ordinary share attributable to owners of the Company is computed based on the net assets attributable to owners of the Company divided by the number of ordinary shares before IPO of the Company.

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2024⁽¹⁾⁽²⁾**

	Share Capital	Reorganisation Reserve	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 June 2023	5,528	22,499	506	23,064	51,597	2,957	54,554
Profit after taxation for the financial period	-	-	-	38,924	38,924	829	39,753
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	120	-	120	37	157
Total comprehensive income for the financial period	-	-	120	38,924	39,044	866	39,910
Dividends:							
- by the Company	-	-	-	(31,379)	(31,379)	-	(31,379)
- by a subsidiary to non-controlling interests	-	-	-	-	-	(1,762)	(1,762)
As at 29 February 2024	5,528	22,499	626	30,609	59,262	2,061	61,323

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 1 March 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as there was no interim financial report prepared for the comparative financial period concerned.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2024⁽¹⁾**

	PERIOD-TO-DATE	
	29.2.2024	28.2.2023 ⁽²⁾
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	52,596	N/A
Adjustments for:		
Depreciation of equipment	2,974	N/A
Depreciation of right-of-use assets	2,129	N/A
Interest expense	613	N/A
Equipment written off	4	N/A
Loss on disposal of equipment	#	N/A
Interest income	(1,413)	N/A
Operating profit before working capital changes	56,903	N/A
Changes in working capital:		
Inventories	87	N/A
Trade and other receivables	(4,810)	N/A
Trade and other payables	640	N/A
Contract Liabilities	482	N/A
CASH FROM OPERATIONS	53,302	N/A
Income tax paid	(12,087)	N/A
NET CASH FROM OPERATING ACTIVITIES	41,215	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of equipment	#	N/A
Interest income	1,413	N/A
Purchase of equipment	(7,358)	N/A
NET CASH FOR INVESTING ACTIVITIES	(5,945)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid by the Company	(31,379)	N/A
Dividend paid by a subsidiary to non-controlling interests	(1,762)	N/A
Interest paid	(580)	N/A
Repayment of term loans	(4,349)	N/A
Repayment of lease liabilities	(1,674)	N/A
Repayment to director	(49)	N/A
NET CASH FOR FINANCING ACTIVITIES	(39,793)	N/A
Net decrease in cash and cash equivalents	(4,523)	N/A
Effect of foreign exchange translation	141	N/A
Cash and cash equivalents at beginning of the financial period	55,582	N/A
Cash and cash equivalents at end of the financial period	51,200	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 29 FEBRUARY 2024⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 1 March 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as there was no interim financial report prepared for the comparative financial period concerned.

– Less than RM1,000.

N/A – Not applicable

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024

A1. Basis of Preparation

The interim financial report of Alpha IVF Group Berhad (“Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the second interim financial statements on the Company’s unaudited consolidated financial results for the third (3rd) quarter ended 29 February 2024 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Accountants’ Report as disclosed in the Prospectus dated 1 March 2024. During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standard Board ("MASB") but are yet effective for the financial period ended 29 February 2024:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liabilities in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application.

A3. Auditors' Report on preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 May 2023.

A4. Seasonal or cyclical factors

The business operation of the Group has not been materially affected by any unusual seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A6. Material changes in estimates

There were no material changes in estimates that have a material effect to the Group in the current financial quarter and financial period to-date.

A7. Debt and equity securities

Save as disclosed in Note A11 below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

A8. Dividends Paid

The Company declared a first single-tier interim dividend of 0.209 sen per ordinary share amounting to RM9,395,594.98 on 9 October 2023 for the financial year ending 31 May 2024, which was paid on 30 October 2023.

The Company declared a second single-tier interim dividend of 0.489 sen per ordinary share amounting to RM21,982,995.00 on 23 January 2024 for the financial year ending 31 May 2024, which was paid on 24 January 2024.

The total dividend of RM31,378,589.98 declared and paid is accounted for in equity as an appropriation of retained profits for the financial year ending 31 May 2024.

A9. Segmental Reporting

The Group operates predominantly in one business segment i.e. focused only in the business of operating women's specialists centre and provision of medical consultants and specialised medical services. Accordingly, the information by business segments is not presented.

Geographical Market

The following table provides an analysis of the Group's revenue by geographical segment:

	3-Month Ended		Period-To-Date	
	29.2.2024	28.2.2023 ⁽¹⁾	29.2.2024	28.2.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Malaysia	33,401	N/A	97,503	N/A
- Singapore	7,302	N/A	23,338	N/A
	<u>40,703</u>	<u>N/A</u>	<u>120,841</u>	<u>N/A</u>

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter and period-to-date as this is the second interim financial report of the Company for the third quarter ended 29 February 2024 announced in compliance with the Listing Requirements of Bursa Securities.

N/A - Not applicable

A10. Valuation of Equipment

There was no valuation of equipment in the current financial quarter under review.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

A11. Material events subsequent to the end of the current financial quarter

Save as disclosed below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

(a) In conjunction with the Company's proposed listing on the ACE Market of Bursa Securities, the Company had on 1 March 2024 issued the Prospectus for its initial public offering ("IPO") comprising:

(i) Public issue of 364,500,000 new ordinary shares in the Company at an issue price of RM0.32 per share, payable in full upon application, in the following manner:

- 24,300,000 new shares available for application by eligible directors, employees and persons who have contributed to the success of the Group;
- 194,400,000 new shares reserved for application by the Malaysian Public; and
- 145,800,000 new shares reserved for other institutional and selected investors.

(ii) Offer for sale of 1,093,500,000 existing ordinary shares in the Company at an issue price of RM0.32 per share, payable in full upon application, in the following manner:

- 607,500,000 offer shares to be offered to Bumiputera investors approved by the Ministry of Investment, Trade and Industry; and
- 486,000,000 offer shares to be offered to other institutional and selected investors.

The Company was listed on the ACE Market of Bursa Securities on 22 March 2024.

(b) On 12 March 2024, the level of subscription of public balloting and placement for its IPO are as below:

(i) Malaysian Public

A total of 6,894 applicants for 530,070,600 new Shares with a value of RM169.62 million were received from the Malaysian Public for 194,400,000 Shares that were made available for application by the Malaysian Public, which represents an overall oversubscription rate of 1.73 times.

97,200,000 Shares have been set aside for allotment under the Bumiputera portion which represents 50.00% of the Public Issue Shares available for subscription by the Malaysian Public. The remaining 97,200,000 Shares were allotted under the other Malaysian Public portion.

Under the Bumiputera portion, a total of 2,204 applications for 110,068,600 Shares were received, which represents an oversubscription rate of 0.13 times. Under the other Malaysian Public portion, a total of 4,690 applications for 420,002,000 Shares were received, which represents an oversubscription rate of 3.32 times.

(ii) Eligible Persons

The 24,300,000 Shares made available for application by the Eligible Persons have been fully subscribed.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

A11. Material events subsequent to the end of the current financial quarter (Cont'd)

(iii) Private placement

The 1,239,300,000 Shares made available for application by the institutional and selected investors, including Bumiputera investors approved by MITI have been fully subscribed.

A12. Changes in the composition of the Group

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

A13. Contingent Assets and Contingent Liabilities

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

A14. Material capital commitments

Save as disclosed below, there is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position as at the date of this interim financial report.

	29.2.2024 RM'000	31.5.2023 RM'000
Purchase of equipment	<u>133</u>	<u>2,761</u>

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

A15. Significant related party transactions

The Group carried out the following transactions with related parties during the financial period:

Transacting parties	Nature of transactions	<u>3-Month Ended</u>		<u>Period-To-Date</u>	
		29.2.2024	28.2.2023 ⁽¹⁾	29.2.2024	28.2.2023 ⁽¹⁾
		RM'000	RM'000	RM'000	RM'000
<u>Transactions with Directors of the Company</u>					
(i) Alpha KL and Dato' Dr. Lee Soon Soo ("DDLSS")	Consultancy services provided from DDLSS	(389)	N/A	(1,424)	N/A
(ii) Genesis and Dato' Dr. Ng Peng Wah ("DNPW")	Consultancy services provided from DNPW	(694)	N/A	(2,145)	N/A
<u>Transactions with Directors of Subsidiaries</u>					
(iii) Alpha KL and Dr. Haris Bin Hamzah ("Dr. Haris")	Consultancy services provided from Dr. Haris	(85)	N/A	(277)	N/A
(iv) Alpha Singapore and Dr. Tan Heng Hao ("Dr. Tan")	Consultancy services provided from Dr. Tan	(1,736)	N/A	(5,621)	N/A
(v) Alpha Singapore and Dr. Tan Heng Hao ("Dr. Tan")	Administrative fee income charged to Dr. Tan	16	N/A	52	N/A

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 29 FEBRUARY 2024 (CONT'D)

A15. Significant related party transactions (Cont'd)

Transacting parties	Nature of transactions	3-Month Ended		Period-To-Date	
		29.2.2024	28.2.2023 ⁽¹⁾	29.2.2024	28.2.2023 ⁽¹⁾
		RM'000	RM'000	RM'000	RM'000
<u>Transactions with Related Parties</u>					
(vi) Genesis and Genesis International Egg and Sperm Centre Pty Ltd ("Genesis International")	IVF and storage services provided to Genesis International	-	N/A	193	N/A
(vii) Alpha KL and KL Wellness City Sdn Bhd ("KL Wellness City")	Sales to KL Wellness City	-	N/A	#	N/A
(viii) Alpha KL and East Connect	Consultancy services provided from East Connect	(14)	N/A	(96)	N/A
(ix) Alpha KL and Germax Sdn Bhd ("Germax")	Purchase from Germax	(1)	N/A	(11)	N/A
(x) Alpha KL and Baby Xort Sdn Bhd ("Baby Xort")	Sperm sorting services provided from Baby Xort	(173)	N/A	(457)	N/A

Alpha KL - Alpha International Women's Specialists Sdn Bhd
Alpha Singapore - Alpha International Women's Specialists (Singapore) Pte Ltd
Genesis - Genesis Specialists Sdn Bhd

Notes:

(1) There are no comparative figures for the preceding quarter and period-to-date as this is the second interim financial report of the Company for the third quarter ended 29 February 2024 announced in compliance with the Listing Requirements of Bursa Securities.

- Less than RM1,000.

N/A - Not applicable

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

(a) Results for current quarter

The Group recorded revenue of RM40.70 million for the current financial quarter ended 29 February 2024. The Group's revenue was principally derived from the provision of assisted reproductive services focusing on in-vitro fertilisation ("IVF") treatments.

The Group recognised a profit before taxation of RM18.01 million and profit after taxation of RM13.77 million respectively for the current financial quarter, after accounted for listing expenses of approximately RM0.48 million.

(b) Results for financial period-to-date

The Group recorded revenue of RM120.84 million for the current financial period-to-date ended 29 February 2024. The Group's revenue was principally derived from the provision of assisted reproductive services focusing on IVF treatments.

The Group recognised a profit before taxation of RM52.60 million and profit after taxation of RM39.80 million respectively for the current financial period-to-date, after accounted for listing expenses of approximately RM0.97 million.

There are no comparative figures of the preceding corresponding quarter and period-to-date as this is the second interim financial report of the Company for the third quarter ended 29 February 2024 announced in compliance with the Listing Requirements of Bursa Securities.

B2. Comparison with immediate preceding quarter's results

On a quarter-on-quarter basis, the Group recorded revenue of RM40.70 million, which is 5.60% higher when compared to its immediate preceding quarter of RM38.54 million. The overall increase in revenue was mainly derived from the increase of revenue contributed from Malaysia.

In line with the above, the Group recorded a higher profit before taxation of RM18.01 million in the current financial quarter ended 29 February 2024, representing an increase of RM1.37 million or 8.23% as compared to RM16.64 million in the immediate preceding quarter ended 30 November 2023.

B3. Prospects

As disclosed in Section 7.21 of the Prospectus dated 1 March 2024, the Group's strategies are to continue with our existing business and leverage our core competency in IVF to expand our business by implementing the following business strategies:

- (i) To continue expanding our specialist centres in Malaysia, Indonesia and Cambodia or Laos.
- (ii) To expand and upgrade existing specialist centres, facilities and corporate office.
- (iii) To carry out marketing activities to promote our services while at the same time, increase the market awareness of our company and generate sales leads for our business in Malaysia and foreign markets.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B3. Prospects (Cont'd)

- (iv) To expand our R&D including expansion of R&D team to keep up to date with the latest development in assisted reproductive services to support the growth of the Group's business.

The Group believes that its prospects in the assisted reproductive service industry are favourable in view of our competitive strengths as set out in Section 7.3 of the Prospectus, the Group's business strategies as set out above as well the industry overview as set out in Section 8 of the Prospectus.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public document in respect of the interim financial reporting period under review.

B5. Status of corporate proposals

Save as disclosed in A11, there were no corporate proposals announced but not completed as at the date of this interim financial report.

B6. Income tax expense

	29.2.2024 RM'000	28.2.2023 ⁽¹⁾ RM'000	29.2.2024 RM'000	28.2.2023 ⁽¹⁾ RM'000
Income tax expense				
- Current year	4,532	N/A	13,111	N/A
- Prior year	(276)	N/A	(262)	N/A
Deferred tax expense				
- Current year	(16)	N/A	(99)	N/A
- Prior year	-	N/A	93	N/A
	<u>4,240</u>	<u>N/A</u>	<u>12,843</u>	<u>N/A</u>
Effective tax rate (%)	24%	N/A	24%	N/A

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter and period-to-date as this is the second interim financial report of the Company for the third quarter ended 29 February 2024 announced in compliance with the Listing Requirements of Bursa Securities.

N/A – Not applicable

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Utilisation of Proceeds from the IPO

The gross proceeds to be raised from the Public Issue is RM116.64 million and is intended to be utilised in the following manner:

Utilisation of Proceeds⁽¹⁾	Proposed Utilisation	Actual Utilisation⁽²⁾	Estimated timeframe for utilisation upon Listing
	RM'000	RM'000	
Establishing new medical centres, satellite clinics and sales representative offices	72,800	N/A	Within 36 months
Expansion and upgrade of existing medical centres, facilities and corporate office	15,700	N/A	Within 36 months
Research and development	2,200	N/A	Within 36 months
General working capital	17,140	N/A	Within 36 months
General corporate purposes	2,600	N/A	Within 36 months
Defraying the listing expenses	6,200	N/A	Within 1 month
Total	116,640	N/A	

Notes:

(1) The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus dated 1 March 2024.

(2) As at 29 February 2024, the listing exercise of the Company is pending completion. Hence, no proceeds are being utilised by the Group. The Company was listed on the ACE Market of Bursa Malaysia Securities on 22 March 2024.

N/A – Not applicable

B8. Group Borrowings and Debt Securities

	29.2.2024 RM'000	31.5.2023 RM'000
Non-current		
Term loans - Secured	-	3,029
Current		
Term loans - Secured	-	1,320
Total	-	4,349

All the Group's borrowings were denominated in Ringgit Malaysia.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B9. Material Litigation

There was no material litigation involving the Group as at 29 February 2024.

B10. Dividend Proposed or Declared

No dividend has been declared or proposed for the current financial quarter under review.

B11. Earnings per share

The basic earnings per share ("EPS") are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

	<u>3-Month Ended</u>		<u>Period-To-Date</u>	
	29.2.2024	28.2.2023 ⁽¹⁾	29.2.2024	28.2.2023 ⁽¹⁾
Profit attributable to Owners of the Company (RM'000)	<u>13,588</u>	<u>N/A</u>	<u>38,924</u>	<u>N/A</u>
Weighted average number of ordinary shares ('000)	<u>4,495,500</u>	<u>N/A</u>	<u>4,495,500</u>	<u>N/A</u>
Basic/Diluted EPS (sen) ⁽²⁾	<u>0.30</u>	<u>N/A</u>	<u>0.87</u>	<u>N/A</u>

Notes:

(1) There are no comparative figures for the preceding corresponding quarter and period-to-date as this is the second interim financial report of the Company for the third quarter ended 29 February 2024 announced in compliance with the Listing Requirements of Bursa Securities.

(2) Basic/Diluted EPS is calculated based on the Company's number of 4,495,500,000 ordinary shares before the IPO of the Company. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current financial quarter and financial period under review.

N/A – Not applicable

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B12. Notes to the Condensed Statement of Profit or Loss and Other Comprehensive Income

	<u>3-Month Ended</u>		<u>Period-To-Date</u>	
	29.2.2024	28.2.2023 ⁽¹⁾	29.2.2024	28.2.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Depreciation of equipment	657	N/A	2,974	N/A
Depreciation of right-of-use assets	729	N/A	2,129	N/A
Finance income	(487)	N/A	(1,413)	N/A
Finance costs	190	N/A	613	N/A
Equipment written off	3	N/A	4	N/A
Loss on disposal of equipment	#	N/A	#	N/A
Realised loss in foreign exchange	10	N/A	32	N/A

Notes:

(1) There are no comparative figures for the preceding corresponding quarter and period-to-date as this is the second interim financial report of the Company for the third quarter ended 29 February 2024 announced in compliance with the Listing Requirements of Bursa Securities.

– Less than RM1,000.

N/A – Not applicable

B13. Approval of Interim Financial Report

The interim financial report as set out above was authorised for issuance by the Board of Directors on 16 April 2024.