

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

B1. Review of financial performance

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

Current financial quarter against corresponding financial quarter

	Unaudited Individual quarter ended 31 March		Variance %
	2021 RM'000	2020 RM'000	
Revenue	14,489	13,078	10.79
Profit before tax ("PBT")	<u>2,085</u>	<u>1,655</u>	25.98

The Group reported revenue of RM14.49 million for the current financial quarter under review. This represents an increase in revenue of approximately 10.79% against the corresponding financial quarter where revenue amounted to approximately RM13.08 million.

The Government of Malaysia had on 11 January 2021 announced the re-imposition of Movement Control Order ("MCO") 2.0 in an effort to contain the COVID-19 outbreak in Malaysia. The MCO 2.0 was imposed on 13 January 2021 and three subsequent 14-day extensions of the MCO were announced on 20 January 2021, 2 February 2021 and 16 February 2021 respectively to extend the effective date of the MCO from 22 January 2021 until 4 February 2021, 5 February 2021 to 18 February 2021 and thereafter from 19 February 2021 to 4 March 2021. While the business falls within essential services and the Group was able to continue its operations during the MCO 2.0 period, the revenue was still unfavourably affected due to the measures and precautions the Group implemented to safeguard and protect its customers and employees and coupled with postponement of the customers surgery appointments during these periods.

On 5 March 2021, most of the states has exited MCO 2.0 and entered the Conditional Movement Control Order ("CMCO") which was extended until end of March 2021. With the easing and relaxation of certain restrictions under the CMCO, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO 2.0. Our Group also continued to offer on-going promotions through online platforms as part of our marketing efforts. These have resulted in the increase in revenue during the current financial quarter under review as compared to the corresponding financial quarter.

B1. Review of financial performance (continued)

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

Current financial quarter against corresponding financial quarter (continued)

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

	Unaudited Individual quarter ended 31 March		Variance %
	2021 RM'000	2020 RM'000	
Revenue			
North Malaysia	2,358	1,953	20.74
Central Malaysia	8,965	7,740	15.83
South Malaysia	2,843	2,856	(0.46)
East Malaysia	323	529	(38.94)
	<u>14,489</u>	<u>13,078</u>	

While the Group's revenue for the current financial quarter under review increased by 10.79% as compared to the corresponding financial quarter, the Group's PBT increased by 25.98% (from RM1.66 million to RM2.09 million). The increase in PBT was mainly due to:

- (i) the increase in revenue as elaborated above; and
- (ii) RM0.30 million of initial public offering expenses incurred in the corresponding financial quarter in which such expenses were not incurred during the current financial quarter under review.

B2. Variation of results against immediate preceding financial quarter

	Unaudited		Variance %
	Individual quarter ended 31 March 2021 RM'000	31 December 2020 RM'000	
Revenue	14,489	17,211	(15.82)
PBT	<u>2,085</u>	<u>3,879</u>	(46.25)

The Group's revenue decreased from RM17.21 million to RM14.49 million, which was a decrease of 15.82%.

As explained in section B1, with the re-introduction of MCO 2.0 in January 2021 and February 2021, the revenue was still unfavourably affected due to the measures and precautions the Group implemented to safeguard and protect its customers and employees and coupled with postponement of the customers surgery appointments during these periods.

However, with the easing and relaxation of certain restrictions under the CMCO period in March 2021, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO 2.0. Hence, the Group managed to reduce the MCO 2.0 impact in March 2021.

Besides, the drop in revenue was also due to the current financial quarter under review which has shorter business days as compared to the immediate preceding financial quarter because of the February month (28 days of business days) and coupled with festive season such as Chinese New Year as people tend to do surgery after the festive season.

The Group's PBT decreased by RM1.79 million mainly due to the decrease in revenue in the current financial quarter under review.

B3. Commentary on prospects

The Government of Malaysia had on 10 May 2021 announced the re-imposition of MCO 3.0 in an effort to contain the COVID-19 outbreak in Malaysia. The MCO 3.0 was imposed on 12 May 2021 to 7 June 2021. Dining in and all forms of social gatherings are not allowed. Work-from-home arrangements are also mandatory with only a maximum 30% of management staff are allowed in the office at all times. Inter-district and inter-state travel are not allowed with exception of emergencies, work and vaccinations appointments. All economic sectors however, will be allowed to operate. Additional restrictions to reduce movement were further announced on 22 May 2021 limiting 80% of government staff (except essential services and frontliners) and 40% of the private sector to work from home starting from 25 May 2021. Operating hours of businesses will also be shortened.

As the restrictions imposed under MCO 3.0 are less restrictive compared to MCO 1.0 (which was introduced on 18 March 2020), barring any further imposition of MCOs or restrictions, we expect the impact of MCO 3.0 on our Group's business activities to be less severe as compared to the impact which the Group experienced under MCO 1.0.

As a provider of eye specialist services, the Group is able to continue operations during the MCO 3.0 period. The Group will continue to monitor the situation to assess and address the impact of the COVID-19 outbreak and MCO 3.0 on its business and financial condition.

While its financial performance continues to be affected during the MCO 3.0, the Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2021 remain favourable.

B4. Profit forecast

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