

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

B1. Review of financial performance

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

Current financial quarter against corresponding financial quarter

	Unaudited Individual quarter ended 30 September		Variance %
	2021 RM'000	2020 RM'000	
Revenue	29,769	18,192	63.64
Profit before tax ("PBT")	<u>7,198</u>	<u>3,959</u>	81.81

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

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

With the easing and relaxation of certain restriction under NRP, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their treatments until after the Full Movement Control Order ("FMCO") from 1 June 2021 to 28 June 2021.

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

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

B1. Review of financial performance (continued)**(a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)****Current financial quarter against corresponding financial quarter (continued)**

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

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

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

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

B1. Review of financial performance (continued)**(a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)****Current financial period against corresponding financial period**

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

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

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

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

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

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

B1. Review of financial performance (continued)**(a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)****Current financial period against corresponding financial period (continued)**

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

- (i) the increase in revenue as elaborated above;
- (ii) in the corresponding financial period ended 30 September 2020, the Group's revenue had decreased significantly due to the implementation of MCO while a portion of the costs continued to accrued. The major cost items which continue to be accrued including staff costs, depreciation expenses, finance costs and other expenses such as sales and marketing expenses, administration and office expenses, professional fees and insurance;
- (iii) RM0.20 million worth of donation made to the Ministry of Health of Malaysia for the purchase of ventilators, protective gear, test kits and other necessities to combat the COVID-19 outbreak was incurred in the corresponding financial period ended 30 September 2020; and
- (iv) the initial public offering expenses of RM0.60 million was incurred in corresponding financial period ended 30 September 2020, in which such expenses were not incurred during the current financial period under review.

B2. Variation of results against immediate preceding financial quarter

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

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

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

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

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

B3. Commentary on prospects

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

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

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

The Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2021 remain favourable.