

## 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 %
	2022 RM'000	2021 RM'000	
Revenue	23,257	14,489	60.51
Profit before tax ("PBT")	<u>4,342</u>	<u>2,085</u>	108.25

The Group reported revenue of RM23.26 million for the current financial quarter under review. This represents an increase in revenue of approximately 60.51% against the corresponding financial quarter of RM14.49 million.

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.

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.

In the corresponding financial quarter, Malaysia was under the Movement Control Order ("MCO") 2.0, where the Group's performance was unfavourably affected as there were strict restrictions to be observed and adhered to. The Group had implemented measures and precautions to safeguard and protect its customers and employees and there were postponement of customers' surgery appointments.

**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 an increase in revenue for all geographical segments.

	<b>Unaudited</b>		<b>Variance</b>
	<b>Individual quarter ended 31</b>		
	<b>March</b>		
	<b>2022</b>	<b>2021</b>	<b>%</b>
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	
North Malaysia	4,346	2,358	84.31
Central Malaysia	13,660	8,965	52.37
South Malaysia	4,703	2,843	65.42
East Malaysia	548	323	69.66
	23,257	14,489	60.51

While the Group's revenue for the current financial quarter under review increased by 60.51% as compared to the corresponding financial quarter, the Group's PBT increased by 108.25% from RM2.09 million for the corresponding financial quarter to RM4.34 million for the current financial quarter. The increase in PBT was mainly due to:

- (i) the increase in revenue as elaborated above;
- (ii) effective marketing effort from ongoing promotions through online platforms; and
- (iii) 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		Variance %
	Individual quarter ended 31 March 2022 RM'000	31 December 2021 RM'000	
Revenue	23,257	26,607	(12.59)
PBT	4,342	6,335	(31.46)

The Group's revenue decreased by 12.59% from RM26.61 million to RM23.26 million.

The decrease in revenue was mainly due to the drop in vaccination revenue in the current quarter. The Group is still taking part in the national vaccination programme ("PICK") which is organised by ProtectHealth Corporation Sdn Bhd from October 2021 onwards. Contributions from the PICK programme has reduced in the current quarter as compared to its peak in the fourth quarter ended 31 December 2021. Besides, majority of the Malaysian population have been vaccinated since the second half of 2021.

Notwithstanding the above, the Group continued to enjoy an increase in revenue from its eye specialist services in the current financial quarter under review. With the easing and relaxation of certain restrictions under the NRP, there was an increase in the number of patients, including patients coming for refractive surgeries and cataract surgeries.

The Group's PBT decreased by RM1.99 million mainly due to the decrease in revenue in the current financial quarter under review.

## B3. Commentary on prospects

Effective 1 April 2022, Malaysia entered into the endemic phase of COVID-19, with restrictions on business operating hours, limits on number of people allowed in the workplace and 50% capacity being removed. Interstate travel is allowed for all regardless of their vaccination status. Under a further relaxed standard operating procedures ("SOP") effective 1 May 2022, physical distancing between individuals is no longer required and all economic sectors is allowed to operate beginning from 15 May 2022.

With the easing and relaxed SOP, the Group expects improvement of the performance for some of its branches with some branches' performance back to the pre-COVID-19 performance. Nevertheless, the Group will continue to monitor the situation to assess and address the impact of the COVID-19 on its business and financial condition.

Accordingly, the Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2022 remain favourable.