

## 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 30 September		Variance %
	2023	2022	
	RM'000	RM'000	
Revenue	28,547	28,717	(0.59)
Profit before tax ("PBT")	4,568	6,468	(29.38)

The Group reported revenue of RM28.55 million for the current financial quarter under review. This represents a slight decrease in revenue of approximately 0.59% against the corresponding financial quarter where revenue amounted to approximately RM28.72 million.

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.

Furthermore, the Group has hired an operations team and plastic surgery surgeons in preparation for applying for a plastic surgery license. The Group successfully obtained the plastic surgery license in August 2023. Besides, the Group has incurred pre-operation costs (i.e., consultancy and professional costs) in the Cambodia ambulatory care centre.

In terms of geographical segmentation (as tabulated below), the Group recorded increase in revenue for Central region and recorded decrease in revenue for North region and South region:-

	Unaudited Individual quarter ended 30 September		Variance %
	2023	2022	
	RM'000	RM'000	
<b>Revenue</b>			
North Malaysia	4,796	5,175	(7.32)
Central Malaysia	16,639	16,011	3.92
South Malaysia	6,088	6,541	(6.93)
East Malaysia	1,024	990	3.43
	<u>28,547</u>	<u>28,717</u>	

**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**

	<b>Unaudited Cumulative quarter ended 30 September</b>		<b>Variance %</b>
	<b>2023</b>	<b>2022</b>	
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	82,536	79,628	3.65
PBT	<u>14,717</u>	<u>17,806</u>	(17.35)

The Group reported revenue of RM82.54 million for the current financial period, as compared to RM79.63 million in the corresponding financial period, representing an increase of RM2.91 million or 3.65%.

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.

In terms of geographical segmentation (as tabulated below), the Group recorded increase in revenue for all geographical segments except North Malaysia and South Malaysia:-

	<b>Unaudited Cumulative quarter ended 30 September</b>		<b>Variance %</b>
	<b>2023</b>	<b>2022</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>			
North Malaysia	13,931	14,425	(3.42)
Central Malaysia	48,507	45,154	7.43
South Malaysia	17,295	17,606	(1.77)
East Malaysia	<u>2,803</u>	<u>2,443</u>	14.74
	<u>82,536</u>	<u>79,628</u>	

## B2. Variation of results against immediate preceding financial quarter

	Unaudited Individual quarter ended		Variance %
	30 September 2023 RM'000	30 June 2023 RM'000	
Revenue	28,547	27,898	2.33
PBT	4,568	5,500	(16.95)

The Group's revenue increased from RM27.90 million to RM28.55 million, which was an increase of 2.33%.

The Group's PBT decreased by RM0.93 million mainly due to the higher staff cost.

## 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 2023 will remain favourable.

## B4. Profit forecast

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