

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 June		Variance %
	2024 RM'000	2023 RM'000	
Revenue	32,047	27,898	14.87
Profit before tax ("PBT")	<u>5,850</u>	<u>5,500</u>	6.36

The Group reported revenue of RM32.05 million for the current financial quarter under review. This represents an increase in revenue of approximately 14.87% against the corresponding financial quarter where revenue amounted to approximately RM27.90 million.

The increase in revenue is mainly due to the effective marketing effort from ongoing promotions through online platforms and contribution from newly set up satellite clinics/centre.

However, the increase in profit before tax is not proportional to the increase in revenue 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.

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

	Unaudited Individual quarter ended 30 June		Variance %
	2024 RM'000	2023 RM'000	
Revenue			
North Malaysia	5,239	4,510	16.16
Central Malaysia	19,348	16,723	15.70
South Malaysia	6,047	5,779	4.64
East Malaysia	1,078	886	21.67
Cambodia	335	-	-
	<u>32,047</u>	<u>27,898</u>	14.87

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 June		
	2024 RM'000	2023 RM'000	
Revenue	60,262	53,989	11.62
PBT	10,310	10,149	1.59

The Group reported revenue of RM60.26 million for the current financial period, as compared to RM53.99 million in the corresponding financial period, representing an increase of RM6.27 million or 11.62%.

However, the increase in PBT is not proportional to the increase in revenue due to the following reasons:

- 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.
- An increase in depreciation expenses (related to property, plant, equipment, and right-of-use assets) also be attributed to the decrease in profit before tax in the current quarter as compared to the corresponding quarter. This increase in depreciation is primarily a result of the additional satellite clinic, with associated rental costs.
- 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 second half of FY2024.

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)

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

	Unaudited Cumulative quarter ended 30 June		Variance %
	2024	2023	
	RM'000	RM'000	
Revenue			
North Malaysia	9,889	9,135	8.25
Central Malaysia	36,850	31,868	15.63
South Malaysia	11,177	11,207	(0.27)
East Malaysia	2,011	1,779	13.04
Cambodia	335	-	-
	<u>60,262</u>	<u>53,989</u>	11.62

The increase in revenue is mainly due to the effective marketing effort from ongoing promotions through online platforms and contribution from newly set up satellite clinics/centre.

B2. Variation of results against immediate preceding financial quarter

	Unaudited Individual quarter ended		Variance %
	30 June	31 March	
	2024	2024	
	RM'000	RM'000	
Revenue	32,047	28,215	13.58
PBT	<u>5,850</u>	<u>4,460</u>	31.17

The Group's revenue increased from RM28.22 million to RM32.05 million, which was an increase of 13.58%.

The increase in revenue was mainly due to fewer business days in the preceding financial quarter ended 31 March 2024 and coupled with festive season such as Chinese New Year as people tend to do surgery after the festive season.

The Group's PBT increased by RM1.39 million mainly due to the increase in revenue in the current financial quarter under review.