

Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)
(Incorporated in Malaysia)

**Unaudited Condensed Consolidated
Interim Financial Report
for the Third Quarter Ended
30 September 2023**

Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)
(Incorporated in Malaysia)

Unaudited condensed consolidated statement of financial position as at 30 September 2023

| | Unaudited As at 30 September 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|---|--|---|
| Assets | | |
| Property, plant and equipment | 63,622 | 58,046 |
| Right-of-use assets | 15,294 | 9,949 |
| Deferred tax assets | 339 | 307 |
| Total non-current assets | <u>79,255</u> | <u>68,302</u> |
| Inventories | 4,357 | 4,291 |
| Trade and other receivables | 3,156 | 2,549 |
| Prepayments | 1,522 | 1,610 |
| Current tax assets | 494 | 406 |
| Investment in financial assets ⁽¹⁾ | 4,000 | 4,919 |
| Pledged deposits | 1,122 | 1,107 |
| Cash and cash equivalents | 13,698 | 18,202 |
| Total current assets | <u>28,349</u> | <u>33,084</u> |
| Total assets | <u>107,604</u> | <u>101,386</u> |
| Equity | | |
| Share capital | 39,073 | 39,072 |
| Reserves | 22,224 | 19,048 |
| Total equity attributable to owners of the Company | <u>61,297</u> | <u>58,120</u> |
| Non-controlling interests | 4,334 | 3,867 |
| Total equity | <u>65,631</u> | <u>61,987</u> |

Unaudited condensed consolidated statement of financial position as at 30 September 2023 (continued)

| | Unaudited As at 30 September 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|--|--|---|
| Liabilities | | |
| Deferred tax liabilities | 2,779 | 2,777 |
| Loans and borrowings | 11,512 | 13,403 |
| Lease liabilities | 11,758 | 7,270 |
| Total non-current liabilities | <u>26,049</u> | <u>23,450</u> |
| Loans and borrowings | 3,049 | 3,808 |
| Lease liabilities | 2,700 | 1,655 |
| Trade and other payables | 9,629 | 9,323 |
| Current tax liabilities | 546 | 1,163 |
| Total current liabilities | <u>15,924</u> | <u>15,949</u> |
| Total liabilities | <u>41,973</u> | <u>39,399</u> |
| Total equity and liabilities | <u>107,604</u> | <u>101,386</u> |
| Net assets per share attributable to owners of the Company (RM) | <u>0.11 ⁽²⁾</u> | <u>0.11 ⁽²⁾</u> |

⁽¹⁾ Investment in financial assets represents investment in the Affin Hwang Aiiman Money Market Fund with a redemption notice of only one (1) business day.

⁽²⁾ Net assets per share attributable to owners of the Company is calculated based on the share capital of 540,003,750 shares.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)
(Incorporated in Malaysia)

Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the third quarter ended 30 September 2023

| | ← Unaudited → | | | |
|---|--|--------------|--|---------------|
| | Individual quarter ended 30 September 2023 | | Cumulative quarter ended 30 September 2022 | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 28,547 | 28,717 | 82,536 | 79,628 |
| Other income | 41 | 74 | 194 | 147 |
| Inventories and consumables | (6,760) | (6,329) | (18,440) | (17,262) |
| Staff costs | (11,249) | (10,478) | (32,723) | (30,032) |
| Depreciation expenses | (2,521) | (2,028) | (7,117) | (5,689) |
| Other expenses | (3,152) | (3,171) | (8,733) | (7,984) |
| Results from operating activities | 4,906 | 6,785 | 15,717 | 18,808 |
| Finance income | 34 | 16 | 75 | 58 |
| Finance costs | (372) | (333) | (1,075) | (1,060) |
| Profit before tax | 4,568 | 6,468 | 14,717 | 17,806 |
| Tax expense | (1,386) | (1,719) | (4,036) | (5,011) |
| Profit and total comprehensive income for the financial period | 3,182 | 4,749 | 10,681 | 12,795 |
| Profit and total comprehensive income attributable to: | | | | |
| Owners of the Company | 2,840 | 3,683 | 9,714 | 10,855 |
| Non-controlling interests | 342 | 1,066 | 967 | 1,940 |
| Profit and total comprehensive income for the financial period | 3,182 | 4,749 | 10,681 | 12,795 |
| Earnings per ordinary share (sen) ⁽¹⁾ | | | | |
| - Basic earnings per ordinary share (sen) | 0.53 | 0.68 | 1.80 | 2.01 |
| - Diluted earnings per ordinary share (sen) | 0.42 | 0.55 | 1.44 | 1.61 |

⁽¹⁾ Earnings per ordinary share is calculated based on the weighted average number of ordinary shares referred to in Note B9.

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)
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Unaudited condensed consolidated statement of changes in equity for the third quarter ended 30 September 2023

| | ←——— Attributable to owners of the Company ———→ | | | | Total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|----------------------------------|--|--------------------------------|-----------------|--|---------------------------|
| | Share capital RM'000 | Translation reserve RM'000 | Other reserves RM'000 ⁽¹⁾ | Retained earnings RM'000 | | | |
| Unaudited | | | | | | | |
| At 1 January 2022 | 39,071 | - | (17,486) | 33,453 | 55,038 | 2,704 | 57,742 |
| Conversion of bonus warrants | 1 | - | - | - | 1 | - | 1 |
| Dividends to owners of the Company | - | - | - | (5,130) | (5,130) | - | (5,130) |
| Dividends to non-controlling interests | - | - | - | - | - | (560) | (560) |
| Profit and total comprehensive income for the financial period | - | - | - | 10,855 | 10,855 | 1,940 | 12,795 |
| At 30 September 2022 | 39,072 | - | (17,486) | 39,178 | 60,764 | 4,084 | 64,848 |
| At 1 January 2023 | 39,072 | - | (17,486) | 36,534 | 58,120 | 3,867 | 61,987 |
| Conversion of bonus warrants | * | - | - | - | * | - | * |
| Dividends to owners of the Company | - | - | - | (6,480) | (6,480) | - | (6,480) |
| Dividends to non-controlling interests | - | - | - | - | - | (510) | (510) |
| Changes in ownership interests in a subsidiary | - | - | - | (52) | (52) | 10 | (42) |
| Foreign currency translation differences for foreign operations | - | (6) | - | - | (6) | - | (6) |
| Profit and total comprehensive income for the financial period | - | - | - | 9,714 | 9,714 | 967 | 10,681 |
| At 30 September 2023 | 39,073 | (6) | (17,486) | 39,716 | 61,297 | 4,334 | 65,631 |

⁽¹⁾ This consists of business combination reserve of RM686,000 and restructuring reserve of RM16,800,000 arose from the restructuring exercise.

* Conversion of a total of 750 units of warrants to ordinary shares for RM450.

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

Optimax Holdings Berhad

Registration No: 201801028697 (1290723-T)
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Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2023

| | Unaudited Cumulative quarter ended 30 September | |
|--|--|-----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 14,717 | 17,806 |
| <i>Adjustments for:</i> | | |
| Finance income | (75) | (58) |
| Finance costs | 1,075 | 1,060 |
| Depreciation of property, plant and equipment | 5,339 | 4,305 |
| Depreciation of right-of-use assets | 1,778 | 1,384 |
| Fair value gain on investment in financial assets | (69) | (111) |
| Operating profit before working capital changes | 22,765 | 24,386 |
| Changes in working capital: | | |
| Inventories | (66) | (826) |
| Trade and other receivables | (607) | 2,581 |
| Prepayments | 88 | (1,191) |
| Trade and other payables | 1000 | 611 |
| Cash generated from operations | 23,180 | 25,561 |
| Interest received | 62 | 49 |
| Interest paid | (453) | (419) |
| Tax paid | (4,771) | (4,065) |
| Net cash from operating activities | 18,018 | 21,126 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (11,651) | (7,812) |
| Deposits paid for acquisition of property, plant and equipment | - | (1,056) |
| Proceeds from disposal of property, plant and equipment | - | 3 |
| Net redemption from investment in financial assets | 1,001 | (4,850) |
| Changes in pledged deposits | (15) | (13) |
| Net cash used in investing activities | (10,665) | (13,728) |

Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2023 (continued)

| | Unaudited Cumulative quarter ended 30 September | |
|---|--|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash flows from financing activities | | |
| Proceeds from conversion of bonus warrants | * | 1 |
| Dividends paid to owners of the Company | (6,480) | (5,130) |
| Dividends paid to non-controlling interests | (510) | (560) |
| Interest paid | (622) | (641) |
| (Repayment of)/Net increase in hire purchase liabilities | (2,293) | 46 |
| Repayment of term loans | (357) | (323) |
| Payment of lease liabilities | (1,590) | (1,260) |
| Net cash used in financing activities | (11,851) | (7,867) |
| Net decrease in cash and cash equivalents | (4,498) | (469) |
| Effect of exchange rate fluctuations on translation reserve | (6) | - |
| Cash and cash equivalents at the beginning of financial period | 18,202 | 18,525 |
| Cash and cash equivalents at the end of financial period | 13,698 | 18,056 |

* Conversion of a total of 750 units of warrants to ordinary shares for RM450.

(i) Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:

| | Unaudited Cumulative quarter ended 30 September | |
|---------------------------|--|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash and cash equivalents | 14,820 | 19,158 |
| Pledged deposits | (1,122) | (1,102) |
| | <u>13,698</u> | <u>18,056</u> |

Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2023 (continued)

(ii) Acquisition of property, plant and equipment

During the financial period, the Group acquired property, plant and equipment as follows:

| | Unaudited Cumulative quarter ended 30 September | |
|--|--|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Paid in cash | 10,915 | 7,712 |
| Property, plant and equipment purchased using hire purchase arrangement | - | 2,679 |
| Balances remained unpaid at financial period end | - | 522 |
| | <u>10,915</u> | <u>10,913</u> |

During the financial period, the Group paid the remaining outstanding amounts in relation to property, plant and equipment acquired in the previous financial year of RM736,000 (30.06.2022: RM100,000).

In the previous financial quarter ended 31 March 2022, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2021 of RM2,679,000, which was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2021.

Unaudited condensed consolidated statement of cash flows for the third quarter ended 30 September 2023 (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

| | ← Unaudited → | | | | At 30.9.2022 RM'000 |
|--|--------------------------|--------------------|---------------------------------------|------------------------------|---------------------------|
| | At 1.1.2022 RM'000 | Payments RM'000 | Acquisition of new lease RM'000 | Remeasure- ment RM'000 | |
| Term loans | 8,317 | (323) | - | - | 7,994 |
| Hire purchase liabilities ⁽¹⁾ | 7,491 | (2,633) | 5,358 | - | 10,216 |
| Lease liabilities | 8,275 | (1,260) | 1,663 | 184 | 8,862 |
| | <u>24,083</u> | <u>(4,216)</u> | <u>7,021</u> | <u>184</u> | <u>27,072</u> |

| | ← Unaudited → | | | | At 30.9.2023 RM'000 |
|---------------------------|--------------------------|--------------------|---------------------------------------|------------------------------|---------------------------|
| | At 1.1.2023 RM'000 | Payments RM'000 | Acquisition of new lease RM'000 | Remeasure- ment RM'000 | |
| Term loans | 7,726 | (357) | - | - | 7,369 |
| Hire purchase liabilities | 9,485 | (2,293) | - | - | 7,192 |
| Lease liabilities | 8,925 | (1,590) | 7,035 | 88 | 14,458 |
| | <u>26,136</u> | <u>(4,240)</u> | <u>7,035</u> | <u>88</u> | <u>29,019</u> |

⁽¹⁾ In the corresponding financial quarter ended 31 March 2022, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2021 of RM2,679,000, which was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2021.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

The condensed consolidated interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The condensed consolidated interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report. The explanatory notes attached to the condensed consolidated interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

A2. Significant accounting policies

Except as described below, the same accounting policies and methods of computation are followed in this condensed consolidated interim financial report as compared with the audited financial statements for the financial year ended 31 December 2022.

As of 1 January 2023, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2023.

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

The adoption of the above pronouncements did not have any material impact to the condensed consolidated interim financial report of the Group.

A3. Auditors' report

There was no qualified audit report issued by the auditors in the audited financial statements for the financial year ended 31 December 2022.

A4. Seasonal or cyclical factors

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

A5. Exceptional items

There were no material exceptional items during the current financial quarter under review.

A6. Material changes in accounting estimates

There were no material changes in accounting estimates for the current financial quarter under review.

A7. Material events subsequent to the statement of financial position date

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in the condensed consolidated interim financial report.

A8. Material changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A9. Capital commitments

Outstanding capital commitments in respect of capital expenditure at financial position date not provided for at the end of each reporting period are as follows:

| | Unaudited As at 30 September 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|--|---|--|
| Capital expenditure commitments | | |
| Property, plant and equipment | | |
| <i>Authorised and contracted for</i> | <u>10,757</u> | <u>4,198</u> |

A10. Debt and equity securities

There were no other issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review, except as disclosed in Note B6.

A11. Dividends paid

On 30 March 2023, the Group paid a second interim tax-exempted dividend of 1.20 sen per ordinary share totalling to RM6,480,035 in respect of the financial year ended 31 December 2022.

There were no dividends paid during the current financial quarter under review.

A12. Operating segments

The Group does not have the reportable segments, as the services are managed indistinctly because they require the similar technology and marketing strategies. The internal management reports consist of performance from respective entities and classified as North, Central, South and East Malaysia. The Group's Chief Executive Officer reviews internal management reports at least on a quarterly basis. The following summary describes the geographical segments results:

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

| | ← Unaudited → | | | |
|------------------|--|---------------|--|---------------|
| | Individual quarter ended 30 September | | Cumulative quarter ended 30 September | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| North Malaysia | 4,796 | 5,175 | 13,931 | 14,425 |
| Central Malaysia | 16,639 | 16,010 | 48,507 | 45,153 |
| South Malaysia | 6,088 | 6,541 | 17,295 | 17,606 |
| East Malaysia | 1,024 | 990 | 2,803 | 2,443 |
| | <u>28,547</u> | <u>28,716</u> | <u>82,536</u> | <u>79,627</u> |

A13. Valuations of property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any.

A14. Contingencies

There were no contingent assets and contingent liabilities as at the date of this condensed consolidated interim financial report.

A15. Investment in financial assets

The investment in financial assets relates to the investment in short-term money market instruments.

A16. Related party transactions

Identity of related parties

For the purposes of this condensed consolidated interim financial report, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors and certain members of senior management of the Group.

The Group has related party relationship with a Director and companies in which a Director has financial interest.

Significant related party transactions

Significant related party transactions of the Group are as follows:

| | ← Unaudited → | | | |
|---|--|--------|--|--------|
| | Individual quarter ended 30 September | | Cumulative quarter ended 30 September | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Transactions | | | | |
| A. Directors | | | | |
| Lease payments | 30 | 29 | 88 | 88 |
| B. Companies in which Directors have financial interests | | | | |
| Lease payments | 232 | 184 | 652 | 489 |
| Sales of inventories | (1) | (29) | (13) | (187) |
| Service fees receivable | (18) | (1) | (23) | (73) |

A17. Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

| | Fair value of financial instruments carried at fair value Level 1 RM'000 | Fair value of financial instruments not carried at fair value Level 3 RM'000 | Total fair value RM'000 | Carrying amount RM'000 |
|---------------------------------|---|---|--|---------------------------------------|
| Unaudited 30.09.2023 | | | | |
| Financial assets | | | | |
| Investment in financial assets | 4,000 | - | 4,000 | 4,000 |
| Financial liabilities | | | | |
| Term loans | - | (7,607) | (7,607) | (7,369) |
| Hire purchase liabilities | - | (7,447) | (7,447) | (7,192) |
| | - | (15,054) | (15,054) | (14,561) |
| Audited 31.12.2022 | | | | |
| Financial assets | | | | |
| Investment in financial assets | 4,919 | - | 4,919 | 4,919 |
| Financial liabilities | | | | |
| Term loans | - | (8,200) | (8,200) | (7,726) |
| Hire purchase liabilities | - | (10,292) | (10,292) | (9,485) |
| | - | (18,492) | (18,492) | (17,211) |

A17. Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

| Type | Description of valuation technique and inputs used |
|--|--|
| Term loans and hire purchase liabilities | Discounted cash flows using a rate based on the current market rate of borrowing of the respective entities at the reporting date. |

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 | |
| Revenue | | | |
| 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**

| | Unaudited Cumulative quarter ended 30 September | | Variance % |
|---------|---|----------------|---------------|
| | 2023 RM'000 | 2022 RM'000 | |
| 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:

- 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.
- 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.
- 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:-

| | Unaudited Cumulative quarter ended 30 September | | Variance % |
|------------------|---|----------------|---------------|
| | 2023 RM'000 | 2022 RM'000 | |
| Revenue | | | |
| 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.

B5. Tax expense

Tax expense comprises the following:

| | ← Unaudited → | | | |
|-------------------------------------|--|--------------|--|--------------|
| | Individual quarter ended 30 September | | Cumulative quarter ended 30 September | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Recognised in profit or loss | | | | |
| Current tax expense | | | | |
| Current financial period | 1,383 | 1,730 | 4,066 | 5,031 |
| Deferred tax expense | | | | |
| Current financial period | (3) | (11) | (30) | (20) |
| | <u>1,386</u> | <u>1,719</u> | <u>4,036</u> | <u>5,011</u> |
| Effective tax rate | 30.34% | 26.58% | 27.42% | 28.14% |

The overall effective tax rates of 30.34% for individual quarter and 27.42% for cumulative quarter ended 30 September 2023 were higher than the statutory tax rate of 24% due to the non-deductible expenses incurred.

Income tax expense in the form of provision is recognised based on management's estimate.

B6. Loans and borrowings

Particulars of the Group's loans and borrowings are as follows:

| | Note | Unaudited As at 30 September 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|---------------------------|------|--|---|
| Non-current | | | |
| Term loans – secured | | 6,881 | 7,346 |
| Hire purchase liabilities | B6.1 | <u>4,631</u> | <u>6,057</u> |
| | | <u>11,512</u> | <u>13,403</u> |
| Current | | | |
| Term loans – secured | | 488 | 380 |
| Hire purchase liabilities | B6.1 | <u>2,561</u> | <u>3,428</u> |
| | | <u>3,049</u> | <u>3,808</u> |
| | | <u>14,561</u> | <u>17,211</u> |

B6. Loans and borrowings (continued)**B6.1 Hire purchase liabilities**

Hire purchase liabilities are payable as follows:

| | Future minimum lease payments RM'000 | Interest RM'000 | Present value of minimum lease payments RM'000 |
|---------------------------|---|----------------------------|---|
| Unaudited | | | |
| 30.9.2023 | | | |
| Less than one year | 2,886 | 325 | 2,561 |
| Between one to five years | 4,939 | 308 | 4,631 |
| | <u>7,825</u> | <u>633</u> | <u>7,192</u> |
| Audited | | | |
| 31.12.2022 | | | |
| Less than one year | 3,850 | 422 | 3,428 |
| Between one to five years | 6,539 | 482 | 6,057 |
| | <u>10,389</u> | <u>904</u> | <u>9,485</u> |

B7. Material litigation

There are no material litigations as at the date of this report.

B8. Dividends

The Board of Directors of the Company proposed an interim tax-exempt dividend of 0.60 sen per ordinary share in respect of the financial year ending 31 December 2023. The entitlement date is fixed on 20 December 2023 and payment will be made on 29 December 2023. The total dividends declared to date for the current financial year ending 31 December 2023 is 0.60 sen per ordinary share (September 2022: 1.20 sen).

B9. Earnings per ordinary share

The calculation of earnings per ordinary share at 30 September 2023 and 2022, was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

| | Unaudited Individual quarter ended 30 September | | Unaudited Cumulative quarter ended 30 September | |
|--|---|---------|---|---------|
| | 2023 | 2022 | 2023 | 2022 |
| Profit for the financial period attributable to owners of the Company (RM'000) | 2,840 | 3,683 | 9,714 | 10,855 |
| Basic earnings per ordinary share attributable to owners of the Company | | | | |
| Based on weighted average number of ordinary shares ('000) | 540,000 | 540,000 | 540,000 | 540,000 |
| Effect on conversion of the bonus warrants ('000) | 4 | 3 | 4 | 3 |
| Adjusted weighted average number of ordinary shares ('000) ⁽¹⁾ | 540,004 | 540,003 | 540,004 | 540,003 |
| Basic earnings per ordinary share (sen) ('000) ⁽²⁾ | 0.53 | 0.68 | 1.80 | 2.01 |
| Diluted earnings per ordinary share attributable to owners of the Company | | | | |
| Based on weighted average number of ordinary shares ('000) | 540,000 | 540,000 | 540,000 | 540,000 |
| Effect on conversion of the bonus warrants ('000) | 4 | 3 | 4 | 3 |
| Effect of dilution arising from conversion of all bonus warrants ('000) | 134,997 | 134,998 | 134,997 | 134,998 |
| Adjusted weighted average number of ordinary shares ('000) ⁽³⁾ | 675,001 | 675,001 | 675,001 | 675,001 |
| Diluted earnings per ordinary share (sen) ('000) ⁽²⁾ | 0.42 | 0.55 | 1.44 | 1.61 |

B9. Earnings per ordinary share (continued)

- (1) Included the effects of the conversion of a total 1,500 bonus warrants which have been listed on 7 March 2022 and 27 April 2022 and the listing of and quotation for bonus shares on 9 May 2022.
- (2) The calculation of basic and diluted earnings per share have been adjusted retrospectively to reflect the changes in the number of Optimax Shares as disclosed in Note 1 above as per the requirement of MFRS 133, Earnings per Share, Paragraph 64.
- (3) Included the assumption that the remaining bonus warrants (issued on 30 December 2021) are converted to Optimax Shares (as at the date of this report, these bonus warrants have not been converted to Optimax Shares).

B10. Trade and other receivables

| | Unaudited As at 30 September 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|-------------------|---|--|
| Current | | |
| Trade | | |
| Trade receivables | 1,410 | 1,181 |
| Non-trade | | |
| Other receivables | 329 | 568 |
| Deposits | 1,417 | 800 |
| | <u>1,746</u> | <u>1,368</u> |
| | <u>3,156</u> | <u>2,549</u> |

(a) Ageing analysis of trade receivables

| | Unaudited As at 30 September 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|-----------------------------|---|--|
| Current (not past due) | 884 | 631 |
| 1 – 30 days past due | 86 | 38 |
| 31 – 120 days past due | 21 | 36 |
| More than 120 days past due | 419 | 476 |
| | <u>1,410</u> | <u>1,181</u> |

Trade receivables that are past due have not been impaired as payments have been substantially received from these debtors subsequent to period end.

| |
|---|
| Registration No: 201801028697 (1290723-T) |
|---|

B11. Profit before tax

| | Note | ← Unaudited → | | | |
|---|------|---|----------------|---|----------------|
| | | Individual quarter ended 30 September | | Cumulative quarter ended 30 September | |
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Material expenses/ (income) | | | | | |
| Depreciation expenses | | | | | |
| - property, plant and equipment | | 1,855 | 1,565 | 5,339 | 4,314 |
| - right-of-use assets | | 666 | 456 | 1,778 | 1,368 |
| Fair value gain on investment in financial assets | | (22) | (51) | (69) | (111) |
| Finance income | | | | | |
| - investment in financial assets | | | | | h |
| - cash and cash equivalents | | (34) | (16) | (75) | (58) |
| Finance costs | | | | | |
| - bank overdrafts | | 2 | - | 2 | - |
| - term loans | | 88 | 79 | 259 | 256 |
| - hire purchase liabilities | | 105 | 111 | 363 | 385 |
| - lease liabilities | | 177 | 132 | 451 | 408 |
| Expenses arising from leases | | | | | |
| Expenses relating to short-term leases | | | | | |
| | (i) | 5 | 19 | 30 | 124 |
| Expenses relating to leases of low-value assets | | | | | |
| | (ii) | 10 | 16 | 29 | 29 |

- (i) The Group leases operation equipment with contract terms of less than 1 year. These leases are short-term in nature and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.
- (ii) The Group leases various office equipment with contract terms of 3 years. These leases are low-value in nature and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group did not report any other income including investment income, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and gain or loss on derivatives.