

**Optimax Holdings Berhad**

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

**Unaudited Condensed Consolidated  
Interim Financial Report  
for the First Quarter Ended  
31 March 2022**

## Optimax Holdings Berhad

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

### Unaudited condensed consolidated statement of financial position as at 31 March 2022

	Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
<b>Assets</b>		
Property, plant and equipment	49,128	49,266
Right-of-use assets	9,875	9,462
Deferred tax assets	354	369
<b>Total non-current assets</b>	<u>59,357</u>	<u>59,097</u>
Inventories	3,540	3,070
Trade and other receivables	3,323	4,563
Prepayments	3,180	1,206
Current tax assets	330	433
Investment in financial assets <sup>(1)</sup>	4,365	4,632
Cash and cash equivalents	18,723	19,614
<b>Total current assets</b>	<u>33,461</u>	<u>33,518</u>
<b>Total assets</b>	<u><u>92,818</u></u>	<u><u>92,615</u></u>
<b>Equity</b>		
Share capital	39,072	39,071
Reserves	13,424	15,967
<b>Total equity attributable to owners of the Company</b>	<u>52,496</u>	<u>55,038</u>
Non-controlling interests	3,143	2,704
<b>Total equity</b>	<u>55,639</u>	<u>57,742</u>

## Unaudited condensed consolidated statement of financial position as at 31 March 2022 (continued)

	Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
<b>Liabilities</b>		
Deferred tax liabilities	1,930	1,957
Loans and borrowings	13,517	12,188
Lease liabilities	7,159	6,760
<b>Total non-current liabilities</b>	<u>22,606</u>	<u>20,905</u>
Loans and borrowings	4,078	3,620
Lease liabilities	1,544	1,515
Trade and other payables	7,907	7,788
Current tax liabilities	1,044	1,045
<b>Total current liabilities</b>	<u>14,573</u>	<u>13,968</u>
<b>Total liabilities</b>	<u>37,179</u>	<u>34,873</u>
<b>Total equity and liabilities</b>	<u>92,818</u>	<u>92,615</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>0.19 <sup>(2)</sup></u>	<u>0.20 <sup>(3)</sup></u>

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

<sup>(2)</sup> Net assets per share attributable to owners of the Company is calculated based on the share capital of 270,001,000 shares after the conversion of 1,000 warrants which have been exercised as of 31 March 2022.

<sup>(3)</sup> Net assets per share attributable to owners of the Company is calculated based on the share capital of 270,000,000 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 2021 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 profit or loss and other comprehensive income for the first quarter ended 31 March 2022

	Unaudited Individual/Cumulative quarter ended 31 March	
	2022 RM'000	2021 RM'000
Revenue	23,257	14,489
Other income	35	24
Inventories and consumables	(4,939)	(3,261)
Staff costs	(9,645)	(5,988)
Depreciation expenses	(1,738)	(1,618)
Other expenses	(2,255)	(1,257)
<b>Results from operating activities</b>	<b>4,715</b>	<b>2,389</b>
Finance income	18	56
Finance costs	(391)	(360)
<b>Profit before tax</b>	<b>4,342</b>	<b>2,085</b>
Tax expense	(1,316)	(673)
<b>Profit and total comprehensive income for the financial period</b>	<b>3,026</b>	<b>1,412</b>
<b>Profit and total comprehensive income attributable to:</b>		
Owners of the Company	2,587	1,284
Non-controlling interests	439	128
<b>Profit and total comprehensive income for the financial period</b>	<b>3,026</b>	<b>1,412</b>
<b>Earnings per ordinary share (sen) <sup>(1)</sup></b>		
- Basic earnings per ordinary share (sen)	0.96	0.48
- Diluted earnings per ordinary share (sen)	0.77	0.38

<sup>(1)</sup> Earnings per ordinary share is calculated based on the weighted average number of ordinary shares referred to in Note B10.

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 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

## Optimax Holdings Berhad

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### Unaudited condensed consolidated statement of changes in equity for the first quarter ended 31 March 2022

	← Attributable to owners of the Company →			Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserves RM'000 <sup>(1)</sup>	Retained earnings RM'000			
<b>Unaudited</b>						
<b>At 1 January 2021</b>	39,071	(17,486)	26,285	47,870	2,351	50,221
Dividends to non-controlling interests	-	-	-	-	(450)	(450)
Profit and total comprehensive income for the financial period	-	-	1,284	1,284	128	1,412
<b>At 31 March 2021</b>	<u>39,071</u>	<u>(17,486)</u>	<u>27,569</u>	<u>49,154</u>	<u>2,029</u>	<u>51,183</u>
<b>Unaudited</b>						
<b>At 1 January 2022</b>	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)
Profit and total comprehensive income for the financial period	-	-	2,587	2,587	439	3,026
<b>At 31 March 2022</b>	<u>39,072</u>	<u>(17,486)</u>	<u>30,910</u>	<u>52,496</u>	<u>3,143</u>	<u>55,639</u>

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

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 2021 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

## Optimax Holdings Berhad

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### Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2022

	Unaudited Individual/Cumulative quarter ended 31 March	
	2022 RM'000	2021 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	4,342	2,085
<i>Adjustments for:</i>		
Finance income	(18)	(56)
Finance costs	391	360
Depreciation of property, plant and equipment	1,300	1,158
Depreciation of right-of-use assets	438	460
Fair value gain on investment in financial assets	(30)	(15)
<b>Operating profit before working capital changes</b>	6,423	3,992
Changes in working capital:		
Inventories	(470)	(441)
Trade and other receivables	1,240	303
Prepayments	(918)	(257)
Trade and other payables	(41)	192
<b>Cash generated from operations</b>	6,234	3,789
Interest received	15	7
Interest paid	(137)	(141)
Tax paid	(1,226)	(879)
<b>Net cash from operating activities</b>	4,886	2,776
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,009)	(2,914)
Prepayments in relation to acquisition of property, plant and equipment	(1,056)	-
Proceeds from disposal of property, plant and equipment	7	-
Net redemption from investment in financial assets	300	509
Changes in pledged deposits	(4)	(5)
<b>Net cash used in investing activities</b>	(1,762)	(2,410)

## Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2022 (continued)

	Unaudited Individual/Cumulative quarter ended 31 March	
	2022 RM'000	2021 RM'000
<b>Cash flows from financing activities</b>		
Proceeds from conversion of bonus warrants	1	-
Dividends paid to non-controlling interests	-	(450)
Dividends to owners of the Company	(5,130)	-
Proceeds from hire purchase liabilities	2,679	-
Interest paid	(254)	(219)
Repayment of hire purchase liabilities	(806)	(831)
Repayment of term loans	(86)	(119)
Payment of lease liabilities	(423)	(504)
<b>Net cash used in financing activities</b>	<b>(4,019)</b>	<b>(2,123)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(895)</b>	<b>(1,757)</b>
Cash and cash equivalents at the beginning of financial period	18,525	9,843
<b>Cash and cash equivalents at the end of financial period</b>	<b>17,630</b>	<b>8,086</b>

### (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 Individual/Cumulative quarter ended 31 March	
	2022 RM'000	2021 RM'000
Cash and cash equivalents	18,723	9,162
Pledged deposits	(1,093)	(1,076)
	<b>17,630</b>	<b>8,086</b>

## Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2022 (continued)

### (ii) Acquisition of property, plant and equipment

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

	Unaudited Individual/Cumulative quarter ended 31 March	
	2022 RM'000	2021 RM'000
Paid in cash	909	3,837
Property, plant and equipment purchased using hire purchase arrangement	-	227
Balances remained unpaid at financial period end	260	-
	<u>1,169</u>	<u>4,064</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 RM100,000 (31.3.2021: RM132,000).

The Group had also entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year of RM2,679,000, which was initially funded out of the Group's internally generated funds in the previous financial year.

In the corresponding financial quarter ended 31 March 2021, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2020 of RM1,760,000 in which RM705,000 is related to the balances that remained unpaid at the previous financial year ended 31 December 2020. The remaining RM1,055,000 was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2020.



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## Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2022 (continued)

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

	← Unaudited →			
	At 1.1.2021 RM'000	Payments RM'000	Acquisition of new lease RM'000	At 31.3.2021 RM'000
Term loans	8,832	(119)	-	8,713
Hire purchase liabilities <sup>(1)</sup>	8,823	(831)	1,987	9,979
Lease liabilities	8,758	(504)	297	8,551
	26,413	(1,454)	2,284	27,243

  

	← Unaudited →			
	At 1.1.2022 RM'000	Payments RM'000	Acquisition of new lease RM'000	At 31.3.2022 RM'000
Term loans	8,317	(86)	-	8,231
Hire purchase liabilities	7,491	(806)	2,679	9,364
Lease liabilities	8,275	(423)	851	8,703
	24,083	(1,315)	3,530	26,298

<sup>(1)</sup> In previous financial year ended 31 December 2021, the Group had entered into hire purchase arrangement to fully finance the plant and equipment acquired in the previous financial year ended 31 December 2020 of RM1,760,000 in which RM705,000 is related to the balances that remained unpaid at the previous financial year ended 31 December 2020. The remaining RM1,055,000 was initially funded out of the Group's internally generated funds in the previous financial year ended 31 December 2020.

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 2021 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

Within the context of this condensed consolidated interim financial report for the first quarter ended 31 March 2022, the Group comprises Optimax Holdings Berhad (“the Company”) and Optimax Eye Specialist Centre Sdn. Bhd. and its subsidiaries (“OESC Group”).

The condensed consolidated interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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 2021.

#### 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 2021.

As of 1 January 2022, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2022.

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

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 2021.

**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**

Save as disclosed in Note B6 "Status of corporate proposals announced but not completed", 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:

	<b>Unaudited As at 31 March 2022 RM'000</b>	<b>Audited As at 31 December 2021 RM'000</b>
<b>Capital expenditure commitments</b>		
<b>Property, plant and equipment</b>		
<i>Authorised and contracted for</i>	6,148	7,556

## 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 B7.

## A11. Dividends paid

On 28 March 2022, the Group paid a second interim tax-exempted dividend of 1.90 sen (31.12.2021: 1.90 sen) per ordinary share totalling to RM5,130,019 (31.12.2021: RM5,130,000) in respect of the financial year ended 31 December 2021.

## 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/Cumulative Quarter ended 31 March	
	2022 RM'000	2021 RM'000
<b>Revenue</b>		
North Malaysia	4,346	2,358
Central Malaysia	13,660	8,965
South Malaysia	4,703	2,843
East Malaysia	548	323
	<u>23,257</u>	<u>14,489</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 funds received pursuant to the Initial Public Offering (“IPO”). As disclosed in the Prospectus dated 15 July 2020, pending the eventual utilisation of proceeds from the IPO, the funds have been placed 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:

	<b>Unaudited Individual/Cumulative quarter ended 31 March</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
<b>Transactions</b>		
<b>A. Directors</b>		
Lease payments	29	66
<b>B. Companies in which Director have financial interests</b>		
Lease payments	121	125
Sales of inventories	(122)	(3)
Service fees receivable	(48)	(1)

## 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.

	<b>Fair value of financial instruments carried at fair value Level 1 RM'000</b>	<b>Fair value of financial instruments not carried at fair value Level 3 RM'000</b>	<b>Total fair value RM'000</b>	<b>Carrying amount RM'000</b>
<b>Unaudited</b>				
<b>31.03.2022</b>				
<b>Financial assets</b>				
Investment in financial assets	4,365	-	4,365	4,365
<b>Financial liabilities</b>				
Term loans	-	(8,808)	(8,808)	(8,231)
Hire purchase liabilities	-	(9,613)	(9,613)	(9,354)
	-	(18,421)	(18,421)	(17,595)
<b>Audited</b>				
<b>31.12.2021</b>				
<b>Financial assets</b>				
Investment in financial assets	4,632	-	4,632	4,632
<b>Financial liabilities</b>				
Term loans	-	(8,925)	(8,925)	(8,317)
Hire purchase liabilities	-	(7,807)	(7,807)	(7,491)
	-	(16,732)	(16,732)	(15,808)

## 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.

<b>Type</b>	<b>Description of valuation technique and inputs used</b>
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 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.

**B4. Profit forecast**

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

**B5. Tax expense**

Tax expense comprises the following:

	<b>Unaudited Individual/Cumulative quarter ended 31 March</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>
<b><i>Recognised in profit or loss</i></b>		
<b>Current tax expense</b>		
Current financial period	1,328	681
<b>Deferred tax expense</b>		
Current financial period	(12)	(8)
	1,316	673
Effective tax rate	30.31%	32.28%

The overall effective tax rates of 30.31% for individual and cumulative quarter ended 31 March 2022 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. Status of corporate proposals announced but not completed**

On 14 February 2022, the Company announced that the Company proposed to undertake the proposed bonus issue of up to 404,999,992 ordinary shares in Optimax ("Optimax Share(s)" or "Share(s)") ("Bonus Share(s)") on the basis of 1 Bonus Share for every 1 Optimax Share held on an entitlement date to be determined later ("Bonus Issue").

The Bonus Issue was approved by the shareholders of the Company on 14 April 2022.

The Bonus Issue was completed on 9 May 2022 following the listing of and quotation for 270,001,500 Bonus Shares and 67,498,494 additional warrants on the ACE Market of Bursa Securities on 9 May 2022. The additional warrants arose from the adjustment to the number of outstanding warrants as a result of the Bonus issue.

Save for the above, there are no other corporate proposals announced but not completed for the current financial quarter under review.

## B7. Loans and borrowings

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

	Note	Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
<b>Non-current</b>			
Term loans – secured		7,744	7,867
Hire purchase liabilities	B7.1	5,773	4,321
		<u>13,517</u>	<u>12,188</u>
<b>Current</b>			
Term loans – secured		487	450
Hire purchase liabilities	B7.1	3,591	3,170
		<u>4,078</u>	<u>3,620</u>
		<u>17,595</u>	<u>15,808</u>

### B7.1 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
<b>Unaudited 31.3.2022</b>			
Less than one year	4,011	420	3,591
Between one to five years	6,227	454	5,773
	<u>10,238</u>	<u>874</u>	<u>9,364</u>
<b>Audited 31.12.2021</b>			
Less than one year	3,530	360	3,170
Between one to five years	4,581	260	4,321
	<u>8,111</u>	<u>620</u>	<u>7,491</u>

## B8. Material litigation

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

## B9. Dividends

The Board of Directors does not recommend any dividend for the current financial quarter under review.

## B10. Earnings per ordinary share

The calculation of earnings per ordinary share at 31 March 2022 and 2021, was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	<b>Unaudited Individual/Cumulative quarter ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
Profit for the financial period attributable to owners of the Company (RM'000)	2,587	1,284
<b>Basic earnings per ordinary share attributable to owners of the Company</b>		
Based on weighted average number of ordinary shares ('000)	270,000	270,000
Effect on conversion of the bonus warrant <sup>(i)</sup>	1	1
Adjusted weighted average number of ordinary shares	270,001	270,001
Basic earnings per ordinary share (sen)	0.96	0.48
<b>Diluted earnings per ordinary share attributable to owners of the Company</b>		
Based on weighted average number of ordinary shares ('000)	270,000	270,000
Effect on conversion of the bonus warrant <sup>(i)</sup>	1	1
Effective of dilution arising from conversion of all bonus warrants <sup>(ii)</sup>	67,499	67,499
Adjusted weighted average number of ordinary shares ('000)	337,500	337,500
Diluted earnings per ordinary share (sen)	0.77	0.38

(i) Effect of conversion of 1,000 bonus warrants which have been exercised on 4 March 2022.

(ii) Effect of dilution includes the remaining bonus issue of warrants which have been issued on 30 December 2021 taking into consideration the 1,000 bonus warrants exercised as disclosed in (i) above.

**B11. Trade and other receivables**

	<b>Unaudited As at 31 March 2022 RM'000</b>	<b>Audited As at 31 December 2021 RM'000</b>
<b>Current</b>		
<b>Trade</b>		
Trade receivables	2,278	3,432
<b>Non-trade</b>		
Other receivables	342	438
Deposits	703	693
	<u>1,045</u>	<u>1,131</u>
	<u>3,323</u>	<u>4,563</u>

**(a) Ageing analysis of trade receivables**

	<b>Unaudited As at 31 March 2022 RM'000</b>	<b>Audited As at 31 December 2021 RM'000</b>
Current (not past due)	1,134	1,978
1 – 30 days past due	16	1
31 – 120 days past due	27	1,435
More than 120 days past due	1,101	18
	<u>2,278</u>	<u>3,432</u>

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

**B12. Profit before tax**

	Note	Unaudited Individual/Cumulative quarter ended 31 March	
		2022 RM'000	2021 RM'000
<b>Material expenses/ (income)</b>			
Depreciation expenses			
- property, plant and equipment		1,300	1,158
- right-of-use assets		438	460
Fair value gain on investment in financial assets		(30)	(15)
Finance income			
- investment in financial assets		(3)	(49)
- cash and cash equivalents		(15)	(7)
Finance costs			
- term loans		106	73
- hire purchase liabilities		148	146
- lease liabilities		137	141
		<hr/>	<hr/>
<b>Expenses arising from leases</b>			
Expenses relating to short-term leases	(i)	105	9
Expenses relating to leases of low- value assets	(ii)	8	4
		<hr/>	<hr/>

- (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.*

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### B13. Utilisation of proceeds

The status on the utilisation of proceeds from the IPO of RM21.00 million is as follows:

Purpose	Intended timeframe for utilisation upon listing	Proposed utilisation		Amount utilised as at the date of this report		Deviation	
		RM'000	%	RM'000	%	RM'000	%
Capital expenditure	Within 24 months	10,354	49.31	9,600	92.72	(754) <sup>(1)</sup>	(7.28)
Repayment of borrowings	Within 3 months	3,520	16.76	3,520	100.00	-	-
Working capital	Within 12 months	3,526	16.79	3,526	100.00	-	-
Estimated listing expenses	Within 1 month	3,600	17.14	3,600	100.00	-	-
<b>Total</b>		<b>21,000</b>	<b>100.00</b>	<b>20,246</b>	<b>96.41</b>	<b>(754)</b>	<b>(3.59)</b>

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

<sup>(1)</sup> The allocated IPO proceeds for capital expenditure has not been fully utilised as at the date of this report. The Group has announced that the timeframe for the utilisation of proceeds allocated for capital expenditure will be extended for another 12 months. Accordingly, the timeframe for the utilisation of proceeds allocated for capital expenditure will be for a period of up to 24 months from 18 August 2020, being the date of the listing of and quotation for the Company's entire enlarged issued capital on the ACE Market of Bursa Malaysia Securities Berhad.