

Optimax Holdings Berhad

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

**Unaudited Condensed Consolidated
Interim Financial Report
for the First Quarter Ended
31 March 2021**

Optimax Holdings Berhad

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

Unaudited condensed consolidated statement of financial position as at 31 March 2021

	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2020 RM'000
Assets		
Property, plant and equipment	45,891	42,985
Right-of-use assets	9,795	9,958
Deferred tax assets	439	462
Total non-current assets	<u>56,125</u>	<u>53,405</u>
Inventories	2,661	2,220
Trade and other receivables	1,151	1,454
Prepayments	1,258	1,001
Current tax assets	280	112
Investment in financial assets ⁽¹⁾	14,684	15,129
Cash and cash equivalents	9,162	10,914
Total current assets	<u>29,196</u>	<u>30,830</u>
Total assets	<u><u>85,321</u></u>	<u><u>84,235</u></u>
Equity		
Share capital	39,071	39,071
Reserves	10,083	8,799
Total equity attributable to owners of the Company	<u>49,154</u>	<u>47,870</u>
Non-controlling interests	2,029	2,351
Total equity	<u>51,183</u>	<u>50,221</u>

Unaudited condensed consolidated statement of financial position as at 31 March 2021 (continued)

	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2020 RM'000
Liabilities		
Deferred tax liabilities	1,249	1,280
Loans and borrowings	14,962	14,214
Lease liabilities	6,855	7,008
Total non-current liabilities	<u>23,066</u>	<u>22,502</u>
Loans and borrowings	3,730	3,441
Lease liabilities	1,696	1,750
Trade and other payables	5,140	5,785
Current tax liabilities	506	536
Total current liabilities	<u>11,072</u>	<u>11,512</u>
Total liabilities	<u>34,138</u>	<u>34,014</u>
Total equity and liabilities	<u>85,321</u>	<u>84,235</u>
Net assets per share attributable to owners of the Company (RM)⁽²⁾	<u>0.18</u>	<u>0.18</u>

⁽¹⁾ Investment in financial assets represents investment in the Affin Hwang Aiiiman 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 270,000,000 shares after the completion of the restructuring exercise and the Initial Public Offering ("IPO").

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 2020 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 first quarter ended 31 March 2021

	Unaudited Individual/Cumulative quarter ended 31 March	
	2021 RM'000	2020 RM'000
Revenue	14,489	13,078
Other income	24	37
Inventories and consumables	(3,261)	(2,559)
Staff costs	(5,988)	(5,261)
Depreciation expenses	(1,618)	(1,462)
Other expenses	(1,257)	(1,827)
Results from operating activities	2,389	2,006
Finance income	56	11
Finance costs	(360)	(362)
Profit before tax	2,085	1,655
Tax expense	(673)	(548)
Profit and total comprehensive income for the financial period	1,412	1,107
Profit and total comprehensive income attributable to:		
Owners of the Company	1,284	909
Non-controlling interests	128	198
Profit and total comprehensive income for the financial period	1,412	1,107
Earnings per ordinary share (sen)	0.48	33.67

⁽¹⁾ 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 2020 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 changes in equity for the first quarter ended 31 March 2021

	← <i>Attributable to owners of the Company</i> →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Invested equity ⁽¹⁾ RM'000	Other reserves RM'000	Retained earnings RM'000			
Unaudited							
At 1 January 2020⁽²⁾	*	2,700	(686) ⁽³⁾	20,644	22,658	1,579	24,237
Profit and total comprehensive income for the financial period	-	-	-	909	909	198	1,107
At 31 March 2020	*	2,700	(686)	21,553	23,567	1,777	25,344
Unaudited							
At 1 January 2021	39,071	-	(17,486) ⁽⁴⁾	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
At 31 March 2021	39,071	-	(17,486)	27,569	49,154	2,029	51,183

* Denotes RM1

Registration No: 201801028697 (1290723-T)

Unaudited condensed consolidated statement of changes in equity for the first quarter ended 31 March 2021 (continued)

- (1) This invested equity represents the Company's investment in Optimax Eye Specialist Centre Sdn. Bhd.*
- (2) The comparative figures in the Group's condensed consolidated interim financial report are presented as if the restructuring had occurred before the start of the earliest period presented.*
- (3) This represents business combination reserve arose from the acquisition of two subsidiaries namely Optimax Eye Specialist Centre (Ipoh) Sdn. Bhd. and Optimax Eye Specialist Centre (Seri Petaling) Sdn. Bhd. from a common control shareholder during the financial year ended 31 December 2017.*
- (4) This consists of business combination reserve of RM686,000 as elaborated in (3) above 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 2020 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 cash flows for the first quarter ended 31 March 2021

	Unaudited Individual/Cumulative quarter ended 31 March	
	2021 RM'000	2020 ⁽¹⁾ RM'000
Cash flows from operating activities		
Profit before tax	2,085	1,655
<i>Adjustments for:</i>		
Finance income	(56)	(11)
Finance costs	360	362
Depreciation of property, plant and equipment	1,158	1,002
Depreciation of right-of-use assets	460	460
Fair value gain on investment in financial assets	(15)	-
Initial public offering expenses	-	300
	<hr/>	<hr/>
Operating profit before working capital changes	3,992	3,768
Changes in working capital:		
Inventories	(441)	(341)
Trade and other receivables	303	94
Prepayments	(257)	(368)
Trade and other payables	192	(839)
	<hr/>	<hr/>
Cash generated from operations	3,789	2,314
Interest received	7	11
Interest paid	(141)	(145)
Tax paid	(879)	(842)
	<hr/>	<hr/>
Net cash from operating activities	<u>2,776</u>	<u>1,338</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,914)	(1,040)
Net proceeds from disposal of investment in financial assets	509	-
Changes in pledged deposits	(5)	(7)
	<hr/>	<hr/>
Net cash used in investing activities	<u>(2,410)</u>	<u>(1,047)</u>

Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2021 (continued)

	Unaudited Individual/Cumulative quarter ended 31 March	
	2021 RM'000	2020 ⁽¹⁾ RM'000
Cash flows from financing activities		
Dividends paid to non-controlling interests	(450)	-
Interest paid	(219)	(217)
Repayment of hire purchase liabilities	(831)	(503)
Repayment of term loans	(119)	(136)
Payment of listings expenses	-	(433)
Payment of lease liabilities	(504)	(428)
Net cash used in financing activities	(2,123)	(1,717)
Net decrease in cash and cash equivalents	(1,757)	(1,426)
Cash and cash equivalents at the beginning of financial period	9,843	5,674
Cash and cash equivalents at the end of financial period	8,086	4,248

⁽¹⁾ The comparative figures in the Group's condensed consolidated interim financial report are presented as if the restructuring had occurred before the start of the earliest period presented.

(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	
	2021 RM'000	2020 RM'000
Cash and cash equivalents	9,162	5,496
Bank overdraft	-	(192)
	9,162	5,304
Pledged deposits	(1,076)	(1,056)
	8,086	4,248

Registration No: 201801028697 (1290723-T)

Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2021 (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	
	2021	2020
	RM'000	RM'000
Paid in cash	3,837	673
Property, plant and equipment purchased using hire purchase arrangement	227	975
Balances remained unpaid at financial period end	-	1,372
	<u>4,064</u>	<u>3,020</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 RM132,000 (31.3.2020: RM367,000).

The Group also entered into hire purchase arrangement to finance the plant and equipment acquired in the previous financial year of RM1,760,000 (31.3.2020: RM1,668,000) in which RM705,000 (31.3.2020: RM1,668,000) relates to the balances that remained unpaid at the previous financial year end. The remaining RM1,055,000 (31.3.2020: RM Nil) was initially funded out of the Group's internally generated funds in the previous financial year and replaced by this hire purchase arrangement subsequently.

Accordingly, RM1,055,000 (31.3.2020: RM Nil) was used to pay for the plant and equipment acquired in the current financial period.

Registration No: 201801028697 (1290723-T)

Unaudited condensed consolidated statement of cash flows for the first quarter ended 31 March 2021 (continued)

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

	← Unaudited →			
	At 1.1.2020 RM'000	Payments RM'000	Acquisition of new lease RM'000	At 31.3.2020 RM'000
Term loans	12,423	(136)	-	12,287
Hire purchase liabilities	5,976	(503)	1,668	7,141
Lease liabilities	8,608	(428)	-	8,180
	27,007	(1,067)	1,668	27,608

	← 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	8,823	(831)	1,987	9,979
Lease liabilities	8,758	(504)	297	8,551
	26,413	(1,454)	2,284	27,243

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 2020 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

Optimax Holdings Berhad

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

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 Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

Within the context of this condensed consolidated interim financial report for the first quarter ended 31 March 2021, 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 2020 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 2020.

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 2020.

As of 1 January 2021, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2021.

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The Group has early adopted the Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021* issued by MASB in April 2021 in response to the coronavirus disease pandemic.

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 2020.

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:

	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2020 RM'000
Capital expenditure commitments		
Property, plant and equipment		
<i>Authorised and contracted for</i>	<u>5,383</u>	<u>4,063</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 B7.

A11. Dividends paid

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/Cumulative quarter ended 31 March	
	2021	2020
	RM'000	RM'000
Revenue		
North Malaysia	2,358	1,953
Central Malaysia	8,965	7,740
South Malaysia	2,843	2,856
East Malaysia	323	529
	<u>14,489</u>	<u>13,078</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, 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:

	Unaudited Individual/Cumulative quarter ended 31 March	
	2021 RM'000	2020 RM'000
Transactions		
A. A Director		
Lease payments	66	66
Sales of inventories	-	(14)
	<hr/>	<hr/>
B. Companies in which a Director has financial interest		
Lease payments	125	134
Purchases of inventories	-	5
Sales of inventories	(3)	(9)
Service fees receivable	(1)	(10)
	<hr/>	<hr/>

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				
31.3.2021				
Financial assets				
Investment in financial assets	14,684	-	14,684	14,684
Financial liabilities				
Term loans	-	(9,264)	(9,264)	(8,713)
Hire purchase liabilities	-	(10,533)	(10,533)	(9,979)
	-	(19,797)	(19,797)	(18,692)
Audited				
31.12.2020				
Financial assets				
Investment in financial assets	15,129	-	15,129	15,129
Financial liabilities				
Term loans	-	(9,377)	(9,377)	(8,832)
Hire purchase liabilities	-	(9,147)	(9,147)	(8,823)
	-	(18,524)	(18,524)	(17,655)

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 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 %
	2021 RM'000	2020 RM'000	
Revenue	14,489	13,078	10.79
Profit before tax ("PBT")	<u>2,085</u>	<u>1,655</u>	25.98

The Group reported revenue of RM14.49 million for the current financial quarter under review. This represents an increase in revenue of approximately 10.79% against the corresponding financial quarter where revenue amounted to approximately RM13.08 million.

The Government of Malaysia had on 11 January 2021 announced the re-imposition of Movement Control Order ("MCO") 2.0 in an effort to contain the COVID-19 outbreak in Malaysia. The MCO 2.0 was imposed on 13 January 2021 and three subsequent 14-day extensions of the MCO were announced on 20 January 2021, 2 February 2021 and 16 February 2021 respectively to extend the effective date of the MCO from 22 January 2021 until 4 February 2021, 5 February 2021 to 18 February 2021 and thereafter from 19 February 2021 to 4 March 2021. While the business falls within essential services and the Group was able to continue its operations during the MCO 2.0 period, the revenue was still unfavourably affected due to the measures and precautions the Group implemented to safeguard and protect its customers and employees and coupled with postponement of the customers surgery appointments during these periods.

On 5 March 2021, most of the states has exited MCO 2.0 and entered the Conditional Movement Control Order ("CMCO") which was extended until end of March 2021. With the easing and relaxation of certain restrictions under the CMCO, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO 2.0. Our Group also continued to offer on-going promotions through online platforms as part of our marketing efforts. These have resulted in the increase in revenue during the current financial quarter under review as compared to the corresponding financial quarter.

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's increase in revenue was evident across all geographical segments except for South and East Malaysia.

	Unaudited Individual quarter ended 31 March		Variance %
	2021 RM'000	2020 RM'000	
Revenue			
North Malaysia	2,358	1,953	20.74
Central Malaysia	8,965	7,740	15.83
South Malaysia	2,843	2,856	(0.46)
East Malaysia	323	529	(38.94)
	<u>14,489</u>	<u>13,078</u>	

While the Group's revenue for the current financial quarter under review increased by 10.79% as compared to the corresponding financial quarter, the Group's PBT increased by 25.98% (from RM1.66 million to RM2.09 million). The increase in PBT was mainly due to:

- (i) the increase in revenue as elaborated above; and
- (ii) RM0.30 million of initial public offering expenses incurred in the corresponding financial quarter in which such expenses were not incurred during the current financial quarter under review.

B2. Variation of results against immediate preceding financial quarter

	Unaudited		Variance %
	Individual quarter ended 31 March 2021 RM'000	31 December 2020 RM'000	
Revenue	14,489	17,211	(15.82)
PBT	2,085	3,879	(46.25)

The Group's revenue decreased from RM17.21 million to RM14.49 million, which was a decrease of 15.82%.

As explained in section B1, with the re-introduction of MCO 2.0 in January 2021 and February 2021, the revenue was still unfavourably affected due to the measures and precautions the Group implemented to safeguard and protect its customers and employees and coupled with postponement of the customers surgery appointments during these periods.

However, with the easing and relaxation of certain restrictions under the CMCO period in March 2021, the Group has seen a gradual recovery in the number of patients, including patients for refractive surgeries and cataract surgeries who were earlier advised to postpone their procedures until after the MCO 2.0. Hence, the Group managed to reduce the MCO 2.0 impact in March 2021.

Besides, the drop in revenue was also due to the current financial quarter under review which has shorter business days as compared to the immediate preceding financial quarter because of the February month (28 days of business days) and coupled with festive season such as Chinese New Year as people tend to do surgery after the festive season.

The Group's PBT decreased by RM1.79 million mainly due to the decrease in revenue in the current financial quarter under review.

B3. Commentary on prospects

The Government of Malaysia had on 10 May 2021 announced the re-imposition of MCO 3.0 in an effort to contain the COVID-19 outbreak in Malaysia. The MCO 3.0 was imposed on 12 May 2021 to 7 June 2021. Dining in and all forms of social gatherings are not allowed. Work-from-home arrangements are also mandatory with only a maximum 30% of management staff are allowed in the office at all times. Inter-district and inter-state travel are not allowed with exception of emergencies, work and vaccinations appointments. All economic sectors however, will be allowed to operate. Additional restrictions to reduce movement were further announced on 22 May 2021 limiting 80% of government staff (except essential services and frontliners) and 40% of the private sector to work from home starting from 25 May 2021. Operating hours of businesses will also be shortened.

As the restrictions imposed under MCO 3.0 are less restrictive compared to MCO 1.0 (which was introduced on 18 March 2020), barring any further imposition of MCOs or restrictions, we expect the impact of MCO 3.0 on our Group's business activities to be less severe as compared to the impact which the Group experienced under MCO 1.0.

As a provider of eye specialist services, the Group is able to continue operations during the MCO 3.0 period. The Group will continue to monitor the situation to assess and address the impact of the COVID-19 outbreak and MCO 3.0 on its business and financial condition.

While its financial performance continues to be affected during the MCO 3.0, the Group's Directors are of the opinion that the Group's prospects for the financial year ending 31 December 2021 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/Cumulative quarter ended 31 March	
	2021 RM'000	2020 RM'000
<i>Recognised in profit or loss</i>		
Current tax expense		
Current financial period	681	527
Deferred tax expense		
Current financial period	(8)	21
	673	548
Effective tax rate	32.28%	33.11%

The overall effective tax rates of 32.28% for individual and cumulative quarter ended 31 March 2021 was higher than the statutory tax rate of 24% due to the non-deductible expenses incurred.

Income tax expense is recognised based on management's estimate.

B6. Status of corporate proposals announced but not completed

On 30 April 2021, the Group had announced to undertake the following:

- (a) Proposed bonus issue of 67,500,000 warrants in the Company ("**Warrant(s)**") on the basis of one (1) Warrant for every four (4) existing ordinary shares in the Company held on an entitlement date to be determined and announced later; and
- (b) Proposed establishment of an employees' share option scheme ("**ESOS**") involving up to 20% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible directors and employees of the Company and its non-dormant subsidiaries.

There were 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 2021 RM'000	Audited As at 31 December 2020 RM'000
Non-current			
Term loans – secured		8,232	8,360
Hire purchase liabilities	B7.1	6,730	5,854
		<u>14,962</u>	<u>14,214</u>
Current			
Term loans – secured		481	472
Hire purchase liabilities	B7.1	3,249	2,969
Bank overdraft – secured		-	-
		<u>3,730</u>	<u>3,441</u>
		<u>18,692</u>	<u>17,655</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
Unaudited 31.3.2021			
Less than one year	3,719	470	3,249
Between one to five years	7,216	486	6,730
	<u>10,935</u>	<u>956</u>	<u>9,979</u>
Audited 31.12.2020			
Less than one year	3,383	414	2,969
Between one to five years	6,254	400	5,854
	<u>9,637</u>	<u>814</u>	<u>8,823</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 2021 and 2020, was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Unaudited Individual/Cumulative quarter ended 31 March	
	2021	2020
Profit for the financial period attributable to owners of the Company (RM'000)	<u>1,284</u>	<u>909</u>
Earnings per ordinary share attributable to owners of the Company		
Based on weighted average number of ordinary shares outstanding during the financial period		
In thousands of shares	270,000	2,700 ⁽¹⁾
Earnings per ordinary share (sen)	<u>0.48</u>	<u>33.67</u>
Based on enlarged ordinary shares in issue after the restructuring exercise and IPO		
In thousands of shares	270,000	270,000
Earnings per ordinary share (sen) (For illustrative purpose only)	<u>0.48</u>	<u>0.34</u>

⁽¹⁾ Based on the number of ordinary shares in Optimax Eye Specialist Centre Sdn. Bhd., which is before the restructuring exercise and the IPO.

The Company has no potential ordinary shares in issue as at the date of the statement of financial position. Diluted earnings per share is equal to basic earnings per share.

B11. Trade and other receivables

	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2020 RM'000
Current Trade		
Trade receivables	287	541
Non-trade		
Other receivables	275	303
Deposits	589	610
	864	913
	<u>1,151</u>	<u>1,454</u>

(a) Ageing analysis of trade receivables

	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2020 RM'000
Current (not past due)	255	468
1 – 30 days past due	21	30
31 – 120 days past due	7	37
More than 120 days past due	4	6
	<u>287</u>	<u>541</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	
		2021 RM'000	2020 RM'000
<i>Material expenses/ (income)</i>			
Depreciation expenses			
- property, plant and equipment		1,158	1,002
- right-of-use assets		460	460
Initial public offering expenses		-	300
Fair value gain on investment in financial assets		(15)	-
Finance income			
- investment in financial assets		(49)	-
- cash and cash equivalents		(7)	(11)
Finance costs			
- bank overdraft		-	17
- term loans		73	126
- hire purchase liabilities		146	91
- lease liabilities		141	128
<i>Expenses arising from leases</i>			
Expenses relating to short-term leases	(i)	9	120
Expenses relating to leases of low-value assets	(ii)	4	3

- (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.

Registration No: 201801028697 (1290723-T)

B13. Utilisation of proceeds

The proposed 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 12 months	10,354	49.31	3,567	34.35	(6,787) ⁽¹⁾	(65.55)
Repayment of borrowings	Within 3 months	3,520	16.76	3,569	101.39	49 ⁽²⁾	1.39
Working capital	Within 12 months	3,526	16.79	3,526	100.00	-	-
Estimated listing expenses	Within 1 month	3,600	17.14	3,731	103.64	131 ⁽²⁾	3.64
Total		21,000	100.00	14,393	68.56	(6,607)	(31.46)

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

⁽¹⁾ The allocated IPO proceeds for capital expenditure has not been fully utilised as at the date of this report.

⁽²⁾ As the actual amount utilised for repayment of borrowings and estimated listing expenses are higher than estimated, the shortfall has been funded out of the Group's internally generated funds.