

Optimax Holdings Berhad

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

**Unaudited Condensed Consolidated
Interim Financial Report
for the Second Quarter Ended
30 June 2024**

Optimax Holdings Berhad

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

Unaudited condensed consolidated statement of financial position as at 30 June 2024

	Unaudited As at 30 June 2024 RM'000	Audited As at 31 December 2023 RM'000
Assets		
Property, plant and equipment	94,151	73,489
Right-of-use assets	19,150	15,720
Deferred tax assets	14	342
Total non-current assets	<u>113,315</u>	<u>89,551</u>
Inventories	8,419	5,049
Trade and other receivables	3,095	3,184
Prepayments	2,605	1,355
Current tax assets	-	283
Investment in financial assets ⁽¹⁾	5	3,033
Pledged deposits	1,139	1,128
Cash and cash equivalents	11,959	16,156
Total current assets	<u>27,222</u>	<u>30,188</u>
Total assets	<u><u>140,537</u></u>	<u><u>119,739</u></u>
Equity		
Share capital	41,053	41,053
Reserves	25,442	21,965
Total equity attributable to owners of the Company	<u>66,495</u>	<u>63,018</u>
Non-controlling interests	4,988	4,939
Total equity	<u><u>71,483</u></u>	<u><u>67,957</u></u>

Unaudited condensed consolidated statement of financial position as at 30 June 2024 (continued)

	Unaudited As at 30 June 2024 RM'000	Audited As at 31 December 2023 RM'000
Liabilities		
Deferred tax liabilities	2,483	2,786
Loans and borrowings	28,726	15,043
Lease liabilities	17,152	12,042
Total non-current liabilities	<u>48,361</u>	<u>29,871</u>
Loans and borrowings	6,154	3,135
Lease liabilities	3,178	2,873
Trade and other payables	11,056	15,409
Current tax liabilities	305	494
Total current liabilities	<u>20,693</u>	<u>21,911</u>
Total liabilities	<u>69,054</u>	<u>51,782</u>
Total equity and liabilities	<u>140,537</u>	<u>119,739</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.12 ⁽²⁾</u>	<u>0.12 ⁽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 543,303,750 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 2023 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 second quarter ended 30 June 2024

	← Unaudited →			
	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue	32,047	27,898	60,262	53,989
Other income	14	116	50	153
Inventories and consumables	(6,799)	(6,070)	(12,594)	(11,680)
Staff costs	(11,607)	(10,887)	(23,123)	(21,474)
Depreciation expenses	(3,625)	(2,365)	(6,379)	(4,596)
Other expenses	(3,571)	(2,870)	(6,773)	(5,581)
Results from operating activities	6,459	5,822	11,443	10,811
Finance income	13	18	30	41
Finance costs	(622)	(340)	(1,163)	(703)
Profit before tax	5,850	5,500	10,310	10,149
Tax expense	(1,648)	(1,316)	(2,784)	(2,650)
Profit and total comprehensive income for the financial period	4,202	4,184	7,526	7,499
Profit and total comprehensive income attributable to:				
Owners of the Company	3,769	3,823	6,783	6,874
Non-controlling interests	433	361	743	625
Profit and total comprehensive income for the financial period	4,202	4,184	7,526	7,499
Earnings per ordinary share (sen) ⁽¹⁾				
- Basic earnings per ordinary share (sen)	0.69	0.71	1.25	1.27
- Diluted earnings per ordinary share (sen)	0.68	0.57	1.23	1.02

⁽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 2023 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 second quarter ended 30 June 2024

	← 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 2023	39,072	-	(17,486)	36,534	58,120	3,867	61,987
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	-	1	-	-	1	-	1
Profit and total comprehensive income for the financial period	-	-	-	6,874	6,874	625	7,499
At 30 June 2023	39,072	1	(17,486)	36,876	58,463	3,992	62,455
At 1 January 2024	41,053	(2)	(17,486)	39,453	63,018	4,939	67,957
Dividends to owners of the Company	-	-	-	(3,262)	(3,262)	-	(3,262)
Dividends to non-controlling interests	-	-	-	-	-	(670)	(670)
Changes in ownership interests in a subsidiary	-	-	-	(47)	(47)	(24)	(71)
Foreign currency translation differences for foreign operations	-	3	-	-	3	-	3
Profit and total comprehensive income for the financial period	-	-	-	6,783	6,783	743	7,526
At 30 June 2024	41,053	1	(17,486)	42,927	66,495	4,988	71,483

⁽¹⁾ 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 2023 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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Registration No: 201801028697 (1290723-T)
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Unaudited condensed consolidated statement of cash flows for the second quarter ended 30 June 2024

	Unaudited Cumulative quarter ended 30 June	
	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit before tax	10,310	10,149
<i>Adjustments for:</i>		
Finance income	(30)	(41)
Finance costs	1,163	703
Depreciation of property, plant and equipment	4,685	3,484
Depreciation of right-of-use assets	1,694	1,112
Fair value gain on investment in financial assets	(19)	(47)
Operating profit before working capital changes	17,803	15,360
Changes in working capital:		
Inventories	(3,370)	(1,037)
Trade and other receivables	89	135
Prepayments	(1,250)	(283)
Trade and other payables	2,427	377
Cash generated from operations	15,699	14,552
Interest received	25	33
Interest paid	(533)	(274)
Tax paid	(2,665)	(2,802)
Net cash from operating activities	12,526	11,509
Cash flows from investing activities		
Acquisition of property, plant and equipment	(10,572)	(6,480)
Net redemption from investment in financial assets	3,052	2,004
Changes in pledged deposits	(11)	(10)
Others	(71)	-
Net cash used in investing activities	(7,602)	(4,486)

Unaudited condensed consolidated statement of cash flows for the second quarter ended 30 June 2024 (continued)

	Unaudited Cumulative quarter ended 30 June	
	2024 RM'000	2023 RM'000
Cash flows from financing activities		
Dividends paid to owners of the Company	(3,262)	(6,480)
Dividends paid to non-controlling interests	(670)	(510)
Interest paid	(630)	(429)
Repayment of hire purchase liabilities	(2,219)	(1,901)
Repayment of term loans	(540)	(238)
Payment of lease liabilities	(1,803)	(1,086)
Net cash used in financing activities	<u>(9,124)</u>	<u>(10,644)</u>
Net (decrease)/increase in cash and cash equivalents	(4,200)	(3,621)
Effect of exchange rate fluctuations on translation reserve	3	1
Cash and cash equivalents at the beginning of financial period	<u>16,156</u>	<u>18,202</u>
Cash and cash equivalents at the end of financial period	<u>11,959</u>	<u>14,582</u>

(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 June	
	2024 RM'000	2023 RM'000
Cash and cash equivalents	13,098	15,699
Pledged deposits	<u>(1,139)</u>	<u>(1,117)</u>
	<u>11,959</u>	<u>14,582</u>

Unaudited condensed consolidated statement of cash flows for the second quarter ended 30 June 2024 (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 June	
	2024 RM'000	2023 RM'000
Paid in cash	5,886	5,744
Property, plant and equipment purchased using hire purchase arrangement/loan	19,461	-
	<u>25,347</u>	<u>5,744</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 RM4,686,000 (2023: RM736,000).

Unaudited condensed consolidated statement of cash flows for the second quarter ended 30 June 2024 (continued)

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

	←	Unaudited			→
	At 1.1.2023 RM'000	Payments RM'000	Acquisition of new lease RM'000	Remeasure- ment	At 30.6.2023 RM'000
Term loans	7,726	(238)	-	-	7,488
Hire purchase liabilities	9,485	(1,901)	-	-	7,584
Lease liabilities	8,925	(1,086)	3,164	88	11,091
	<u>26,136</u>	<u>(3,225)</u>	<u>3,164</u>	<u>88</u>	<u>26,163</u>

	←	Unaudited			→
	At 1.1.2024 RM'000	Payments RM'000	Acquisition of new lease RM'000	Drawdown of loan/ Remeasure- ment	At 30.6.2024 RM'000
Term loans	7,383	(540)	12,090	-	18,933
Hire purchase liabilities	10,795	(2,219)	7,371	-	15,947
Lease liabilities	14,915	(1,803)	7,218	-	20,330
	<u>33,093</u>	<u>(4,562)</u>	<u>26,679</u>	<u>-</u>	<u>55,210</u>

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 2023 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 2023 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 2023.

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 2023.

As of 1 January 2024, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2024.

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

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 2023.

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 June 2024 RM'000	Audited As at 31 December 2023 RM'000
Capital expenditure commitments		
Property, plant and equipment		
<i>Authorised and contracted for</i>	<u>5,883</u>	<u>3,774</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 1 April 2024, the Group paid a second interim tax-exempted dividend of 0.60 sen per ordinary share totalling to RM3,262,000 in respect of the financial year ended 31 December 2023.

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, East Malaysia and Cambodia. 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		Cumulative quarter	
	ended 30 June		ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue				
North Malaysia	5,239	4,510	9,889	9,135
Central Malaysia	19,348	16,723	36,850	31,868
South Malaysia	6,047	5,779	11,177	11,207
East Malaysia	1,078	886	2,011	1,779
Cambodia	335	-	335	-
	<u>32,047</u>	<u>27,898</u>	<u>60,262</u>	<u>53,989</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		Cumulative quarter	
	ended 30 June 2024	ended 30 June 2023	ended 30 June 2024	ended 30 June 2023
	RM'000	RM'000	RM'000	RM'000
Transactions				
A. Directors				
Lease payments	30	29	59	58
B. Companies in which Directors have financial interests				
Lease payments	232	226	464	420
Sales of inventories	(4)	(6)	(5)	(12)
Service fees receivable	(139)	(1)	(139)	(5)

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 30.06.2024				
Financial assets				
Investment in financial assets	5	-	5	5
Financial liabilities				
Term loans	-	(20,257)	(20,257)	(18,933)
Hire purchase liabilities	-	(17,348)	(17,348)	(15,947)
	-	37,605	37,605	(34,880)
Audited 31.12.2023				
Financial assets				
Investment in financial assets	3,033	-	3,033	3,033
Financial liabilities				
Term loans	-	(7,903)	(7,903)	(7,383)
Hire purchase liabilities	-	(11,744)	(11,744)	(10,795)
	-	(19,647)	(19,647)	(18,178)

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

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

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

However, the increase in profit before tax is not proportional to the increase in revenue comparing to previous quarter is mainly due to increase in operating cost where additional staffs (ie doctors, nurse, optometrist and supporting staff) hired in advance for the upcoming expansion of new ambulatory care centres and satellite clinics/centres at the new location. Hence, staffs will be well trained in our existing centres before transferring them to the upcoming new ambulatory care centres and satellite clinics/centres.

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

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

B1. Review of financial performance (continued)**(a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)****Current financial period against corresponding financial period**

	Unaudited		Variance %
	Cumulative quarter ended 30 June		
	2024 RM'000	2023 RM'000	
Revenue	60,262	53,989	11.62
PBT	10,310	10,149	1.59

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

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

- An increase in operating cost where additional staffs (ie doctors, nurse, optometrist and supporting staff) hired in advance for the upcoming expansion of new ambulatory care centres and satellite clinics/centres at the new location. Hence, staffs will be well trained in the existing centres before transferring them to the upcoming new ambulatory care centres and satellite clinics/centres.
- An increase in depreciation expenses (related to property, plant, equipment, and right-of-use assets) also be attributed to the decrease in profit before tax in the current quarter as compared to the corresponding quarter. This increase in depreciation is primarily a result of the additional satellite clinic, with associated rental costs.
- Pre-operation costs (i.e., consultancy and professional costs) were incurred at the Cambodia ambulatory care centre.

All the above costs are expected to be normalised once the new ambulatory care centres/satellite clinics commence in second half of FY2024.

B1. Review of financial performance (continued)

(a) Highlight on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

Current financial period against corresponding financial period (continued)

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

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

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

B2. Variation of results against immediate preceding financial quarter

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

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

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

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

B3. Commentary on prospects

The outlook for the healthcare industry remains robust, aligning with the Government's agenda. This is driven by the increasing demand and awareness from both local and foreign patients who are more health-conscious. Optimax is well-positioned to capitalize on this trend as it continues to optimize operational costs and seeks strategic locations across Malaysia to establish more ambulatory care centres and satellite clinics to support its growth.

In May 2024, the Group's Cambodia branch opened its doors after acquiring all necessary licenses, and the Group's first aesthetic clinic also began operations in the same month, following the acquisition of the clinic license. Both ventures are set to contribute positively to the Group's revenue from June 2024 onwards. The Group's upcoming ambulatory care centres in Atria Mall, Petaling Jaya, and Kota Kinabalu are expected to commence operations from September 2024 onwards.

Furthermore, Optimax continues to innovate with the introduction of advanced technologies such as PRESBYOND, procedure that addresses presbyopia, catering to an aging population with evolving eye care needs. The addition of these services enhances our treatment portfolio, attracting a wider patient base and improving patient outcomes.

The Group is also committed to expanding its child eye care services, recognizing the growing awareness and need for early intervention in pediatric eye health. By offering specialized services for children, Optimax aims to become a trusted provider for families, ensuring that eye care begins at a young age and continues throughout life.

Accordingly, the Board of Directors is cautiously optimistic that the Group's prospects for the financial year ending 31 December 2024 will remain favorable, supported by strategic expansions, innovative service offerings, and a strong commitment to meeting the diverse needs of our patients.

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 June		Cumulative quarter ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	1,646	1,315	2,780	2,683
Deferred tax expense				
Current financial period	2	1	4	(33)
	<u>1,648</u>	<u>1,316</u>	<u>2,784</u>	<u>2,650</u>
Effective tax rate	28.17%	23.93%	27.00%	26.11%

The overall effective tax rates of 28.17% for individual quarter were higher than statutory tax rate due to under provision in previous quarter and 27.00% for cumulative quarter ended 30 June 2024 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 June 2024 RM'000	Audited As at 31 December 2023 RM'000
Non-current			
Term loans – secured		16,454	6,813
Hire purchase liabilities	B6.1	12,272	8,230
		<u>28,726</u>	<u>15,043</u>
Current			
Term loans – secured		2,479	570
Hire purchase liabilities	B6.1	3,675	2,565
		<u>6,154</u>	<u>3,135</u>
		<u>34,880</u>	<u>18,178</u>

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 30.6.2024			
Less than one year	4,480	805	3,675
Between one to five years	13,510	1,238	12,272
	<u>17,990</u>	<u>2,043</u>	<u>15,947</u>
Audited 31.12.2023			
Less than one year	3,110	545	2,565
Between one to five years	9,068	838	8,230
	<u>12,178</u>	<u>1,383</u>	<u>10,795</u>

B7. Material litigation

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

B8. Dividends

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

B9. Earnings per ordinary share

The calculation of earnings per ordinary share at 30 June 2024 and 2023, 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 June		Unaudited Cumulative quarter ended 30 June	
	2024	2023	2024	2023
Profit for the financial period attributable to owners of the Company (RM'000)	3,769	3,823	6,783	6,874
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)	3,304	3	3,304	3
Adjusted weighted average number of ordinary shares ('000)	543,304	540,003	543,304	540,003
Basic earnings per ordinary share (sen) ('000)	0.69	0.71	1.25	1.27
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)	3,304	3	3,304	3
Effect of dilution arising from conversion of all bonus warrants ('000)	13,430	134,997	8,109	134,997
Adjusted weighted average number of ordinary shares ('000)	556,734	675,000	551,413	675,000
Diluted earnings per ordinary share (sen) ('000)	0.68	0.57	1.23	1.02

B10. Trade and other receivables

	Unaudited As at 30 June 2024 RM'000	Audited As at 31 December 2023 RM'000
Current		
Trade		
Trade receivables	1,354	1,471
Non-trade		
Other receivables	297	236
Deposits	1,444	1,477
	1,741	1,713
	3,095	3,184

(a) Ageing analysis of trade receivables

	Unaudited As at 30 June 2024 RM'000	Audited As at 31 December 2023 RM'000
Current (not past due)	885	1,043
1 – 30 days past due	48	8
31 – 120 days past due	-	-
More than 120 days past due	404	420
	1,354	1,471

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

B11. Profit before tax

	← Unaudited →				
	Note	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Material expenses/ (income)					
Depreciation expenses					
- property, plant and equipment		2,761	1,773	4,685	3,484
- right-of-use assets		864	592	1,694	1,112
Fair value gain on investment in financial assets		(2)	(13)	(21)	(47)
Finance income					
- investment in financial assets		-	(3)	(5)	(8)
- cash and cash equivalents		(13)	(15)	(25)	(33)
Finance costs					
- Overdraft		14	-	39	-
- term loans		95	87	274	171
- hire purchase liabilities		166	111	356	258
- lease liabilities		266	142	494	274
Expenses arising from leases					
Expenses relating to short-term leases	(i)	2	6	11	25
Expenses relating to leases of low-value assets	(ii)	10	10	19	19

- (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.