



ALPHA IVF GROUP BERHAD

Registration No. 202101005100 (1405399-X)

**ALPHA IVF GROUP BERHAD
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED
31 MAY 2025**

AmlInvestment Bank Berhad ("**AmlInvestment Bank**"), being the Sponsor, was responsible for the admission of Alpha IVF Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 22 March 2024. AmlInvestment Bank assumes no responsibility for the contents of the unaudited interim financial report for the fourth quarter ended 31 May 2025. As of 17 July 2025, AmlInvestment Bank has ceased to be the Company's sponsor.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MAY 2025

	Note	CURRENT QUARTER ENDED		CUMULATIVE YEAR ENDED	
		31.5.2025 RM'000	31.5.2024 RM'000	31.5.2025 RM'000	31.5.2024 RM'000
Revenue	A9	50,007	46,745	176,842	167,586
Cost of sales		(19,371)	(18,779)	(69,686)	(70,214)
Gross profit		30,636	27,966	107,156	97,372
Other income		1,601	1,277	6,421	2,949
Administrative expenses		(8,939)	(9,340)	(33,060)	(24,489)
Other expenses		(1,539)	(288)	(3,294)	(3,008)
Finance costs		(387)	(198)	(1,084)	(811)
Profit before taxation ("PBT")	B12	21,372	19,417	76,139	72,013
Income tax expense	B6	(5,120)	(5,104)	(17,575)	(17,947)
Profit after taxation ("PAT")		16,252	14,313	58,564	54,066
Other comprehensive income					
<u>Item that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(342)	(82)	(856)	75
Total comprehensive income		15,910	14,231	57,708	54,141
Profit after taxation attributable to:					
Owners of the Company		16,068	14,009	57,454	52,933
Non-controlling interests		184	304	1,110	1,133
		16,252	14,313	58,564	54,066
Total comprehensive income attributable to:					
Owners of the Company		15,741	13,947	56,706	52,991
Non-controlling interests		169	284	1,002	1,150
		15,910	14,231	57,708	54,141
Earnings per share attributable to Owners of the Company					
Basic/Diluted (sen) ⁽¹⁾	B11	0.33	0.29	1.18	1.15

Note:

(1) The basic and diluted earnings per share of the Company are computed based on PAT attributable to the Owners of the Company divided by the number of ordinary shares of the Company referred to in Note B11. The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

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 May 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2025

	Unaudited	Audited
	As at	As at
	31.5.2025	31.5.2024
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Equipment	13,767	9,121
Right-of-use assets	22,425	14,944
Other investments	30,563	30,758
Goodwill	8,931	8,931
Deferred tax assets	1,702	1,977
	<u>77,388</u>	<u>65,731</u>
Current Assets		
Inventories	2,817	2,935
Trade receivables	1,590	966
Other receivables, deposits and prepayments	13,127	7,312
Short-term investments	121,449	128,416
Cash and bank balances	34,432	22,906
	<u>173,415</u>	<u>162,535</u>
TOTAL ASSETS	<u>250,803</u>	<u>228,266</u>
EQUITY AND LIABILITIES		
Share capital	119,753	119,753
Retained profits	55,972	44,618
Reorganisation reserve	22,499	22,499
Foreign exchange translation reserve	(184)	564
Equity attributable to Owners of the Company	<u>198,040</u>	<u>187,434</u>
Non-controlling interests	6,108	2,346
Total Equity	<u>204,148</u>	<u>189,780</u>
Non-Current Liabilities		
Lease liabilities	21,659	13,394
Provision for restoration costs	1,227	1,091
	<u>22,886</u>	<u>14,485</u>
Current Liabilities		
Trade payables	2,826	2,518
Other payables and accruals	5,682	6,595
Contract liabilities	8,329	6,777
Lease liabilities	1,848	2,686
Current tax liabilities	5,084	5,425
	<u>23,769</u>	<u>24,001</u>
Total Liabilities	<u>46,655</u>	<u>38,486</u>
TOTAL EQUITY AND LIABILITIES	<u>250,803</u>	<u>228,266</u>
Net assets per ordinary share attributable to Owners of the Company (RM)	<u>0.04</u>	<u>0.04</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

ALPHA IVF GROUP BERHAD
Registration No.: 202101005100 (1405399-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MAY 2025**

	Share Capital	Reorganisation Reserve	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 June 2024	119,753	22,499	564	44,618	187,434	2,346	189,780
Profit after taxation for the financial year	-	-	-	57,454	57,454	1,110	58,564
Other comprehensive expenses for the financial year: - Foreign currency translation differences	-	-	(748)	-	(748)	(108)	(856)
Total comprehensive (expenses)/income for the financial year	-	-	(748)	57,454	56,706	1,002	57,708
Dividends by the Company	-	-	-	(46,170)	(46,170)	-	(46,170)
Ordinary share capital contributed by non-controlling interests of a subsidiary	-	-	-	-	-	863	863
Effect from increase in equity interest in a subsidiary	-	-	-	70	70	(70)	-
Share capital contributed by non-controlling interests of subsidiaries	-	-	-	-	-	1,967	1,967
As at 31 May 2025	119,753	22,499	(184)	55,972	198,040	6,108	204,148

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 May 2024 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MAY 2025**

	<u>Year Ended</u> 31.5.2025 RM'000	<u>Year Ended</u> 31.5.2024 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	76,139	72,013
Adjustments for:		
Depreciation of equipment	2,554	3,491
Depreciation of right-of-use assets	3,237	2,817
Interest expenses	1,084	811
Equipment written off	20	8
(Gain)/Loss on disposal of equipment	(70)	#
Loss on termination of leases	#	-
Unrealised loss on foreign exchange	503	-
Interest income	(5,566)	(2,678)
Operating profit before working capital changes	<u>77,901</u>	<u>76,462</u>
Changes in working capital:		
Inventories	97	(237)
Trade and other receivables	(6,561)	(4,136)
Trade and other payables	(527)	1,002
Contract liabilities	1,583	1,571
CASH FROM OPERATIONS	<u>72,493</u>	<u>74,662</u>
Income tax paid	(17,580)	(16,084)
NET CASH FROM OPERATING ACTIVITIES	<u>54,913</u>	<u>58,578</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of equipment	70	#
Purchase of other investments	-	(30,758)
Interest income	5,566	2,678
Purchase of equipment	(7,321)	(8,427)
Withdrawal/(Placement) of short-term investments	36,688	(59,144)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	<u>35,003</u>	<u>(95,651)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid by the Company	(46,170)	(31,379)
Dividend paid by a subsidiary to non-controlling interests	-	(1,762)
Proceeds from issuance of shares	-	116,640
Proceeds from issuance of share capital to non-controlling interests by subsidiaries	2,830	-
Payment of share issuance expenses	-	(2,415)
Interest paid	(714)	(771)
Repayment of term loans	-	(4,349)
Repayment of lease liabilities	(3,328)	(2,397)
Repayment to a director	-	(49)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	<u>(47,382)</u>	<u>73,518</u>
Net increase in cash and cash equivalents	42,534	36,445
Effect of foreign exchange translation	(1,288)	151
Cash and cash equivalents at beginning of the financial year	<u>92,178</u>	<u>55,582</u>
Cash and cash equivalents at end of the financial year	<u>133,424</u>	<u>92,178</u>
Note:		
<u>Cash and cash equivalents comprise of the following:</u>		
Short-term investments - money market funds	98,992	69,272
Cash and bank balances	34,432	22,906
	<u>133,424</u>	<u>92,178</u>

– Less than RM1,000.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 and the accompanying explanatory notes attached to this interim financial report.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2025

A1. Basis of Preparation

The interim financial report of Alpha IVF Group Berhad (“Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 May 2024 as disclosed in the Annual Report 2024 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 May 2024. During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Agreements	1 January 2024

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standard Board (“MASB”) but are not yet effective for the financial period ended 31 May 2025:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2025 (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application.

A3. Auditors' Report on preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 May 2024.

A4. Seasonal or cyclical factors

The business operation of the Group has not been materially affected by any unusual seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A6. Material changes in estimates

There were no material changes in estimates that have a material effect to the Group in the current financial quarter and financial year-to-date.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A8. Dividends Paid

The Company declared a third single-tier interim dividend of 0.45 sen per ordinary share on 4,860,000,000 shares amounting to RM21,870,000 on 17 July 2024 in respect of the financial year ended 31 May 2024, which was paid on 15 August 2024, to shareholders whose names appeared in the Company's Register of Members and/or record of depositors on 31 July 2024.

The Company declared a first single-tier interim dividend of 0.50 sen per ordinary share on 4,860,000,000 shares amounting to RM24,300,000 on 3 December 2024 in respect of the financial year ended 31 May 2025, which was paid on 31 December 2024, to shareholders whose names appeared in the Company's Register of Members and/or record of depositors on 18 December 2024.

The total dividends of RM46,170,000 declared and paid is accounted for in equity as an appropriation of retained profits for the financial year ended 31 May 2025.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2025 (CONT'D)

A9. Segmental Reporting

The Group operates predominantly in one business segment i.e. focused only in the business of operating women's specialists centres and provision of medical consultants and specialised medical services. Accordingly, the information by business segments is not presented.

Geographical Market

The following table provides an analysis of the Group's revenue by geographical segment:

	<u>CURRENT QUARTER ENDED</u>		<u>CUMULATIVE YEAR ENDED</u>	
	31.5.2025 RM'000	31.5.2024 RM'000	31.5.2025 RM'000	31.5.2024 RM'000
Revenue				
- Malaysia	46,446	37,998	157,156	135,501
- Singapore	3,511	8,747	19,636	32,085
- Indonesia*	50	-	50	-
	<u>50,007</u>	<u>46,745</u>	<u>176,842</u>	<u>167,586</u>

*The Group commenced its Indonesia operations on 5 May 2025.

A10. Valuation of Equipment

There was no valuation of equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

There are no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

Save as disclose below, there were no changes in the composition of the Group during the current financial quarter under review.

(a) Increase of Issued and Paid-Up Capital of Alpha IVF Systems Sdn Bhd ("AIS")

On 14 May 2025, AIS, a wholly-owned subsidiary of the Company, increased its issued and paid-up capital from RM22,700,000 to RM24,700,000 by way of issuance of 2,000,000 new ordinary shares. The Company subscribed for the additional 2,000,000 new ordinary shares at RM1 each.

(b) Increase of Issued and Paid-Up Capital of Alpha International Women's Specialists (Sabah) Sdn Bhd ("AIWSB")

On 20 May 2025, AIWSB, a wholly-owned subsidiary of the Company, increased its issued and paid-up capital from RM2,100,000 to RM2,600,000 by way of issuance of 500,000 new ordinary shares. The Company subscribed for the additional 500,000 new ordinary shares at RM1 each.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2025 (CONT'D)

A12. Changes in the composition of the Group (Cont'd)

(c) Increase Issued and Paid-Up Capital of Alpha International Women's Specialists (Johor) Sdn Bhd ("AIWS Johor")

On 17 June 2025, AIWS Johor, a wholly-owned subsidiary of the Company, increased its issued and paid-up capital from RM201,000 to RM701,000 by way of issuance of 500,000 new ordinary shares. The Company subscribed for the additional 500,000 new ordinary shares at RM1 each.

(d) Incorporation of Alpha IVF (Tuguegarao) Incorporated ("AITI")

On 18 July 2025, AITI was incorporated by AIS, a wholly-owned subsidiary of the Company, together with Dato' Dr. Lee Soon Soo, Dr. Ng Peng Wah, Dr. Maria Victoria Tan, Dr. Jacqueline Banatao Pua and Dr. Irmina Lacsina Gomez. AITI has an issued and paid-up capital of PHP 12,000,000 (equivalent to RM890,292) consisting of 12,000,000 shares with a par value of PHP 1.00 each (equivalent to RM0.074191), and is fully subscribed. The authorised capital of the AITI is PHP 137,000,000 (equivalent to RM10,164,167), consisting of 137,000,000 shares with a par value of PHP 1.00 each.

The principal activity of AITI is to establish, own, operate, maintain, and manage Assisted Reproductive Technology ("ART") laboratories and clinics that will offer laboratory tests, ultrasound monitoring, consultation, and other services, for patients undergoing in vitro fertilization and/or male infertility treatment, and other related procedures.

Note: The exchange rate of Philippine Peso ("PHP") 100: Ringgit Malaysia ("RM") 0.074191, being the middle rate for PHP to RM quoted by Bank Negara Malaysia ("BNM") at 5.00 p.m. as at 18 July 2025.

(e) Incorporation of PT Alpha IVF Dan SPOG Bali ("ASPOBA")

On 18 July 2025, ASPOBA was incorporated for the purpose of setting up the Bali IVF centre by AIS, a wholly-owned subsidiary of the Company, together with PT Delemont Global Venture ("Delemont"). ASPOBA has an issued share capital of IDR 38,000,000,000 (approximately RM9,842,000) comprising of 3,800,000 shares and is expected to be fully subscribed by second quarter ending 30 November 2025. The authorised capital of the ASPOBA is IDR 100,000,000,000 (equivalent to RM25,900,000), consisting of 10,000,000 shares with a par value of IDR 10,000 each.

The principal activity of ASPOBA is human healthcare service activities, including the provision of specialised fertility care, obstetrics, gynaecology and other women's health services (including but not limited to related and/or ancillary support services) which will include any extensions, upgrades, and/or improvements necessary to offer broader spectrum of healthcare services related to women's and children's health and well-being, encompassing reproductive system care, gynaecology, obstetrics, paediatric, urology, andrology, anaesthesiology, aesthetics, and other services in connection therewith and/or extension thereof.

Note: The exchange rate of Indonesian Rupiah ("IDR") 100: Ringgit Malaysia ("RM") 0.0259, being the middle rate for IDR to RM quoted by Bank Negara Malaysia ("BNM") at 5.00 p.m. as at 15 May 2025.

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2025 (CONT'D)

A13. Contingent Assets and Contingent Liabilities

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

A14. Material capital commitments

Save as disclosed below, there is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position as at the date of this interim financial report.

	31.5.2025	31.5.2024
	RM'000	RM'000
Purchase of equipment	<u>12,615</u>	<u>271</u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2025 (CONT'D)

A15. Significant related party transactions

The Group carried out the following significant transactions with related parties during the financial period:

Transacting Parties	Nature of transactions	CURRENT QUARTER ENDED		CUMULATIVE YEAR ENDED	
		31.5.2025 RM'000	31.5.2024 RM'000	31.5.2025 RM'000	31.5.2024 RM'000
<u>Significant transactions with Directors of the Company</u>					
(i) Alpha KL and Dato' Dr. Lee Soon Soo ("DDLSS")	Consultancy services provided by DDLSS	(321)	(338)	(1,247)	(1,762)
(ii) Genesis and Dr. Ng Peng Wah ("DNPW")	Consultancy services provided by DNPW	(736)	(783)	(2,797)	(2,928)
<u>Significant transactions with Directors of the Subsidiaries</u>					
(iii) Alpha KL and Dr. Haris Bin Hamzah ("Dr. Haris")	Consultancy services provided by Dr. Haris	(72)	(55)	(229)	(332)
(iv) Alhaya and Dr. Haris	Consultancy services provided by Dr. Haris	(45)	-	(230)	-
<u>Significant transactions with Related Parties</u>					
(v) Alpha Singapore and Dr. Tan Heng Hao ("Dr. Tan")	Consultancy services provided by Dr. Tan	(28)	(1,796)	(3,082)	(7,417)
(vi) Alpha Singapore and Dr. Tan	Administrative fee income charged to Dr. Tan	-	20	43	72
(vii) Alpha KL and Baby Xort Sdn Bhd ("Baby Xort")	Sperm sorting services provided by Baby Xort	(188)	(235)	(640)	(692)
(viii) Alhaya and Baby Xort Sdn Bhd ("Baby Xort")	Sperm sorting services provided by Baby Xort	-	-	(7)	-

Alpha KL – Alpha International Women's Specialists Sdn Bhd
Alpha Singapore – Alpha International Women's Specialists (Singapore) Pte Ltd
Genesis – Genesis Specialists Sdn Bhd
Alhaya – Alhaya International Women's Specialists Sdn Bhd

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

B1. Review of Performance

(a) Results for current quarter

The Group recorded a revenue of RM50.01 million for the current financial quarter ended 31 May 2025 which represented an increase of RM3.26 million or 6.97% as compared to the recorded revenue of RM46.75 million for the preceding year corresponding quarter ended 31 May 2024. The Group's revenue was principally derived from the provision of assisted reproductive services focusing on in-vitro fertilisation ("IVF") treatments.

The Group recognised a PBT of RM21.37 million and PAT of RM16.25 million respectively for the current financial quarter compared to PBT of RM19.42 million and PAT of RM14.31 million respectively for the preceding year corresponding quarter ended 31 May 2024. The increase in PBT of RM1.95 million or 10.04% and PAT of RM1.94 million or 13.56% respectively were primarily due to higher sales from the provision of assisted reproductive services.

(b) Results for financial year-to-date

The Group recorded a revenue of RM176.84 million for the current financial year ended 31 May 2025 which represented an increase of RM9.25 million or 5.52% as compared to RM167.59 million in the preceding corresponding year ended 31 May 2024. The increase was primarily attributable to higher sales from foreign patients. The Group's revenue was principally derived from the provision of assisted reproductive services focusing on IVF treatments.

The Group recognised a PBT of RM76.14 million and PAT of RM58.56 million respectively for the current financial year, representing an increase of RM4.13 million or 5.74% in PBT and RM4.49 million or 8.30% in PAT respectively as compared to the preceding corresponding year ended 31 May 2024. The increase in PBT and PAT were mainly attributed to the higher sales from the provision of assisted reproductive services.

B2. Comparison with immediate preceding quarter's results

On a quarter-on-quarter basis, the Group recorded a revenue of RM50.01 million, which is 23.18% higher when compared to its immediate preceding quarter of RM40.60 million. The higher revenue was attributed to the higher sales from the provision of assisted reproductive services focusing on IVF treatments.

In line with higher revenue achieved, the Group recorded a PBT of RM21.37 million and PAT of RM16.25 million in the current financial quarter ended 31 May 2025, representing an increase of RM5.79 million or 37.16% in PBT and RM4.16 million or 34.41% as compared to PBT of RM15.58 million and PAT of RM12.09 million respectively in the immediate preceding quarter ended 28 February 2025.

B3. Prospects

The Group's strategies are to continue with our existing business and leverage on our core competency in IVF to expand our business both locally and regionally by implementing the following:

- (i) To continue expanding our specialist services in Malaysia, China and South East Asia.
- (ii) To expand and upgrade existing specialist centres and facilities.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3. Prospects (Cont'd)

As at the current quarter, our business growth and expansion plans remain on track.

To-date, the Group operates four (4) full-fledged IVF centres in Malaysia and Singapore, two (2) sales and representative offices in China, and two (2) satellite clinics in Indonesia. Over the next twelve (12) months, we anticipate the commencement of operations at two (2) additional IVF centres in Malaysia, two (2) IVF centres in the Philippines; and in Indonesia, one (1) IVF centre and two (2) more satellite clinics. With these additional facilities, the Group is optimistic of an improvement in its revenue.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public document in respect of the interim financial reporting period under review.

B5. Status of corporate proposals

Save as disclose below, there were no corporate proposals announced but not completed as at the date of this interim financial report.

(a) Shareholders' Agreement to form PT Alpha IVF Dan SPOG Bali ("ASPOBA")

On 20 May 2025, AIS, a wholly-owned subsidiary of the Company, has entered into an Agreement with Delemont to regulate the relationship as the initial incorporators/shareholders to form ASPOBA, a corporation to be registered under the Indonesian Company laws.

The issued and paid-up capital is IDR 38,000,000,000 (approximately RM9,842,000) comprising of 3,800,000 shares. AIS and Delemont will subscribe 2,850,000 and 950,000 new ordinary shares at IDR 10,000 (approximately RM2.59) each respectively. ASPOBA has been incorporated on 18 July 2025 and is expected to be fully subscribed by second quarter ending 30 November 2025.

The principal business of ASPOBA as disclosed in A12 (d) of this interim financial report.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

B6. Income tax expense

	CURRENT QUARTER ENDED		CUMULATIVE YEAR ENDED	
	31.5.2025	31.5.2024	31.5.2025	31.5.2024
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current year	4,901	5,122	17,741	18,233
- Prior year	(57)	(52)	(440)	(314)
Deferred tax expense				
- Current year	186	(4)	184	(103)
- Prior year	90	38	90	131
	<u>5,120</u>	<u>5,104</u>	<u>17,575</u>	<u>17,947</u>
Effective tax rate (%)	24%	26%	23%	25%

Note:

– Less than RM1,000.

The Group's effective tax rate for the current quarter and year ended 31 May 2025 is lower than the statutory tax rate of 24% mainly due to utilisation of unabsorbed tax losses of a subsidiary and overprovision of tax expenses in prior year for certain subsidiaries.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

B7. Utilisation of Proceeds from the IPO

The gross proceeds raised from the Public Issue is RM116.64 million and the status of the utilisation of proceeds as at 31 May 2025 is as follows:

Details of utilisation ⁽¹⁾	Initial	After variations ⁽²⁾	Utilised as at 31 May 2025	Unutilised IPO Proceeds	Timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	
Establishing new medical centres, satellite clinics and sales representative offices as follows:-					
(a) Two (2) specialist centres in Malaysia	32,000	21,400	(2,304)	19,096	
(b) Two (2) specialist centres in Indonesia	17,100	17,100	-	17,100	
(c) Four (4) satellite clinics in Indonesia	7,000	6,200	(2,183)	4,017	
(d) One (1) specialist centre in Laos / Cambodia	13,900	-	-	-	
(e) Two (2) sales representative offices in China	2,800	2,400	(1,118)	1,282	Within 36 months from the listing date
Expansion and upgrade of existing medical centres, facilities and corporate office	15,700	13,670	(2,976)	10,694	Within 36 months from the listing date
Establishment / acquisition of medical centres, satellite clinics and sales representative offices in Asia including, but not limited to, Malaysia, Indonesia, Philippines and China	-	27,500	(2,115)	25,385	Within 36 months from 21 August 2024
Research and development	2,200	2,200	(1,144)	1,056	Within 36 months from the listing date
General working capital	17,140	17,370	(7,317)	10,053	Within 36 months from the listing date
General corporate purposes	2,600	2,600	(764)	1,836	Within 36 months from the listing date
Defraying the listing expenses	6,200	6,200	(6,200) ⁽³⁾	-	Within 1 month from the listing date
Total	116,640	116,640	(26,121)	90,519	

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B7. Utilisation of Proceeds from the IPO (Cont'd)

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus dated 1 March 2024 in relation to its IPO and the announcement on variations of utilisation of IPO proceeds dated 21 August 2024.
- (2) The Company had varied the utilisation of IPO Proceeds to reallocate a total of RM27.73 million or approximately 23.77% for (i) establishing new medical centres, satellite clinics and sales representative offices and (ii) expansion and upgrade of existing medical centres, facilities and corporate office to (i) establishment / acquisition of medical centres, satellite clinics and sales representative offices in Asia including, but not limited to, Malaysia, Indonesia, Philippines and China as well as (ii) general working capital.
- (3) The listing expenses of RM5.89 million have been fully paid and the balance of RM0.31 million will be used as working capital of the Group. The Company has since fully utilised the RM0.31 million for working capital purpose.

B8. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 May 2025 and 31 May 2024.

B9. Material Litigation

There was no material litigation involving the Group as at 31 May 2025.

B10. Dividend Proposed or Declared

The Company declared a second single-tier interim dividend of 0.50 sen per ordinary share on 4,860,000,000 shares amounting to RM24,300,000, in respect of the financial year ended 31 May 2025 on 28 July 2025.

B11. Earnings per share

The basic earnings per share ("EPS") is calculated by dividing the profit for the period attributable to Owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

	CURRENT QUARTER ENDED		CUMULATIVE YEAR ENDED	
	31.5.2025	31.5.2024	31.5.2025	31.5.2024
Profit attributable to Owners of the Company (RM'000)	16,068	14,009	57,454	52,933
Weighted average number of ordinary shares ('000)	4,860,000	4,860,000	4,860,000	4,587,123
Basic/Diluted EPS (sen)	0.33	0.29	1.18	1.15

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

B12. Notes to the Condensed Statement of Profit or Loss and Other Comprehensive Income

	<u>CURRENT QUARTER ENDED</u>		<u>CUMULATIVE YEAR ENDED</u>	
	31.5.2025 RM'000	31.5.2024 RM'000	31.5.2025 RM'000	31.5.2024 RM'000
Profit before taxation is arrived at after charging/(crediting):				
Depreciation of equipment	716	517	2,554	3,491
Depreciation of right-of-use assets	985	688	3,237	2,817
Interest income	(1,264)	(1,265)	(5,566)	(2,678)
Interest expenses	387	198	1,084	811
Equipment written off	20	4	20	8
(Gain)/Loss on disposal of equipment	-	#	(70)	#
Loss on termination of lease	#	-	#	-
Unrealised loss in foreign exchange	503	-	503	-
Realised (gain)/loss in foreign exchange	35	-	(2)	32

Note:

– Less than RM1,000.

B13. Approval of Interim Financial Report

The interim financial report as set out above was authorised for issuance by the Board of Directors on 28 July 2025.