

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
		Current Quarter 31.03.2019 RM	Preceding Quarter 31.03.2018 RM	Current Quarter To Date 31.03.2019 RM	Preceding Quarter To Date 31.03.2018 RM
Revenue	A9	7,238,990	4,751,890	19,925,597	17,237,839
Cost of sales		(2,378,732)	(1,537,193)	(6,392,262)	(5,523,576)
Gross profit		4,860,258	3,214,697	13,533,335	11,714,263
Other income		85,863	8,729	711,498	328,583
Administrative expenses		(1,359,893)	(846,996)	(4,482,210)	(2,701,655)
Other operating expenses		(85,143)	(52,165)	(236,089)	(172,307)
Selling and distribution expenses		(228,927)	(514,180)	(585,572)	(1,483,416)
Profit before tax	B11	3,272,158	1,810,083	8,940,962	7,685,468
Taxation	B5	(1,232,936)	(429,730)	(2,742,268)	(1,797,111)
Profit after tax		2,039,222	1,380,353	6,198,694	5,888,357
Other comprehensive income		266,667	-	1,466,667	-
Total comprehensive income		2,305,889	1,380,353	7,665,361	5,888,357
Profit after tax attributable to:					
- Owners of the Company		2,039,222	1,380,353	6,198,694	5,888,357
Total comprehensive income attributable to:					
- Owners of the Company		2,305,889	1,380,353	7,665,361	5,888,357
Earnings per share (sen)					
- Basic	B10	0.64	1.00	1.98	4.28
- Diluted	B10	0.64	1.00	1.98	4.28

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31.03.2019 RM	Audited As at 30.06.2018 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	237,814	239,594
Property, plant and equipment	20,783,170	15,927,650
Intangible assets	5,586,513	4,909,832
Investment in quoted shares	2,666,667	-
	<u>29,274,164</u>	<u>21,077,076</u>
CURRENT ASSETS		
Inventories	6,480,972	7,027,054
Trade and other receivables	9,440,628	11,533,470
Cash and bank balances	37,915,169	2,279,363
	<u>53,836,769</u>	<u>20,839,887</u>
TOTAL ASSETS	<u>83,110,933</u>	<u>41,916,963</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	59,124,964	15,161,000
Merger reserve	(14,225,998)	(14,225,998)
Fair value reserve	1,466,667	-
Retained profits	25,622,617	26,732,062
TOTAL EQUITY	<u>71,988,250</u>	<u>27,667,064</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	294,374	124,479
Government grants	4,146,470	3,388,803
Amount owing to shareholders	3,808,219	3,808,219
	<u>8,249,063</u>	<u>7,321,501</u>
CURRENT LIABILITIES		
Trade and other payables	1,257,770	2,350,060
Amount owing to shareholders	1,060,000	4,240,000
Current tax liability	555,850	338,338
	<u>2,873,620</u>	<u>6,928,398</u>
TOTAL LIABILITIES	<u>11,122,683</u>	<u>14,249,899</u>
TOTAL EQUITY AND LIABILITIES	<u>83,110,933</u>	<u>41,916,963</u>
Net asset per share	0.23 ⁽³⁾	0.12 ⁽²⁾

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.
- (2) Based on the Company's issued share capital of 236,083,815 ordinary shares in the Company.
- (3) Based on the Company's issued share capital of 317,743,815 ordinary shares in the Company.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Non-distributable</u>			<u>Distributable</u>	Total Attributable to Owners of the Company RM
	Share Capital RM	Merger Reserve RM	Fair value Reserve RM	Retained Profits RM	
<u>Period Ended 31 March 2018</u>					
At 1 July 2017	935,002	-	-	18,431,998	19,367,000
Issuance of shares pursuant to internal restructuring	22,705,998	(14,225,998)	-	-	8,480,000
Total comprehensive income for the period	-	-	-	5,888,357	5,888,357
Dividends	-	-	-	(2,000,900)	(2,000,900)
Dividends refunded	-	-	-	642,000	642,000
At 31 March 2018	23,641,000	(14,225,998)	-	22,961,455	32,376,457
<u>Period Ended 31 March 2019</u>					
At 1 July 2018	15,161,000	(14,225,998)	-	26,732,062	27,667,064
Issuance of shares	44,913,000	-	-	-	44,913,000
Share issuance expenses	(949,036)	-	-	-	(949,036)
Total comprehensive income for the period	-	-	1,466,667	6,198,694	7,665,361
Dividends	-	-	-	(7,308,139)	(7,308,139)
At 31 March 2019	59,124,964	(14,225,998)	1,466,667	25,622,617	71,988,250

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	For the Financial Period Ended 31.03.2019 RM	For the Financial Period Ended 31.03.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,940,962	7,685,468
Adjustments for:		
Non-cash items	438,489	448,560
Non-operating items	(548,754)	(13,589)
Operating profit before working capital changes	<u>8,830,697</u>	<u>8,120,439</u>
Changes in working capital:		
Inventories	546,082	(725,987)
Receivables	2,096,529	(1,668,433)
Payables	(1,092,290)	(22,008)
Cash generated from operations	<u>10,381,018</u>	<u>5,704,011</u>
Interest received	548,755	13,589
Tax paid	(2,354,861)	(1,515,831)
Net cash generated from operating activities	<u>8,574,912</u>	<u>4,201,769</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,227,738)	(874,526)
Purchase of quoted shares in LEAP Market	(1,200,000)	-
Development expenditure	(744,861)	(313,173)
Government grants received	757,668	301,800
Net cash used in investing activities	<u>(6,414,931)</u>	<u>(885,899)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(7,308,139)	(4,301,000)
Dividends refunded	-	642,000
Repayment to directors	-	(477)
Repayment to shareholders	(3,180,000)	-
Issue of shares	43,963,964	-
Net cash generated from/(used in) financing activities	<u>33,475,825</u>	<u>(3,659,477)</u>
Net change in cash and cash equivalents	35,635,806	(343,607)
Cash and cash equivalents at beginning of the financial period	<u>2,279,363</u>	<u>2,057,966</u>
Cash and cash equivalents at end of the financial period	<u>37,915,169</u>	<u>1,714,359</u>
Cash and cash equivalents consist of:		
Cash and bank balances	<u>37,915,169</u>	<u>1,714,359</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019**A Explanatory notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2019****A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the ACE Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirement”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.

A2 Summary of Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial period ended 30 June 2019 as disclosed in the audited financial statements for the financial year ended 30 June 2018 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial period beginning on or after 1 July 2018:

		Effective Date
Amendments to MFRS 1 and 128	Annual Improvement to MFRS Standard 2014 – 2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Lease	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments MFRS 3, 11, 112 and 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS standards	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The Group has assessed and does not expect the initial application of MFRS 9 to have any significant impact to the financial statements of the Group.

The adoption of the above Amendments to MFRSs did not have any significant effects on the interim financial report upon their initial application.

A Explanatory Notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2019 (Cont'd)

A3 Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 30 June 2018.

A4 Comments about Seasonal and Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial quarter under review.

A5 Items of Unusual Nature and Amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

A6 Material Changes in Estimates

There were no material changes in estimates of amounts reported in the current financial quarter or changes in estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter under review and the financial period to date.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review.

A8 Dividends Paid

A single tier tax exempt interim dividend of 0.5 sen per ordinary share amounted to RM1,588,750 in respect of the financial year ending 30 June 2019 was paid on 29 March 2019.

A single tier tax exempt final dividend of 1.8 sen per ordinary share amounted to RM5,719,389 in respect of the financial year ended 30 June 2018 was paid on 19 December 2018.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019**Explanatory Notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2019 (cont'd)****A9 Segmental Reporting**

The Group's revenue based on the geographical location of its customers is as follows:

	Current Quarter 31.03.2019 RM	Preceding Quarter 31.03.2018 RM	Current Quarter To Date 31.03.2019 RM	Preceding Quarter To Date 31.03.2018 RM
Malaysia	6,864,818	4,474,961	19,007,226	16,479,453
Others	374,172	276,929	918,371	758,386
	7,238,990	4,751,890	19,925,597	17,237,839

The Group's revenue based on the activities is as follows:

	Current Quarter 31.03.2019 RM	Preceding Quarter 31.03.2018 RM	Current Quarter To Date 31.03.2019 RM	Preceding Quarter To Date 31.03.2018 RM
House Brand	5,749,197	3,259,794	14,978,963	11,782,085
OEM	1,489,793	1,492,096	4,946,634	5,455,754
	7,238,990	4,751,890	19,925,597	17,237,839

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current quarter under review.

A11 Capital Commitments

	Current Quarter 31.03.2019 RM	Cumulative Quarter To Date 31.03.2019 RM
Approved and contracted for: -		
Purchase of property, plant and equipment	2,723,587	8,881,087
Approved and not contracted for: -		
Purchase of property, plant and equipment	-	6,900,454

Explanatory Notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2019 (cont'd)

A12 Material Subsequent Event

There were no other material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A13 Changes in Composition of the Group

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

A14 Contingent Assets or Liabilities

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

A15 Significant Related Party Transactions

There were no related party transactions in the current quarter under review.

B Additional Information Required by the Listing Requirement.

B1 Group Performance Review.

(a) Performance of the current quarter (Q3 2019) against the preceding quarter (Q3 2018).

The Group recorded revenue of RM7.24 million for the current quarter under review compared to RM4.75 million for the preceding quarter. The increase of 52.3% was mainly due to higher sales contribution from House Brand segment under the functional food category namely ActivMax and sales contribution from clinical trial for Hepar-P.

The increase in other income was mainly due to reversal of provision for doubtful debts amounted to RM68,608.

The increase in administrative expenses was mainly due to increase in staff cost and its related expenditure resulted from upward revision in remuneration package in the current quarter amounted to RM390,614.

Increase in other operating expenses was mainly due to amortisation of Research and Development Expenditure carried out on a quarterly basis. Previously this was carried out on an annual basis.

Decrease in selling and distribution expenses was mainly due to timing differences in actual payout of sales commission.

(b) Performance of the current cumulative quarter (9 months Q3 2019) against the preceding cumulative quarter (9 months Q3 2018).

The Group recorded revenue of RM19.93 million for the current quarter under review compared to RM17.24 million for the preceding quarter. The increase of 15.6% was mainly due to higher sales contribution from House Brand segment under the functional food category namely ActivMax, introduction of new products such as Enzymes Tablet and ALA-SR and sales contribution from new customers from the East Coast and East Malaysia.

The increase in other income was mainly due to interest received from listing proceeds deposited into a licensed bank.

B Additional Information Required by the Listing Requirement (Cont'd)

The increase in administrative expenses was mainly due to increase in staff cost and its related expenditure resulted from upward revision in remuneration package and bonus amounted to RM808,429, professional fees and related expenses incurred amounted to RM741,461 for the Initial Public Offering and listing to the ACE Market of Bursa Malaysia and provision for doubtful debts amounted to RM127,150.

Increase in other operating expenses mainly due to amortisation of Research and Development Expenditure carried out on a quarterly basis. Previously this was carried out on an annual basis.

Decrease in selling and distribution expenses was mainly due to timing differences in actual payout of sales commission.

B2 Performance of the current quarter (Q3 2019) against the immediate preceding quarter (Q2 2019).

	Current Quarter 31.03.2019 RM	Immediate Preceding Quarter 31.12.2018 RM	Difference RM	%
Revenue	7,238,990	7,877,152	(638,162)	(8.10)
Profit before tax	3,272,158	4,345,029	(1,072,871)	(24.69)
Profit after tax	2,039,222	3,080,420	(1,041,198)	(33.80)

The Group performance was consistent with its past quarterly performance trends.

For the quarter under review, the Group's revenue decreased by 8.1% from RM7.88 million to RM7.24. This was mainly due lower sales order for the House Brand products from RM6.79 million in the immediate preceding quarter to RM5.75 for the current quarter.

The decrease in profit before tax and profit after tax were mainly due to lower sales contribution from the House Brand products.

B3 Prospects for the Current Financial Year

The Group will continue to focus on maintaining its market share in the e-business solutions segment, NWPP and continuing its research and development on its new products for the remaining financial quarter of the FYE 30 June 2019 and into the new financial year.

Barring any unforeseen circumstances, the Board believes that the Group's prospects in the current financial year ending 30 June 2019 remains positive.

B4 Profit Forecast

The Company did not issue any profit forecast or guarantee during the current financial quarter under review and the financial period to date.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2019
B Additional Information Required by the Listing Requirement (Cont'd)
B5 Taxation

	Current Quarter 31.03.2019 RM	Preceding Quarter 31.03.2018 RM	Current Quarter To Date 31.03.2019 RM	Preceding Quarter To Date 31.03.2018 RM
Income Tax	1,104,942	430,937	2,572,373	1,848,143
Deferred Tax	127,994	(1,207)	169,895	(51,032)
	1,232,936	429,730	2,742,268	1,797,111
Effective tax rate	37.7	23.7	30.7	23.4

The effective tax rate for the current quarter and current year ended 31 March 2019 is higher than the statutory tax rate of 24% mainly due to certain non-tax-deductible expenses.

B6 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B7 Utilisation of Proceeds Raised from Public Issue

The gross proceeds from the Public Issue of RM44.91 million is intended to be utilised in the following manner:

No	Details of use of proceeds	Proposed Utilisation	Deviation: Surplus/ (Deficit)	Actual Utilisation	Percentage Utilised	Estimated Timeframe for Utilisation ⁽¹⁾	Explanation
		RM'000	RM'000	RM'000	%		
1	Construction of new GMP-compliant production facility	16,500	-	(7,066)	42.82	Within 24 months	N3
2	R&D activities	11,600	-	(173)	1.49	Within 36 months	
3	Expansion of our retail market presence	5,000	-	(217)	4.34	Within 36 months	
4	Working capital	9,213	317	(3,524)	36.98	Within 12 months	N2
5	Estimated listing expenses	2,600	(317)	(2,283)	100.00	Immediate	N2
		44,913	-	(13,263)	29.53		

Note:

- From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 28 June 2018.
- The excess of RM0.317 million previously allocated for the listing expenses will be utilised for general working capital requirements of the Group. It was due to overestimation of printing, advertising expenses, regulatory fees and professional fee.

B Additional Information Required by the Listing Requirement (Cont'd)

- 3) The construction of the new GMP Plant had commenced in August 2017 and Phase 1 is expected to be completed by September 2019. Construction of Phase 2 will commence after completion of Phase 1.

B8 Group Borrowings

As at the date of this report, our Group has no bank borrowings.

B9 Material Litigation

As at the date of this report, the Group was not engaged in any material litigation.

B10 Earnings per Share

The basic and diluted earnings per share for the current quarter and financial period-to-date are computed as follows:

	Current Quarter 31.03.2019	Preceding Quarter 31.03.2018	Current Quarter To Date 31.03.2019	Preceding Quarter To Date 31.03.2018
Profit after taxation attributable to owners of the Company (RM)	2,039,222	1,380,353	6,198,694	5,888,357
Total weighted average issued share capital	317,743,815	137,608,163	312,379,291	137,608,163
Basic earnings per share (Sen) ⁽¹⁾	0.64	1.00	1.98	4.28
Diluted earnings per share (Sen) ⁽²⁾	0.64	1.00	1.98	4.28

Note:

- 1) The basic earnings per share are computed based on the profit attributable to the equity shareholders of the Company divided by the total number of ordinary shares in issue for the period under review.
- 2) Diluted earnings per share are equivalent to the basic earnings per share as the Group does not have convertible securities as at 31 March 2019.

B Additional Information Required by the Listing Requirement (Cont'd)**B11 Profit Before Taxation**

Profit before tax is arrived at after charging/(crediting):

	Current Quarter 31.03.2019 RM	Preceding Quarter 31.03.2018 RM	Current Quarter To Date 31.03.2019 RM	Preceding Quarter To Date 31.03.2018 RM
Depreciation	108,439	101,168	321,100	318,820
Provision for doubtful debts	68,608	-	127,149	8,250
Provision for slow moving inventories	-	19,246	-	132,264
Realised loss on foreign exchange	35,071	32,002	35,071	74,400
Interest income	(4,368)	(4,382)	(548,755)	(13,589)
Unrealised gain on foreign exchange	(1,319)	-	(1,319)	(2,751)
Other income	(80,176)	(4,347)	(161,424)	(312,243)

B12 Declared Dividend

No dividend was proposed by the Board of Directors for the current quarter under review.

B13 Authorisation for issue

The quarter financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 16 May 2019.

BY ORDER OF THE BOARD

Wong Yuet Chyn (MAICSA 7047163)
COMPANY SECRETARY

Kuala Lumpur
16 May 2019