

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
		Current Quarter 30.09.2019 RM	Preceding Quarter 30.09.2018 RM	Current Year To Date 30.09.2019 RM	Preceding Year To Date 30.09.2018 RM
Revenue	A9	5,993,374	4,809,455	5,993,374	4,809,455
Cost of sales		(2,069,510)	(1,425,420)	(2,069,510)	(1,425,420)
Gross profit		3,923,864	3,384,035	3,923,864	3,384,035
Other income		401,337	272,243	401,337	272,243
Administrative expenses		(1,033,287)	(2,048,423)	(1,033,287)	(2,048,423)
Other operating expenses		(149,518)	(69,729)	(149,518)	(69,729)
Selling and distribution expenses		(662,800)	(208,770)	(662,800)	(208,770)
Profit before tax	B11	2,479,596	1,329,356	2,479,596	1,329,356
Taxation	B5	(619,899)	(482,937)	(619,899)	(482,937)
Profit after tax		1,859,697	846,419	1,859,697	846,419
Other comprehensive income		333,333	-	333,333	-
Total comprehensive income		2,193,030	846,419	2,193,030	846,419
Profit after tax attributable to:					
- Owners of the Company		1,859,697	846,419	1,859,697	846,419
Total comprehensive income attributable to:					
- Owners of the Company		2,193,030	846,419	2,193,030	846,419
Earnings per share (sen)					
- Basic	B10	0.59	0.28	0.59	0.28
- Diluted	B10	0.59	0.28	0.59	0.28

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 2019 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30.09.2019 RM	Audited As at 30.06.2019 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	236,627	237,220
Property, plant and equipment	24,328,083	22,274,619
Intangible assets	6,685,488	6,044,769
Investment in quoted shares	3,666,667	3,333,334
	<u>34,916,865</u>	<u>31,889,942</u>
CURRENT ASSETS		
Inventories	7,411,589	7,760,219
Trade and other receivables	9,985,974	10,971,769
Short term investments	5,381,896	8,215,696
Cash and bank balances	32,917,886	30,733,505
	<u>55,697,345</u>	<u>57,681,189</u>
TOTAL ASSETS	<u>90,614,210</u>	<u>89,571,131</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,074,000	60,074,000
Merger reserve	(14,225,998)	(14,225,998)
Fair value reserve	2,466,667	2,133,334
Retained profits	30,764,411	28,904,714
TOTAL EQUITY	<u>79,079,080</u>	<u>76,886,050</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	228,971	228,971
Government grants	4,473,951	4,119,549
	<u>4,702,922</u>	<u>4,348,520</u>
CURRENT LIABILITIES		
Trade and other payables	3,012,190	3,316,027
Amount owing to shareholders	3,180,000	4,240,000
Current tax liability	640,018	780,534
	<u>6,832,208</u>	<u>8,336,561</u>
TOTAL LIABILITIES	<u>11,535,130</u>	<u>12,685,081</u>
TOTAL EQUITY AND LIABILITIES	<u>90,614,210</u>	<u>89,571,131</u>
Net asset per share	0.25 ⁽²⁾	0.25 ⁽¹⁾

Notes:

- (1) Based on the Company's weighted average issued share capital of 313,493,021 ordinary shares in the Company.
- (2) Based on the Company's issued share capital of 317,743,815 ordinary shares in the Company.

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 2019 and the accompanying explanatory notes attached to the interim financial report.

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 30 September 2018</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	-	-	-	846,419	846,419
At 30 September 2018	60,074,000	(14,225,998)	-	26,629,445	72,477,447
<u>Period Ended 30 September 2019</u>					
At 1 July 2019	60,074,000	(14,225,998)	2,133,334	28,904,714	76,886,050
Total comprehensive income for the period	-	-	333,333	1,859,697	2,193,030
At 30 September 2019	60,074,000	(14,225,998)	2,466,667	30,764,411	79,079,080

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 2019 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	For the Financial Period Ended 30.09.2019 RM	For the Financial Period Ended 30.09.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,479,596	1,329,355
Adjustments for:		
Non-cash items	(225,806)	182,496
Non-operating items	30,400	(262,996)
Operating profit before working capital changes	<u>2,284,190</u>	<u>1,248,855</u>
Changes in working capital:		
Inventories	348,630	(324,648)
Receivables	1,214,665	2,467,885)
Payables	(279,740)	1,231,686
Cash generated from operations	<u>3,567,745</u>	<u>4,623,778</u>
Interest received	73,103	262,996
Tax paid	(760,417)	-
Net cash generated from operating activities	<u>2,880,431</u>	<u>4,886,774</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,153,133)	(1,305,805)
Development expenditure	(677,919)	(572,688)
Government grants received	361,202	-
Net cash used in investing activities	<u>(2,469,850)</u>	<u>(1,878,493)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	-	43,963,964
Repayment to shareholders	(1,060,000)	-
Repayment to directors	-	(1,056,000)
Net cash (used in)/generated from financing activities	<u>(1,060,000)</u>	<u>42,903,964</u>
Net change in cash and cash equivalents	(649,419)	45,912,245
Cash and cash equivalents at beginning of the financial period	<u>38,949,201</u>	<u>2,279,363</u>
Cash and cash equivalents at end of the financial period	<u>38,299,782</u>	<u>48,191,608</u>
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	29,102,880	-
Placement in Money Market Funds	5,381,896	-
Cash and bank balances	3,815,006	48,191,608
	<u>38,299,782</u>	<u>48,191,608</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 2019 and the accompanying explanatory notes attached to the interim financial report.

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 2019 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 year ended 30 June 2019 as disclosed in the audited financial statements for the financial year ended 30 June 2019. The Group have not applied the following new standards, amendments and IC Interpretation that have been issued by the MASB and relevant to its operation but not are not yet effective:

		Effective Date
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021

The above standards, amendments and IC Interpretation are not expected to have significant impact on the financial statements of the Group upon their initial application.

A3 Auditors’ Report

The audited financial statements of the Group for the financial year ended 30 June 2019 was not subject to any audit qualification.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2019**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (CON'T)****A4 Comments about Seasonal and Cyclical Factors**

The Group's business operations for the quarter ended 30 September 2019 were not materially affected by significant seasonal or cyclical fluctuations.

A5 Items or 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 Changes in Estimates

There were no major changes in estimates that have had a material effect in the current quarter.

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

There was no dividend paid for the current quarter under review.

A9 Segmental Reporting

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

	Current Quarter 30.09.2019 RM	Preceding Quarter 30.09.2018 RM	Current Year To Date 30.09.2019 RM	Preceding Year To Date 30.09.2018 RM
Malaysia	5,993,374	4,809,455	5,993,374	4,809,455
Singapore	-	-	-	-
Hong Kong	-	-	-	-
	<u>5,993,374</u>	<u>4,809,455</u>	<u>5,993,374</u>	<u>4,809,455</u>

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2019**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (CON'T)****A9 Segmental Reporting (con't)**

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

	Current Quarter 30.09.2019 RM	Preceding Quarter 30.09.2018 RM	Current Year To Date 30.09.2019 RM	Preceding Year To Date 30.09.2018 RM
House Brand	4,527,867	3,298,820	4,527,867	3,298,820
OEM	1,465,507	1,510,635	1,465,507	1,510,635
	<u>5,993,374</u>	<u>4,809,455</u>	<u>5,993,374</u>	<u>4,809,455</u>

A10 Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on property, plant and equipment in the current quarter under review.

A11 Capital Commitments

**As at
30.09.2019
RM**

Purchase of property, plant and equipment	<u>4,124,177</u>
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A12 Subsequent Events

There were no events subsequent to the end of the current financial period from the date of the issue of this report that are expected to have a material impact on the Group.

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 Liabilities

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

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (CON'T)**A15 Significant Related Party Transactions**

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

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT.**B1 Group Performance Review.****Performance of the current quarter (Q1 2020) against the preceding quarter (Q1 2019)**

The Group recorded revenue of RM5.99 million for the current quarter under review compared to RM4.81 million for the preceding quarter. Revenue from House Brand contributed 75.5% of the total revenue for the current quarter under review and recorded an increase of 37.3% when compared to the preceding quarter. The increase of 24.5% in the total revenue was mainly due to higher sales contribution from House Brand segment under the functional food category namely ActivMax, Enzymes Tablet, Magnesium Tablet and Hepar P; introduction of new products such as Ubiquinol Plus, Fish Cartilage and L-Theanine; sales contribution from additional new customers from the East Malaysia and overall increase in sales orders from existing customers.

The increase in other income was mainly due to interest earned from placement of the listing proceeds with licensed financial institutions.

The decrease in administrative expenses was mainly due expenses incurred related to the Initial Public Offering and listing to the ACE Market of Bursa Malaysia amounted to approximately RM738,000 and staff bonus amounted to approximately RM341,000 accrued in the preceding quarter.

The increase in other operating expenses was mainly due to reclassification of provision for doubtful debts of RM64,000 from administrative expenses to other operating expenses in the current quarter.

The increase in selling and distribution expenses was mainly due to accruals of marketing campaign expenses for NWPP approximately RM280,000, additional staff cost of approximately RM78,000 incurred resulted from additional sales staff recruited during the period and higher travelling expenses amounted to RM39,000 incurred by sales staff.

B2 Performance of the current quarter (Q1 2020) against the immediate preceding quarter (Q4 2019)

	Current Quarter 30.09.2019 RM	Immediate Preceding Quarter 30.06.2019 RM	Difference RM'000	%
Revenue	5,993,374	9,625,721	(3,632)	38
Profit before tax	2,479,596	6,617,381	(4,138)	63
Profit after tax	1,859,697	5,639,176	(3,779)	67

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

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CONT'D)**B2 Performance of the current quarter (Q1 2020) against the immediate preceding quarter (Q4 2019) (con't)**

For the quarter under review, the Group's revenue decrease by 38% from RM9.63 million to RM5.99 million. This was mainly due lower sales order for the House Brand products. Sales of the House Brand products recorded a lower amount from RM7.86 million in the immediate preceding quarter to RM4.53 million for the current quarter under review.

The decrease in profit before tax and profit after tax was 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 growing its market share and continuing its research and development on its new products for the remaining financial quarters of the FYE 30 June 2020 and into the new financial year.

Barring any unforeseen circumstances, the Board believes that the Group's prospects in the financial year ending 30 June 2020 remains positive.

B4 Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5 Taxation

	Current Quarter 30.09.2019 RM	Preceding Quarter 30.09.2018 RM	Current Year To Date 30.09.2019 RM	Preceding Year To Date 30.09.2018 RM
Income Tax	619,899	482,937	619,899	482,937
Deferred Tax	-	-	-	-
	<u>619,899</u>	<u>482,937</u>	<u>619,899</u>	<u>482,937</u>
Effective tax rate	25.0	36.3	25.0	36.3

The effective tax rate for the current quarter was slightly higher than the statutory tax rate of 24% mainly due to certain expenses not deductible for tax purposes.

B6 Status of Corporate Proposals

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

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CONT'D)**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	%		
(i)	Construction of new GMP-compliant production facility	16,500	-	(12,376)	75.0	Within 24 months	N3
(ii)	R&D activities	11,600	-	(1,364)	11.8	Within 36 months	
(iii)	Expansion of our retail market presence	5,000	-	(1,974)	39.5	Within 36 months	
(iv)	Working capital	9,213	317	(9,530)	100.0	Within 12 months	N2
(v)	Estimated listing expenses	2,600	(317)	(2,283)	100.0	Immediate	N2
		44,913	-	(27,527)	61.3		

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.
- The construction of the new GMP Plant had commenced in August 2017 and Phase 1 is completed and currently in the process of obtaining the Certificate of Completion and Compliance (CCC) from the relevant authorities. Construction of Phase 2 shall commence after physical occupancy of Phase 1.

B8 Group Borrowings

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

B9 Material Litigation

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

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2019**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CONT'D)****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 30.09.2019	Preceding Quarter 30.09.2018	Current Year To Date 30.09.2019	Preceding Year To Date 30.09.2018
Profit after taxation attributable to owners of the Company (RM)	1,859,697	846,419	1,859,697	846,419
Total weighted average issued share capital	317,743,815	301,766,858	317,743,815	301,766,858
Basic earnings per share (Sen) ⁽¹⁾	0.59	0.28	0.59	0.28
Diluted earnings per share (Sen) ⁽²⁾	0.59	0.28	0.59	0.28

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 30 September 2019.

B11 Profit Before Taxation

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

	Current Quarter 30.09.2019 RM	Preceding Quarter 30.09.2018 RM	Current Year To Date 30.09.2019 RM	Preceding Year To Date 30.09.2018 RM
Cost of inventories recognised as an expense	1,493,065	1,174,285	1,493,065	1,174,285
Depreciation	115,504	102,971	115,504	102,971
Provision for doubtful debts	63,768	39,167	63,768	39,167
Amortisation of intangible assets	37,200	-	37,200	-
Realised loss on foreign exchange	4,702	-	4,702	-
Interest income	(365,739)	(262,996)	(365,739)	(262,996)
Amortisation of deferred income	(6,800)	-	(6,800)	-
Realised gain on foreign exchange	(4,725)	(1,064)	(4,725)	(1,064)
Other income	(24,074)	(2,466)	(24,074)	(2,466)

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CONT'D)

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 27 November 2019.

BY ORDER OF THE BOARD

Wong Youn Kim (MAICSA 7018778)
Company Secretary

Kuala Lumpur
27 November 2019