

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Quarter Ended 31.03.2018 RM	Preceding Year Corresponding Quarter Ended 31.03.2017 ⁽²⁾ RM	Current Year To Date Ended 31.03.2018 RM	Preceding Year To Date Ended 31.03.2017 ⁽²⁾ RM
Revenue		4,751,890	N/A	17,237,839	N/A
Cost of sales		(1,537,193)	N/A	(5,523,576)	N/A
Gross profit		3,214,697	N/A	11,714,263	N/A
Other income		8,729	N/A	328,583	N/A
Administrative expenses		(846,996)	N/A	(2,701,655)	N/A
Other operating expenses		(52,165)	N/A	(172,307)	N/A
Selling and distribution expenses		(514,180)	N/A	(1,483,416)	N/A
Profit before tax		1,810,083	N/A	7,685,468	N/A
Taxation		(429,730)	N/A	(1,797,111)	N/A
Profit for the financial period		1,380,353	N/A	5,888,357	N/A
Attributable to:					
- Owners of the Parent		1,380,353	N/A	5,888,357	N/A
Attributable to equity holders of the Company:					
- Basic earnings per share (Sen) ⁽³⁾	B10	1.00	N/A	4.28	N/A
- Diluted earnings per share (Sen) ⁽³⁾	B10	1.00	N/A	4.28	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter and preceding year-to-date are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on the Company's weighted average issued share capital of 137,608,163 ordinary shares in the Company as at 31 March 2018.

N/A - Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.03.2018 RM	AUDITED AS AT 30.06.2017 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	240,187	241,968
Property, plant and equipment	12,701,224	3,663,737
Intangible assets	4,514,161	4,260,645
	<u>17,455,572</u>	<u>8,166,350</u>
CURRENT ASSETS		
Inventories	6,533,230	5,917,705
Trade and other receivables	10,845,950	9,185,767
Current tax assets	670,637	1,002,948
Cash and bank balances	1,714,359	2,057,966
	<u>19,764,176</u>	<u>18,164,386</u>
TOTAL ASSETS	<u>37,219,748</u>	<u>26,330,736</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	23,641,000	935,002
Restructuring reserve	(14,225,998)	-
Retained profits	22,961,455	18,431,998
TOTAL EQUITY	<u>32,376,457</u>	<u>19,367,000</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	113,666	164,698
Government grants	3,375,096	3,119,174
	<u>3,488,762</u>	<u>3,283,872</u>
CURRENT LIABILITIES		
Trade and other payables	1,352,974	3,677,832
Amount owing to directors	1,555	2,032
	<u>1,354,529</u>	<u>3,679,864</u>
TOTAL LIABILITIES	<u>4,843,291</u>	<u>6,963,736</u>
TOTAL EQUITY AND LIABILITIES	<u>37,219,748</u>	<u>26,330,736</u>
Net asset per share	<u>0.24 ⁽²⁾</u>	<u>0.22 ⁽³⁾</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes as attached to this interim financial report.
- (2) Based on the Company's weighted average issued share capital of 137,608,163 ordinary shares in the Company.
- (3) Based on the Company's weighted average issued share capital of 88,653,750 ordinary shares in the Company.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable		Distributable	Total
	Share Capital RM	Restructuring reserve RM	Retained Profits RM	Attributable to Owners of the Company RM
Balance at 1.7.2017	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 financial period	-	-	5,888,357	5,888,357
Dividends	-	-	(2,000,900)	(2,000,900)
Dividends refunded	-	-	642,000	642,000
Balance at 31.03.2018	23,641,000	(14,225,998)	22,961,455	32,376,457

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 31.03.2018	Preceding Year To Date Ended 31.03.2017⁽²⁾
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,685,468	N/A
Adjustments for:		
Non-cash items	448,560	N/A
Non-operating items	<u>(13,589)</u>	<u>N/A</u>
	8,120,439	N/A
Changes in working capital:		
Inventories	(725,987)	N/A
Receivables	(1,668,433)	N/A
Payables	<u>(22,008)</u>	<u>N/A</u>
	5,704,011	N/A
Tax paid	(1,515,831)	N/A
Interest received	<u>13,589</u>	<u>N/A</u>
Net cash flows from operating activities	<u>4,201,769</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(874,526)	N/A
Development expenditure	(313,173)	N/A
Government grant received	<u>301,800</u>	<u>N/A</u>
Net cash flows used in investing activities	<u>(885,899)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to directors	(477)	N/A
Dividends paid	(4,301,000)	N/A
Dividends refunded	<u>642,000</u>	<u>N/A</u>
Net cash flows used in financing activities	<u>(3,659,477)</u>	<u>N/A</u>
Net change in cash and cash equivalents	<u>(343,607)</u>	<u>N/A</u>
Cash and cash equivalents at beginning of financial period	<u>2,057,966</u>	<u>N/A</u>
Cash and cash equivalents at end of financial period	<u>1,714,359</u>	<u>N/A</u>
Cash and cash equivalents consist of:		
Cash and bank balances	<u>1,714,359</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A - Not applicable

A Explanatory notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2018

A1 Basis of Preparation

The interim financial reports of the Group are unaudited and had been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

This is the first interim financial report on the Company’s consolidated results for the third quarter ended 31 March 2018 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 June 2018.

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 2017 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 28 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 2017:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle

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

A3 Auditors’ Report

There was no qualification on the audited financial statements of the Group for the financial year ended 30 June 2017.

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 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 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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2018**A Explanatory Notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2018 (Cont'd)****A8 Dividends Paid**

There is no dividend paid in 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 Ended 31.03.2018 RM	Preceding Year Corresponding Quarter Ended 31.03.2017⁽¹⁾ RM	Current Year To Date Ended 31.03.2018 RM	Preceding Year To Date Ended 31.03.2017⁽¹⁾ RM
Malaysia	4,474,961	N/A	16,479,453	N/A
Singapore	137,202	N/A	235,489	N/A
China	139,727	N/A	522,897	N/A
	<u>4,751,890</u>	<u>N/A</u>	<u>17,237,839</u>	<u>N/A</u>

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

	Current Quarter Ended 31.03.2018 RM	Preceding Year Corresponding Quarter Ended 31.03.2017⁽¹⁾ RM	Current Year To Date Ended 31.03.2018 RM	Preceding Year To Date Ended 31.03.2017⁽¹⁾ RM
House Brand	3,259,794	N/A	11,782,085	N/A
OEM	1,492,096	N/A	5,455,754	N/A
	<u>4,751,890</u>	<u>N/A</u>	<u>17,237,839</u>	<u>N/A</u>

Note:

- 1) No comparative figures for the preceding year's quarter and preceding year-to-date are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A - Not applicable

A10 Valuation of Property, Plant and Equipment

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

A Explanatory Notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2018 (Cont'd)

A11 Capital Commitments

	Current Quarter Ended 31.03.2018 RM	Current Year To Date Ended 31.03.2018 RM
Approved and not contracted for:-		
Purchase of property, plant and equipment	15,781,541	15,781,541

A12 Material Subsequent Event

Return of dividends

Nova Laboratories Sdn Bhd received remaining return of dividends paid in respect of financial year ending 30 June 2018 amounting to RM1,358,900 on 13 April 2018.

Capital Reduction

The Group undertook a capital reduction exercise to reduce 85,316,358 ordinary shares which is payable to the then substantial shareholders, in one or more tranches over a period of 2 years from the completion of the capital reduction, subject to the availability of distributable reserves and adequate cash flow from operations of the Group. The capital reduction was completed on 23 May 2018. The total amount of cash distribution to each substantial shareholder pursuant to the capital reduction is as set out below:

<u>Shareholders</u>	<u>Capital Repayment Amount</u>	
	<u>RM</u>	<u>%</u>
Phang Nyie Lin	579,648	6.84
Tan Sok Mooi	6,161,408	72.64
Phang Yeen Nung	579,648	6.84
Phang Yeen Aun	579,648	6.84
Phang Yeen Hung	579,648	6.84
Total	8,480,000	100.00

Share Subdivision

Upon completion of the capital reduction, the Group undertook a share subdivision of every sixteen (16) existing ordinary shares into twenty-five (25) ordinary shares, which was completed on 1 June 2018.

Initial public offering ("IPO")

In conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company issued its Prospectus for its IPO entailing the following on 28 June 2018:

- (i) 16,000,000 IPO shares available for application by the Malaysian public;
- (ii) 15,000,000 IPO shares available for application by our eligible directors, employees and business associates; and
- (iii) 50,660,000 IPO shares available for application by way of private placement to identified investors

At an issue price of RM0.55 per share payable in full upon application in conjunction with our listing on the ACE Market of Bursa Malaysia Securities Berhad.

Upon completion of the IPO, the share capital of the Company will increase to RM174,459,100 comprising 317,743,815 ordinary shares. Pursuant thereto, the Company's entire enlarged share capital is expected to be listed and quoted on the ACE Market of Bursa Securities on 20 July 2018.

A Explanatory Notes to the Unaudited Interim Financial Report for the third quarter ended 31 March 2018 (Cont'd)

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

The Group recorded a revenue of RM4.75 million and profit after tax of RM1.38 million for the current financial quarter ended 31 March 2018, contributed mainly by the House Brand segment.

No comparative figures for the preceding year's quarter are available as this is the first interim financial report on the consolidated results for the third quarter ended 31 March 2018 being announced by the Company in compliance with the Listing Requirements.

B2 Comparison with Immediate Preceding Quarter Results

No Comparative figures for the preceding quarter are available as this is the first interim financial report on the consolidated results for the third quarter ended 31 March 2018 being announced by the Company in compliance with the Listing requirements.

B3 Prospects for the Current Financial Year

The Group operates within the nutraceutical industry in Malaysia. The Group is expected to benefit from the future plans and strategies as disclosed in the Prospectus of the Company dated 28 June 2018. These include construction of a new GMP-compliant production facility which will increase our production capacity, expansion of our retail market presence, and continuous efforts in R&D activities which includes conducting pre-clinical and clinical trials on our nutraceutical and skincare products.

Barring unforeseen circumstances, the Board expects the financial performance for the current year to be satisfactory.

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.

B Additional Information Required by the Listing Requirement (Cont'd)**B5 Taxation**

	Current Quarter Ended 31.03.2018 RM	Preceding Year Corresponding Quarter Ended 31.03.2017 ⁽¹⁾ RM	Current Year To Date Ended 31.03.2018 RM	Preceding Year To Date Ended 31.03.2017 ⁽¹⁾ RM
Income Tax	430,937	N/A	1,848,143	N/A
Deferred Tax	(1,207)	N/A	(51,032)	N/A
	<u>429,730</u>	<u>N/A</u>	<u>1,797,111</u>	<u>N/A</u>
Effective tax rate ⁽²⁾	23.7	N/A	23.4	N/A

Notes:

1) No comparative figures for the preceding year's quarter and preceding year-to-date are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

2) The effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due to recognition of deferred tax income.

N/A - Not applicable

B6 Status of Corporate Proposals

Save for the Public Issue as disclosed in Note A12, there were no corporate proposals announced but not completed as at the date of this report.

B7 Utilisation of Proceeds Raised from Public Issue

We expect to use the gross proceeds from the Public Issue of RM44.91 million in the following manner:

Details of use of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Estimated Timeframe for Utilisation ⁽¹⁾
1 Construction of new GMP-compliant production facility	16,500	-	-	Within 24 months
2 R&D activities	11,600	-	-	Within 36 months
3 Expansion of our retail market presence	5,000	-	-	Within 36 months
4 Working capital	9,213	-	-	Within 12 months
5 Estimated listing expenses	<u>2,600</u>	<u>-</u>	<u>-</u>	Immediate
	<u>44,913</u>	<u>-</u>	<u>-</u>	

Note:

1) 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. As at the date of this report, the IPO is pending completion and hence there is no utilisation of proceeds.

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.

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 Ended 31.03.2018	Preceding Year Corresponding Quarter Ended 31.03.2017⁽³⁾	Current Year To Date Ended 31.03.2018	Preceding Year To Date Ended 31.03.2017⁽³⁾
Profit after taxation attributable to owners of the Company (RM)	1,380,353	N/A	5,888,357	N/A
Total number of shares in issue	137,608,163	N/A	137,608,163	N/A
Basic earnings per share (Sen) ⁽¹⁾	1.00	N/A	4.28	N/A
Diluted earnings per share (Sen) ⁽²⁾	1.00	N/A	4.28	N/A

Notes:

- 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 2018.
- 3) No comparative figures for the preceding year's quarter and preceding year-to-date are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

B11 Notes to the Statement of Comprehensive Income

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

	Current Quarter Ended 31.03.2018	Preceding Year Corresponding Quarter Ended 31.03.2017⁽¹⁾	Current Year To Date Ended 31.03.2018	Preceding Year To Date Ended 31.03.2017⁽¹⁾
	RM	RM	RM	RM
Depreciation	101,168	N/A	318,820	N/A
Provision for doubtful debts	-	N/A	8,250	N/A
Provision for slow moving inventories	19,246	N/A	132,264	N/A
Realised loss on foreign exchange	32,002	N/A	74,400	N/A
Interest income	(4,382)	N/A	(13,589)	N/A
Unrealised gain on foreign exchange	-	N/A	(2,751)	N/A
Other income	(4,347)	N/A	(312,243)	N/A

Note:

- 1) No comparative figures for the preceding year's corresponding quarter and preceding year-to-date are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A- Not applicable

B Additional Information Required by the Listing Requirement (Cont'd)**B12 Declared Dividend**

The first interim dividend of RM2.14 per share declared and paid in respect of FYE 2018 amounting to RM2.0 million was subsequently returned by the shareholders of Nova Laboratories on 13 April 2018.

Our Board recommends distributing a dividend of 30.0% of our annual audited profit for FYE 2018 to shareholders of our Company.

Whilst it is our intention to adopt a dividend distribution policy to allow our shareholders to participate in our Group's profits, our ability to declare dividends or make other distributions to our shareholders in the future years will also depend upon other various factors such as:

- (i) our Group's cash flows requirement for operations and capital requirement including the solvency test as stipulated under Section 112 of the Act in relation to dividends;
- (ii) the availability of adequate distributable reserves; and
- (iii) general financial performance of the Group.

B13 Disclosure of realised and unrealised profits

The breakdown of the retained earnings of the Group as at 31 March 2018 into realized and unrealized profits is as follows:

	As at 31.03.2018 RM	As at 31.03.2017 ⁽¹⁾ RM
Retained earnings of the Group:		
- Realised	23,026,384	N/A
- Unrealised	(64,929)	N/A
Total	<u>22,961,455</u>	<u>N/A</u>

Note:

- 1) No comparative figures for the preceding year's corresponding quarter and preceding year-to-date are available as this is the first interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A- Not applicable

B14 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 12 July 2018.

BY ORDER OF THE BOARD

Wong Yuet Chyn (MAICSA 7047163)
COMPANY SECRETARY

Kuala Lumpur
12 July 2018