

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Quarter 31.3.2024 RM	Preceding Quarter 31.3.2023 RM	Current Year To Date 31.3.2024 RM	Preceding Year To Date 31.3.2023 RM
Revenue	A9	10,078,810	11,043,331	30,744,208	35,053,453
Cost of sales		(3,799,833)	(4,160,344)	(11,748,615)	(11,059,124)
Gross profit		6,278,977	6,882,987	18,995,593	23,994,329
Other income		260,951	248,062	1,043,738	1,626,332
Administrative expenses		(1,522,345)	(1,546,734)	(4,609,932)	(4,749,738)
Other operating expenses		(203,118)	(308,581)	(1,296,563)	(952,878)
Selling and distribution expenses		(1,726,717)	(1,380,527)	(4,479,835)	(4,715,598)
Profit before tax	B10	3,087,748	3,895,208	9,653,000	15,202,446
Taxation	B5	(1,245,998)	(957,740)	(2,408,393)	(3,705,155)
Profit after tax		1,841,749	2,937,468	7,244,607	11,497,291
Other comprehensive income		(3,248)	-	(56,581)	(66,667)
Total comprehensive income		1,838,501	2,937,468	7,296,015	11,430,634
Profit after tax attributable to:					
- Owners of the Company		1,841,749	2,937,468	7,244,607	11,497,291
Total comprehensive income attributable to:					
- Owners of the Company		1,838,501	2,937,468	7,296,015	11,430,634
Earnings per share (sen)					
- Basic	B9	0.58	0.93	2.29	3.61
- Diluted	B9	0.58	0.92	2.30	3.61

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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31.3.2024 RM	Audited As at 30.6.2023 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	51,839,167	50,986,869
Intangible assets	7,039,962	6,995,703
Investment in quoted shares	4,900,000	4,900,000
	<u>63,779,129</u>	<u>62,882,572</u>
CURRENT ASSETS		
Inventories	22,737,978	22,862,168
Trade receivables	19,577,856	21,452,610
Other receivables, deposits and prepayments	4,350,566	2,150,456
Cash and cash equivalents	10,017,310	9,118,238
Asset classified as held for sale	-	-
	<u>56,683,711</u>	<u>55,583,472</u>
TOTAL ASSETS	<u>120,462,840</u>	<u>118,466,044</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,988,160	60,988,160
Merger reserve	(14,225,998)	(14,225,998)
Share option reserve	784,860	784,680
Fair value reserve	3,700,000	3,700,000
Retained profits	57,973,622	54,713,013
TOTAL EQUITY	<u>109,220,644</u>	<u>105,960,035</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,295,075	1,295,075
Government grants	3,948,298	4,408,124
	<u>5,243,372</u>	<u>5,827,976</u>
CURRENT LIABILITY		
Trade and other payables	5,998,823	6,802,810
	<u>5,998,823</u>	<u>6,802,810</u>
TOTAL LIABILITIES	<u>11,242,196</u>	<u>12,506,009</u>
TOTAL EQUITY AND LIABILITIES	<u>120,462,840</u>	<u>118,466,044</u>
No. of ordinary shares	318,719,815	318,719,815
Net asset per share	0.34	0.33

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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM	Merger Reserve RM	Share Option Reserve RM	Fair Value Reserve RM	Retained Profits RM	Total Attributable to Owners of the Company RM
<u>Period Ended 31 March 2023</u>						
At 1 July 2022	60,122,500	(14,225,998)	640,000	3,766,667	50,234,351	100,537,520
Share options granted under ESOS	-	-	322,320	-	-	322,320
Ordinary shares issued pursuant to ESOS	851,680	-	(141,760)	-	-	709,720
Dividend	-	-	-	-	(10,513,734)	(10,513,734)
Total comprehensive income for the period	-	-	-	(66,667)	11,482,261	11,415,594
At 31 March 2023	60,974,180	(14,225,998)	820,560	3,700,000	51,202,878	102,471,621
<u>Period Ended 31 March 2024</u>						
At 1 July 2023	60,988,160	(14,225,998)	784,860	3,700,000	56,173,824	107,420,846
Dividend	-	-	-	-	(3,983,998)	(3,983,998)
Total comprehensive income for the period	-	-	-	-	7,244,607	7,296,015
At 31 March 2024	60,988,160	(14,225,998)	784,860	3,700,000	59,434,433	110,732,863

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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	For the Financial Period Ended 31.3.2024 RM	For the Financial Period Ended 31.3.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,760,989	15,202,446
Adjustments for:		
Non-cash items	1,133,680	1,314,549
Non-operating items	<u>(337,887)</u>	<u>(1,413,246)</u>
Operating profit before working capital changes	10,556,783	15,103,749
Changes in working capital:		
Inventories	124,190	(1,825,269)
Receivables	2,859,633	(4,587,825)
Payables	<u>(545,509)</u>	<u>(401,542)</u>
Cash generated from operations	12,995,097	8,289,114
Interest received	199,800	274,113
Tax paid	<u>(4,119,043)</u>	<u>(3,604,947)</u>
Net cash generated from operating activities	<u>9,075,853</u>	<u>4,958,280</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,973,793)	(9,075,493)
Development expenditure	(624,259)	(518,420)
Proceeds from disposal of property, plant and equipment	-	836,876
Dividend received	56,581	53,333
Government grants received	-	-
Net cash used in investing activities	<u>(2,541,471)</u>	<u>(8,703,704)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,983,998)	(10,528,764)
Proceeds from the issuance of shares	-	851,680
Net cash used in financing activities	<u>(3,983,998)</u>	<u>(9,677,084)</u>
Net change in cash and cash equivalents	2,550,384	(13,422,508)
Cash and cash equivalents at beginning of the financial period	<u>7,466,926</u>	<u>20,379,270</u>
Cash and cash equivalents at end of the financial period	<u>10,017,310</u>	<u>6,956,762</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CON'T)

	For the Financial Period Ended 31.12.2023 RM	For the Financial Period Ended 31.12.2022 RM
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	114,111	111,328
Placement in Money Market Funds	8,023,939	5,990,222
Cash and bank balances	1,879,260	855,212
	<u>10,017,310</u>	<u>6,956,762</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 2023 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024**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 Main 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 2023 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 2023. 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 are not yet effective:

		Effective for financial periods beginning on or after
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	1 January 2023
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 Arrangement	1 January 2024

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 2023 was not subject to any audit qualification.

A4 Comments about Seasonal and Cyclical Factors

The Group's business operations for the quarter ended 31 March 2024 were not materially affected by significant seasonal or cyclical fluctuations.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024 (CONT'D)**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 under review.

A7 Debt and Equity Securities**Employees' Share Option Scheme ("ESOS")**

The Group has implemented an ESOS of up to fifteen percent (15%) of the issued and paid-up share capital for the eligible employees and directors of the Group effective from 24 November 2021. The Group had offered the options to its eligible employees and directors under the ESOS as follows:

Date Granted	Amount Granted	Exercise Price	Exercise Period
1 June 2022	4,050,000	RM0.81	01/06/2022 – 31/05/2024
1 September 2022	2,686,000	RM0.79	01/09/2022 – 31/08/2024

The movement of the ESOS granted during the quarter under review are disclosed as below:-

	Balance as at 1.7.2023	Granted	Exercised	Balance as at 31.3.2024
ESOS Grant 1	3,481,000	-	-	3,481,000
ESOS Grant 2	2,279,000	-	-	2,279,000
	<u>5,760,000</u>	<u>-</u>	<u>-</u>	<u>5,760,000</u>

Save as disclosed above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current financial quarter under review.

A8 Dividends Paid

There were no dividends paid in the period under review.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024 (CONT'D)****A9 Segmental Reporting**

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

	Current Quarter 31.3.2024 RM	Preceding Quarter 31.3.2023 RM	Current Year To Date 31.3.2024 RM	Preceding Year To Date 31.3.2023 RM
Malaysia	9,891,161	10,812,108	30,556,559	34,474,811
Others	187,648	231,224	498,269	578,642
	10,078,809	11,043,331	30,744,207	35,053,453

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

	Current Quarter 31.3.2024 RM	Preceding Quarter 31.3.2023 RM	Current Year To Date 31.3.2024 RM	Preceding Year To Date 31.3.2023 RM
House Brand	9,570,242	9,508,292	27,555,465	31,950,717
OEM	508,567	1,535,039	3,188,742	3,102,736
	10,078,809	11,043,331	30,744,207	35,053,453

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

The Group did not have any capital commitments in the current quarter under review.

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

On 3 January 2024, the Company acquired all the ordinary shares in Nova Life Marketing Sdn Bhd for the consideration of RM 4. Nova Life Marketing Sdn Bhd becomes a 100% subsidiary of the Group and is principally engaged in the direct selling of nutraceutical products to consumers.

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024 (CONT'D)

A14 Contingent Liabilities

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

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

(a) Performance of the current quarter (Q3 2024) against the preceding quarter (Q3 2023)

The Group recorded revenue of RM 10.079 million for the current quarter under review compared to RM 11.043 million for the preceding quarter. Revenue from House Brand was RM 9.570 million for the current quarter compared with RM 9.508 million for the preceding quarter, a slight increase of 1%. The revenue from OEM was RM 0.509 million for the current quarter compared with RM 1.535 million for the previous quarter, a decrease by 69%.

Administrative expenses decreased by 2% and selling & distribution expenses increased by 25% compared to the preceding quarter. The increase in the selling & distribution expenses was mainly due to the customer's sales commission, sales promotion expenses and travelling expenses. This is due to extensive marketing initiatives carried out in the period and this is in line with the Group managing to attain a consistent level of expenses during the current quarter under review.

The Group's profit after tax (PAT) for current quarter under review is RM 1.842 million or lower by 37% than the PAT of RM 2.937 million recorded in the preceding quarter. The decrease in the PAT was mainly contributed by lower revenue recorded as well as the increase in administrative expenses and selling & distribution expenses in the current quarter.

(b) Performance of the current cumulative quarter (9 months Q3 2024) against the preceding cumulative quarter (9 months Q3 2023)

The Group recorded revenue of RM 30.744 million for the current cumulative quarter under review compared to RM 35.053 million for the preceding cumulative quarter. Revenue from House Brand was RM 27.555 million for the current cumulative quarter compared with RM 31.951 million for the preceding cumulative quarter, a decrease of 14%. The revenue from OEM was RM 3.189 million for the current cumulative quarter compared with RM 3.103 million for the previous cumulative quarter, an increase of 3%.

Administrative expenses and selling & distribution expenses decreased by 3% and 5% respectively, compared to the preceding cumulative quarter. There was an increase in other operating expenses of 36% which was due to the provision for stock obsolescence and bad debts written off. This is in line with the Group managing to attain a consistent level of expenses during the current cumulative quarter under review.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)**

The Group's profit after tax (PAT) for the current cumulative quarter under review is 7.245 million or lower by 37% than the PAT of RM 11.482 million recorded in the preceding cumulative quarter. The decrease in the PAT was mainly contributed by lower revenue recorded and the increase in other operating expenses in the year.

B2 Performance of the current quarter (Q2 2024) against the immediate preceding quarter (Q1 2024)

	Current Quarter 31.3.2024 RM	Immediate Preceding Quarter 31.12.2023 RM	Difference RM	%
Revenue	10,078,810	10,217,801	(138,991)	(1.36)
Profit before tax	3,087,748	3,673,868	(586,188)	(15.96)
Profit after tax	1,841,750	3,060,160	(1,218,411)	(39.82)

The Group generates consistent revenue in the current and immediate preceding quarter. For the quarter under review, the Group's revenue decreased marginally by 2% i.e. RM 10.078 million from RM 10.445 million. The profit before and after tax decreased as a result of provision for stock obsolescence, bad debts written off, and the increase in tax payable by the Group since the immediate preceding quarter.

B3 Prospects for the Current Financial Year

The Group continued to drive its strategic initiatives with a focus on the fundamentals by expanding the product portfolio and reach, and production efficiencies within the Group. The Group will emphasise on sustaining market interests by paying close attention to meet consumer's expectations. The Group also has implemented adequate safety protocols to ensure the product quality is maintained.

B4 Profit Forecast or Profit Guarantee

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

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)****B5 Taxation**

	Current Quarter 31.3.2024 RM	Preceding Quarter 31.3.2023 RM	Current Year To Date 31.3.2024 RM	Preceding Year To Date 31.3.2023 RM
Income Tax	1,245,998	957,740	2,408,393	3,705,155
Deferred Tax	-	-	-	-
	1,245,998	957,740	2,408,393	3,705,155
Effective tax rate	40.4	24.3	25.1	24.3

The effective tax rate for the current quarter was higher due to additional tax and for the current year to date was marginally higher than the statutory tax rate of 24% due to certain expenses that were not deductible for tax purposes that were not taken up.

B6 Status of Corporate Proposals

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

B7 Group Borrowings

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

B8 Material Litigation

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

B9 Earnings per Share**i) Basic Earnings Per Share**

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 as follows:

	Current Quarter 31.3.2024	Preceding Quarter 31.3.2023	Current Year To Date 31.3.2024	Preceding Year To Date 31.3.2023
Profit after taxation attributable to owners of the Company (RM)	1,841,749	2,937,468	7,352,596	11,497,291
Weighted average issued share capital	318,719,815	318,679,815	318,719,815	318,679,815
Basic earnings per share (sen)	0.58	0.93	2.29	3.61

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 MARCH 2024
B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)

ii) Diluted Earnings Per Share

Diluted earnings per share arising from the share options granted under ESOS of the Group is computed as follows:

	Current Quarter 31.3.2024	Preceding Quarter 31.3.2023	Current Year To Date 31.3.2024	Preceding Year To Date 31.3.2023
Profit after taxation attributable to owners of the Company (RM)	3,060,160	2,937,468	7,352,596	8,552,327
Weighted average issued share capital	318,719,815	318,616,981	318,719,815	318,616,981
Effect of dilution due to ESOS	-	266,757	-	266,757
Adjusted weighted average number of share capital	318,719,815	318,616,981	318,719,815	318,616,981
Diluted earnings per share (sen)	0.58	0.92	2.30	3.61

B10 Profit Before Tax

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

	Current Quarter 31.3.2024 RM	Preceding Quarter 31.3.2023 RM	Current Year To Date 31.3.2024 RM	Preceding Year To Date 31.3.2023 RM
Cost of inventories recognised as an expense	2,109,979	2,807,399	6,918,625	6,868,593
Depreciation	362,292	314,517	1,121,496	947,373
Amortisation of intangible assets	160,000	260,000	580,000	520,000
Share options granted under ESOS	-	107,440	-	214,880
Realised loss on foreign exchange	10,766	30,383	85,417	80,576
Unrealised loss on foreign exchange	(338)	109	(61,415)	8,365
Interest income	(66,432)	(83,103)	(199,800)	(274,113)
Amortisation of deferred income	(153,275)	(153,275)	(459,826)	(459,826)
Realised gain on foreign exchange	(20,269)	(16,666)	(40,627)	(171,764)
Unrealised gain on foreign exchange	(16,710)	(206)	(20,090)	(34,009)
Gain on disposal of fixed assets	-	-	-	(604,403)
Other income	(1,017)	(7,251)	(266,813)	(37,028)
Dividend income	(3,248)	-	(56,581)	(53,333)

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)

B11 Declared Dividend

There was no dividend declared for the period under review.

B12 Authorisation for issue

The quarter financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 21 May 2024.

BY ORDER OF THE BOARD

Wong Youn Kim (MAICSA 7018778)
Company Secretary

Kuala Lumpur
21 May 2024