

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Quarter 30.9.2021 RM	Preceding Quarter 30.9.2020 RM	Current Year To Date 30.9.2021 RM	Preceding Year To Date 30.9.2020 RM
Revenue	A9	14,464,017	9,048,610	14,464,017	9,048,610
Cost of sales		(4,376,884)	(3,090,037)	(4,376,884)	(3,090,037)
Gross profit		10,087,133	5,958,573	10,087,133	5,958,573
Other income		143,713	196,066	143,713	196,066
Administrative expenses		(1,363,476)	(1,317,038)	(1,363,476)	(1,317,038)
Other operating expenses		(131,377)	(230,066)	(131,377)	(230,066)
Selling and distribution expenses		(1,856,611)	(1,044,545)	(1,856,611)	(1,044,545)
Profit before tax	B11	6,879,382	3,562,990	6,879,382	3,562,990
Taxation	B5	(1,675,892)	(872,933)	(1,675,892)	(872,933)
Profit after tax		5,203,490	2,690,057	5,203,490	2,690,057
Other comprehensive income		(33,333)	1,333,333	(33,333)	1,333,333
Total comprehensive income		5,170,157	4,023,390	5,170,157	4,023,390
Profit after tax attributable to:					
- Owners of the Company		5,203,490	2,690,057	5,203,490	2,690,057
Total comprehensive income attributable to:					
- Owners of the Company		5,170,157	4,023,390	5,170,157	4,023,390
Earnings per share (sen)					
- Basic	B10	1.64	0.85	1.64	0.85
- Diluted	B10	1.64	0.85	1.64	0.85

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 2021 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 30.9.2021 RM	Audited As at 30.06.2021 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	231,879	232,473
Property, plant and equipment	33,896,603	33,783,768
Intangible assets	8,631,135	8,049,880
Investment in quoted shares	4,966,667	5,000,000
	<u>47,726,284</u>	<u>47,066,121</u>
CURRENT ASSETS		
Inventories	15,244,003	14,519,978
Trade receivables	16,457,006	13,395,078
Other receivables, deposits and prepayments	2,399,783	1,798,291
Cash and cash equivalents	29,165,544	27,688,434
	<u>63,266,336</u>	<u>57,401,781</u>
TOTAL ASSETS	<u>110,992,620</u>	<u>104,467,902</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,074,000	60,074,000
Merger reserve	(14,225,998)	(14,225,998)
Fair value reserve	3,766,667	3,800,000
Retained profits	49,500,224	44,296,734
TOTAL EQUITY	<u>99,114,893</u>	<u>93,944,736</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	701,215	701,215
Government grants	5,836,034	5,836,034
	<u>6,537,249</u>	<u>6,537,249</u>
CURRENT LIABILITIES		
Trade and other payables	3,903,272	3,198,671
Current tax liability	1,437,206	787,246
	<u>5,340,478</u>	<u>3,985,917</u>
TOTAL LIABILITIES	<u>11,877,727</u>	<u>10,523,166</u>
TOTAL EQUITY AND LIABILITIES	<u>110,992,620</u>	<u>104,467,902</u>
Net asset per share	0.31 ⁽¹⁾	0.30 ⁽¹⁾

Note:

(1) 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 2021 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-distributable			Distributable	
	Share Capital RM	Merger Reserve RM	Fair Value Reserve RM	Retained Profits RM	Total Attributable to Owners of the Company RM
<u>Period Ended 30 September 2020</u>					
At 1 July 2020	60,074,000	(14,225,998)	2,433,334	38,255,576	86,536,912
Total comprehensive income for the period	-	-	1,333,333	2,690,057	4,023,390
At 30 September 2020	60,074,000	(14,225,998)	3,766,667	40,945,633	90,560,302
<u>Period Ended 30 September 2021</u>					
At 1 July 2021	60,074,000	(14,225,998)	3,800,000	44,296,734	93,944,736
Total comprehensive income for the period	-	-	(33,333)	5,203,490	5,170,157
At 30 September 2021	60,074,000	(14,225,998)	3,766,667	49,500,224	99,114,893

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 2021 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	For the Financial Period Ended 30.9.2021 RM	For the Financial Period Ended 30.9.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,879,382	3,562,990
Adjustments for:		
Non-cash items	147,149	(56,372)
Non-operating items	86,552	53,830
Operating profit before working capital changes	<u>7,113,083</u>	<u>3,560,448</u>
Changes in working capital:		
Inventories	(724,025)	389,698
Receivables	(4,053,346)	2,193,550
Payables	1,060,286	55,920
Cash generated from operations	<u>3,395,998</u>	<u>6,199,616</u>
Interest received	123,669	181,943
Tax paid	(992,500)	(919,260)
Net cash generated from operating activities	<u>2,527,167</u>	<u>5,462,299</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(382,251)	(1,644,030)
Development expenditure	(667,806)	(433,722)
Proceeds from disposal of property, plant and equipment	-	1,000
Government grants received	-	286,842
Net cash used in investing activities	<u>(1,050,057)</u>	<u>(1,789,910)</u>
Net change in cash and cash equivalents	1,477,110	3,672,389
Cash and cash equivalents at beginning of the financial period	<u>27,688,434</u>	<u>32,883,128</u>
Cash and cash equivalents at end of the financial period	<u>29,165,544</u>	<u>36,555,517</u>
 Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	108,293	257,432
Placement in Money Market Funds	23,537,487	29,797,813
Cash and bank balances	5,519,764	6,500,272
	<u>29,165,544</u>	<u>36,555,517</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 2021 and the accompanying explanatory notes attached to the interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021

A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**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 2021 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 2021. 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 1, MFRS 9, MFRS 16 and MFRS 141	Annual improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture	To be announced by the MASB

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.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (CON'T)****A3 Auditors' Report**

The audited financial statements of the Group for the financial year ended 30 June 2021 was not subject to any audit qualification.

A4 Comments about Seasonal and Cyclical Factors

The Group's business operations for the quarter ended 30 September 2021 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 under review.

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 30.9.2021 RM	Preceding Quarter 30.9.2020 RM	Current Year To Date 30.9.2021 RM	Preceding Year To Date 30.9.2020 RM
Malaysia	14,280,360	8,882,103	14,280,360	8,882,103
Others	183,657	166,507	183,657	166,507
	14,464,017	9,048,610	14,464,017	9,048,610

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (CON'T)****A9 Segmental Reporting (con't)**

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

	Current Quarter 30.9.2021 RM	Preceding Quarter 30.9.2020 RM	Current Year To Date 30.9.2021 RM	Preceding Year To Date 30.9.2020 RM
House Brand	13,748,216	7,282,095	13,748,216	7,282,095
OEM	715,801	1,766,515	715,801	1,766,515
	14,464,017	9,048,610	14,464,017	9,048,610

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
30.9.2021**

Purchase of property, plant and equipment	<u>1,986,000</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.

A15 Significant Related Party Transactions

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

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT****B1 Group Performance Review****Performance of the current quarter (Q1 2022) against the preceding quarter (Q1 2021)**

The Group recorded revenue of RM14.46 million for the current quarter under review compared to RM9.05 million for the preceding quarter. Revenue from House Brand of RM13.75 million contributed 95.1% of the total revenue for the current quarter under review and recorded an increase of 88.8% when compared to the preceding quarter. The increase of 59.8% in the total revenue was mainly due to higher sales contribution from House Brand segment.

The decrease in other income were mainly due to lower interests earned from placement in money markets in the current quarter under review.

The decrease in other operating expenses was mainly due to lower research and development expenditure incurred in the current quarter under review.

The increase in selling and distribution expenses were mainly due to increase in staff cost resulting from upward salary revision for sales and marketing staff; increase in sales commission to sales staff; increase in transport and logistic cost and increase in marketing campaign expenses for NWPP in the current quarter under review.

The Group's profit after tax (PAT) for current quarter under review is RM5.20 million or 93.4% higher than the PAT of RM2.69 million recorded in the preceding quarter. The increase in the PAT was in line with improvement in the overall profitability of the Group.

B2 Performance of the current quarter (Q1 2022) against the immediate preceding quarter (Q4 2021)

	Current Quarter 30.9.2021 RM	Immediate Preceding Quarter 30.6.2021 RM	Difference RM	%
Revenue	14,464,017	11,225,858	3,238,159	28.8
Profit before tax	6,879,382	5,593,748	1,285,634	23.0
Profit after tax	5,203,490	4,383,824	819,666	18.7

For the quarter under review, the Group's revenue increased by 28.8% from RM11.23 million to RM14.46 million. This was mainly due to higher sales order for the House Brand products from RM10.26 million in the immediate preceding quarter to RM13.75 million for the current quarter under review which represents an increase of 34.0%.

The increase in profit before tax and profit after tax was mainly due to higher sales contribution from House Brand products.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)****B3 Prospects for the Current Financial Year**

The Government has recently relaxed certain restrictions imposed during the various phases of the Movement Control Order with the objective to stimulate economic activities and growth as we are currently in the recovery phase from the COVID-19 pandemic. Notwithstanding that, we continue to operate under strict standard operating procedures in place to ensure the safety and wellbeing of our employees.

The Group will continue to focus on growing its market share and continuing its research and development on its new products despite the ongoing COVID-19 pandemic, for the remaining financial quarter ending 31 December 2021 and into the financial year ending 30 June 2022.

Barring any unforeseen circumstances, the Board believes that the Group's prospects in the financial year ending 30 June 2022 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 30.9.2021 RM	Preceding Quarter 30.9.2020 RM	Current Year To Date 30.9.2021 RM	Preceding Year To Date 30.9.2020 RM
Income Tax	1,675,892	872,933	1,675,892	872,933
Deferred Tax	-	-	-	-
	<u>1,675,892</u>	<u>872,933</u>	<u>1,675,892</u>	<u>872,933</u>
Effective tax rate	24.4	24.5	24.4	24.5

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

B6 Status of Corporate Proposals

On 9 September 2021, the Company announced the proposal to establish an employees' share option scheme (Proposed ESOS) of up to 15% of the total number of issued shares of Nova (excluding treasury shares, if any) for the eligible directors and employees of the Company and its subsidiary.

On 22 September 2021, Bursa Securities has resolved to approve the Proposed ESOS subject to relevant provisions in the Listing Requirements.

Save as above, there was no corporate proposal announced.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021
B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)
B7 Utilisation of Proceeds Raised from Public Issue

On 17 July 2020, the Board of Directors of the Company ("Board") has announced that it has deliberated and resolved to approve where part of the proceeds raised from Public Issue ("IPO Proceeds") allocated for research and development activities amounting to approximately RM7.57 million will be revised to purchase machineries for the production of functional food and skincare products ("Revision"). The Board has also approved the extension of time for the utilisation of the remaining IPO Proceeds.

After the Revision, the IPO Proceeds is intended to be utilised in the following manner:

No	Details of use of IPO Proceeds	Approved utilisation of IPO Proceeds	Actual utilisation of IPO Proceeds	Balance of IPO Proceeds	Original timeframe for utilisation upon listing	^(a) Balance after the Revision	Actual utilisation of IPO Proceeds	Balance of IPO Proceeds	Revised timeframe for utilisation upon listing
		RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
1.	Construction of new GMP-compliant production facility	16,500	(16,500)	-	Within 24 months	^(b) 7,566	(5,748)	1,818	^(c) Within 48 months
2.	R&D activities	11,600	(1,534)	^(b) 10,066	Within 36 months	2,500	-	2,500	^(c) Within 48 months
3.	Expansion of our retail market presence	5,000	(3,877)	1,123	Within 36 months	1,123	(1,123)	-	^(c) Within 48 months
4.	Working capital	9,213	^(d) (9,530)	-	Within 12 months	-	-	-	-
5.	Estimated listing expenses	2,600	^(d) (2,283)	-	Immediate	-	-	-	-
Total proceeds		44,913	(33,724)	11,189		11,189	(6,871)	4,318	

Notes:

- (a) The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 28 June 2018 and announcement dated 17 July 2020.
- (b) Part of the IPO Proceeds allocated for R&D activities will be allocated to purchase additional machineries for the production of functional food and skincare products amounting to approximately RM7.57 million.
- (c) For the avoidance of doubt, the last date to utilise the IPO Proceeds will be 20 July 2022, being 48 months from the date of listing.
- (d) As disclosed in the Prospectus, if the actual listing expenses are lower than estimated, the surplus will be utilised for general working capital purposes of the Group. The actual listing expenses were less than the estimated listing expenses by approximately RM0.32 million due to overestimation of printing, advertising expenses, regulatory fees and professional fee.

B8 Group Borrowings

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

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)**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 30.9.2021	Preceding Quarter 30.9.2020	Current Year To Date 30.9.2021	Preceding Year To Date 30.9.2020
Profit after taxation attributable to owners of the Company (RM)	5,203,490	2,690,057	5,203,490	2,690,057
Total weighted average issued share capital	317,743,815	317,743,815	317,743,815	317,743,815
Basic earnings per share (sen) ⁽¹⁾	1.64	0.85	1.64	0.85
Diluted earnings per share (sen) ⁽²⁾	1.64	0.85	1.64	0.85

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 30 September 2021.

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 30 SEPTEMBER 2021**B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT (CON'T)****B11 Profit Before Tax**

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

	Current Quarter 30.9.2021 RM	Preceding Quarter 30.9.2020 RM	Current Year To Date 30.9.2021 RM	Preceding Year To Date 30.9.2020 RM
Cost of inventories recognised as an expense	3,201,509	2,334,320	3,201,509	2,334,320
Depreciation	270,009	126,566	270,009	126,566
Amortisation of intangible assets	86,552	63,230	86,552	63,230
Realised loss on foreign exchange	23,242	60,910	23,242	60,910
Unrealised loss on foreign exchange	1,005	60	1,005	60
Interest income	(123,669)	(181,944)	(123,669)	(181,944)
Amortisation of deferred income	-	(9,400)	-	(9,400)
Realised gain on foreign exchange	(19,848)	(2,300)	(19,848)	(2,300)
Unrealised gain on foreign exchange	(197)	(54)	(197)	(54)
Other income	-	(2,368)	-	(2,368)

B12 Declared Dividend

No dividend was proposed by the Board of Directors for the current quarter under review. The Company will make the necessary announcement when any dividend decision is made.

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 November 2021.

BY ORDER OF THE BOARD

Wong Youn Kim (MAICSA 7018778)
Company Secretary

Kuala Lumpur
16 November 2021