

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31.12.2018 RM	Preceding Year Corresponding Quarter Ended 31.12.2017 ⁽²⁾ RM	Current Year To Date Ended 31.12.2018 RM	Preceding Year To Date Ended 31.12.2017 RM
Revenue		7,877,152	N/A	12,686,608	12,485,949
Cost of sales		(2,588,110)	N/A	(4,013,530)	(3,986,383)
Gross profit		5,289,042	N/A	8,673,078	8,499,566
Other income		360,172	N/A	625,635	319,854
Administrative expenses		(1,075,094)	N/A	(3,122,317)	(1,854,658)
Other operating expenses		(81,217)	N/A	(150,946)	(120,142)
Selling and distribution expenses		(147,874)	N/A	(356,645)	(969,236)
Profit before tax		4,345,029	N/A	5,668,805	5,875,384
Taxation		(1,264,609)	N/A	(1,678,642)	(1,367,381)
Profit for the financial period		3,080,420	N/A	3,990,163	4,508,003
Other comprehensive income		1,200,000	N/A	1,200,000	-
Total comprehensive income for the period		4,280,420	N/A	5,190,163	4,508,003
Attributable to:					
- Owners of the Parent		3,080,420	N/A	3,990,163	4,508,003
Attributable to equity holders of the Company:					
- Basic earnings per share (Sen) ⁽³⁾	B10	0.99	N/A	1.29	0.05
- Diluted earnings per share (Sen) ⁽³⁾	B10	0.99	N/A	1.29	0.05

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 Audited Financial Statements for the financial year ended ("FYE") 30 June 2018 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding year's quarter is available as this is the fourth interim financial report for the second (2nd) quarter ended 31 December 2018 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 309,755,338 ordinary shares in the Company as at 31 December 2018.

N/A - Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.12.2018 RM	AUDITED AS AT 30.06.2018 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	238,407	239,594
Property, plant and equipment	19,148,588	15,927,650
Intangible assets	5,561,775	4,909,832
Investment securities	2,400,000	-
	27,348,770	21,077,076
CURRENT ASSETS		
Inventories	6,925,130	7,027,054
Trade and other receivables	10,419,675	11,533,470
Current tax assets	731,166	-
Cash and bank balances	39,895,096	2,279,363
	57,971,067	20,839,887
TOTAL ASSETS	85,319,837	41,916,963
EQUITY AND LIABILITIES		
EQUITY		
Share capital	59,124,964	15,161,000
Merger reserve	(14,225,998)	(14,225,998)
Fair value reserve	1,200,000	-
Retained profits	25,002,836	26,732,062
TOTAL EQUITY	71,101,802	27,667,064
NON-CURRENT LIABILITIES		
Deferred tax liabilities	166,379	124,479
Government grants	4,143,380	3,388,803
Amount owing to shareholders	3,808,219	3,808,219
	8,117,978	7,321,501
CURRENT LIABILITIES		
Trade and other payables	2,007,378	2,350,060
Amount owing to shareholders	2,117,600	4,240,000
Current tax liability	1,975,079	338,338
	6,100,057	6,928,398
TOTAL LIABILITIES	14,218,035	14,249,899
TOTAL EQUITY AND LIABILITIES	85,319,837	41,916,963
Net asset per share	0.22 ⁽³⁾	0.12 ⁽²⁾

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 Audited Financial Statements for the financial year ended ("FYE") 30 June 2018 and the accompanying explanatory notes as attached to this 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.

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	
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
Share capital reduction	(8,480,000)	-	-	-	(8,480,000)
Total comprehensive income for the financial period	-	-	-	8,300,064	8,300,064
Dividends	-	-	-	(2,000,900)	(2,000,900)
Dividends refunded	-	-	-	2,000,900	2,000,900
Balance at 30.06.2018	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)
Dividends	-	-	-	(5,719,389)	(5,719,389)
Total comprehensive income for the financial period	-	-	1,200,000	3,990,163	5,190,163
Balance at 31.12.2018	59,124,964	(14,225,998)	1,200,000	25,002,836	71,101,802

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 Audited Financial Statements for the financial year ended ("FYE") 30 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 fourth 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 31.12.2018 RM	Preceding Year To Date Ended 31.12.2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,668,805	5,875,384
Adjustments for:		
Non-cash items	288,272	465,242
Non-operating items	(553,710)	(13,598)
	<u>5,403,367</u>	<u>6,327,028</u>
Changes in working capital:		
Inventories	101,924	(81,555)
Receivables	1,116,503	(898,872)
Payables	(342,682)	151,899
	<u>6,279,112</u>	<u>5,498,500</u>
Interest received	553,710	9,207
Tax (paid)/refund	(731,166)	(1,152,705)
Net cash flows from operating activities	<u>6,101,656</u>	<u>4,355,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,485,045)	(719,792)
Purchase of quoted shares in Lead Market	(1,200,000)	-
Development expenditure	(680,028)	(207,232)
Government grants received	754,575	301,800
Net cash flows used in investing activities	<u>(4,610,498)</u>	<u>(625,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5,719,389)	(4,301,000)
Advance from a director	-	149
Repayment to shareholders	(2,120,000)	-
Issue of shares	43,963,964	-
Net cash flows used in financing activities	<u>36,124,575</u>	<u>(4,300,851)</u>
Net change in cash and cash equivalents	<u>37,615,733</u>	<u>(571,073)</u>
Cash and cash equivalents at beginning of financial period	<u>2,279,363</u>	<u>2,057,966</u>
Cash and cash equivalents at end of financial period	<u>39,895,096</u>	<u>1,486,893</u>
Cash and cash equivalents consist of:		
Cash and bank balances	<u>39,895,096</u>	<u>1,486,893</u>

Note:

- (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 Audited Financial Statements for the financial year ended ("FYE") 30 June 2018 and the accompanying explanatory notes as attached to this interim financial report.

A Explanatory notes to the Unaudited Interim Financial Report for the second quarter ended 31 December 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 fourth interim financial report on the Company’s consolidated results for the second quarter ended 31 December 2018 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The financial report should be read in conjunction with the Accountants' Report as disclosed in the Audited Financial Statements for the financial year ended (“FYE”) 30 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 2019 as disclosed in the Audited Financial Statements for the financial year ended (“FYE”) 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 second quarter ended 31 December 2018 (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 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.

A8 Dividends Paid

(a) A single tier tax exempt final dividend of 1.8 sen per ordinary share amounting to RM5,719,388.67 in respect of the financial year ending 30 June 2018 was paid on 19 Dec 2018.

(b) There was no dividend paid during the preceding year's corresponding period ended 31 December 2017.

A9 Segmental Reporting

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

	Current Quarter Ended 31.12.2018 RM	Preceding Year Corresponding Quarter Ended 31.12.2017⁽¹⁾ RM	Current Year To Date Ended 31.12.2018 RM	Preceding Year To Date Ended 31.12.2017 RM
Malaysia	7,332,953	N/A	12,142,409	12,004,492
Others	544,199	N/A	544,199	481,457
	7,877,152	N/A	12,686,608	12,485,949

A Explanatory Notes to the Unaudited Interim Financial Report for the second quarter ended 31 December 2018 (cont'd)**A9 Segmental Reporting (cont'd)**

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

	Current Quarter Ended 31.12.2018 RM	Preceding Year Corresponding Quarter Ended 31.12.2017⁽¹⁾ RM	Current Year To Date Ended 31.12.2018 RM	Preceding Year To Date Ended 31.12.2017 RM
House Brand	6,790,908	N/A	10,089,729	8,522,291
OEM	1,086,244	N/A	2,596,879	3,963,658
	7,877,152	N/A	12,686,608	12,485,949

Note:

- 1) No comparative figures for the preceding year's quarter is available as this is the fourth interim financial report second (2nd) quarter ended 31 December 2018 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.

A11 Capital Commitments

	Current Quarter Ended 31.12.2018 RM	Current Year To Date Ended 31.12.2018 RM
Approved and contracted for: -		
Purchase of property, plant and equipment	2,052,500	2,052,500
Approved and not contracted for: -		
Purchase of property, plant and equipment	10,376,867	10,376,867

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**

The Group reported revenue of RM12.69 million for Q2 FYE2019, representing an increase of 1.6% over the preceding year corresponding quarter's revenue of RM12.49 million. The growth was mainly due to higher sales contribution from House Brand segment due to increase in volume of orders for our dietary supplements and function foods of RM1.57 million.

The OEM segment reported lower revenue of RM2.60 million as compared to RM3.96 million in preceding year corresponding quarter. This was mainly due to decrease in volume of orders of our OEM dietary supplement products amounting to RM1.43 million from local OEM customers.

The Group recorded a lower profit before tax of RM5.67 million for Q2 FY2019 as compared to RM5.88 million in the preceding year corresponding quarter mainly due to increase in administrative expenses of RM1.27 million and it was off set from the increased in other income of RM0.31 million, and cost saving from Selling and Distribution expenses approximately of RM0.61 million.

Increase in administrative expenses for RM1.27 million as compared to the preceding year corresponding quarter was mainly due to increase in administrative staff cost which involved employees with higher salaries and annual salary increment during the FYE 2019 of approximately RM0.42 million and the payment of fee pertaining to the listing of the Group for approximately RM0.84 million.

The decrease in profit after tax from RM4.5 million in FYE 2018 to RM4.0 million in FYE 2019 was mainly due to the statutory income tax charges for non-deductable expenses. At the moment, we have not received any approval from Ministry Of Finance on the application for the concessionary tax rate.

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

B2 Comparison with Immediate Preceding Quarter Results

	Current Year Quarter 31.12.2018 RM	Immediate Preceding Quarter 30.09.2018 RM	Difference RM	%
Revenue	7,877,152	4,809,455	3,067,697	63.78
Profit before tax	4,345,029	1,329,356	3,015,673	126.85
Profit for the financial period	3,080,420	846,419	2,234,001	263.93

For the quarter under review, the Group's revenue increased by 63.78% from RM4.81 million in the immediate preceding quarter to RM7.88 million. The increase was mainly due to higher volume of orders for our House Brand dietary supplements products from RM3.30 million in the immediate preceding quarter to RM6.79 million during the current quarter.

The Group reported a profit before tax of RM4.34 million in Q2 FY2019 as compared to a Profit before Tax of RM1.33 million in Q1 FY 2019 mainly due to increase in sales from House Brand segment and cost saving from Selling and Distribution expenses during the current financial quarter.

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.

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

B5 Taxation

	Current Quarter Ended 31.12.2018 RM	Preceding Year Corresponding Quarter Ended 31.12.2017⁽¹⁾ RM	Current Year To Date Ended 31.12.2018 RM	Preceding Year To Date Ended 31.12.2017 RM
Income Tax	1,222,708	N/A	1,636,740	1,401,402
Deferred Tax	41,901	N/A	41,901	(34,021)
	1,264,609	N/A	1,678,641	1,367,381
Effective tax rate (2)	29.10	N/A	29.61	23.27

Notes:

- 1) No comparative figures for the preceding year's quarter is available as this is the fourth 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 and current year ended 31 December 2018 is higher than the statutory tax rate of 24% mainly due to certain non-tax-deductible expenses.

N/A - Not applicable

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	-	-	-	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)	36.97	Within 12 months	N2
5	Estimated listing expenses	2,600	(317)	(2,283)	87.80	Immediate	N2
		44,913	-	(13,090)	29.14		

Notes:

- 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 of the Company dated 28 June 2018.

B Additional Information Required by the Listing Requirement (Cont'd)**B7 Utilisation of Proceeds Raised from Public Issue (Cont'd)**

- 2) 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.
- 3) The construction of the new GMP Plant had commenced in August 2017 and is expected to be completed by September 2019. Phase 1 is on track to be completed by Sept 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 Ended 31.12.2018	Preceding Year Corresponding Quarter Ended 31.12.2017⁽¹⁾	Current Year To Date Ended 31.12.2018	Preceding Year To Date Ended 31.12.2017
Profit after taxation attributable to owners of the Company (RM)	3,080,420	N/A	3,990,163	4,508,003
Total weighted average issued share capital	317,743,815	N/A	309,755,339	88,653,750
Basic earnings per share (Sen) ⁽¹⁾	0.99	N/A	1.29	0.05
Diluted earnings per share (Sen) ⁽²⁾	0.99	N/A	1.29	0.05

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 December 2018.
- 3) No comparative figures for the preceding year's quarter is available as this is the fourth 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.

B Additional Information Required by the Listing Requirement (Cont'd)**B11 Notes to the Statement of Comprehensive Income**

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

	Current Quarter Ended 31.12.2018 RM	Preceding Year Corresponding Quarter Ended 31.12.2017⁽¹⁾ RM	Current Year To Date Ended 31.12.2018 RM	Preceding Year To Date Ended 31.12.2017 RM
Depreciation	109,690	N/A	212,661	217,652
Provision for doubtful debts	19,374	N/A	58,541	8,250
Provision for slow moving inventories	-	N/A	-	428,843
Realised gain on foreign exchange	-	N/A	-	-
Interest income	(290,714)	N/A	(553,710)	(9,207)
Unrealised loss on foreign exchange	-	N/A	-	4,391
Unrealised gain on foreign exchange	-	N/A	-	-
Other income	(69,459)	N/A	(71,925)	(310,647)

Note:

- 1) No comparative figures for the preceding year's corresponding quarter is available as this is the fourth 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

B12 Declared Dividend

- (a) A single tier interim dividend of 0.5 sen net per ordinary share in respect of the financial year ended 30 June 2019 has been declared on 26/2/2019.
- (b) In respect of deposited securities, entitlement to the single tier interim dividend will be determined based on shareholders registered in the record of depositors as at 15 March 2019. The payment due will be 29 March 2019.

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 February 2019.

BY ORDER OF THE BOARD

Wong Yuet Chyn (MAICSA 7047163)
COMPANY SECRETARY

Kuala Lumpur
27 February 2019