



9MFY2020 Results Update

1 April 2020



Contents Financial Highlights 9MFY2020

Review by Segment

9MFY2020 vs. 9MFY2019

For the nine months ended 31 January 2020, the Group recorded a lower revenue of RM 201.5 million, a decrease of 22.0% as compared to RM 258.4 million in the previous corresponding period. The decrease in revenue was attributed to the lower contribution from all three main divisions i.e. Multi-Level Marketing (“MLM”), Wholesale and Retail divisions.

In line with the lower revenue, the Group recorded a pre-tax profit of RM 30.7 million respectively, a decrease of 38.1% as compared to RM 49.6 million in the previous corresponding period.

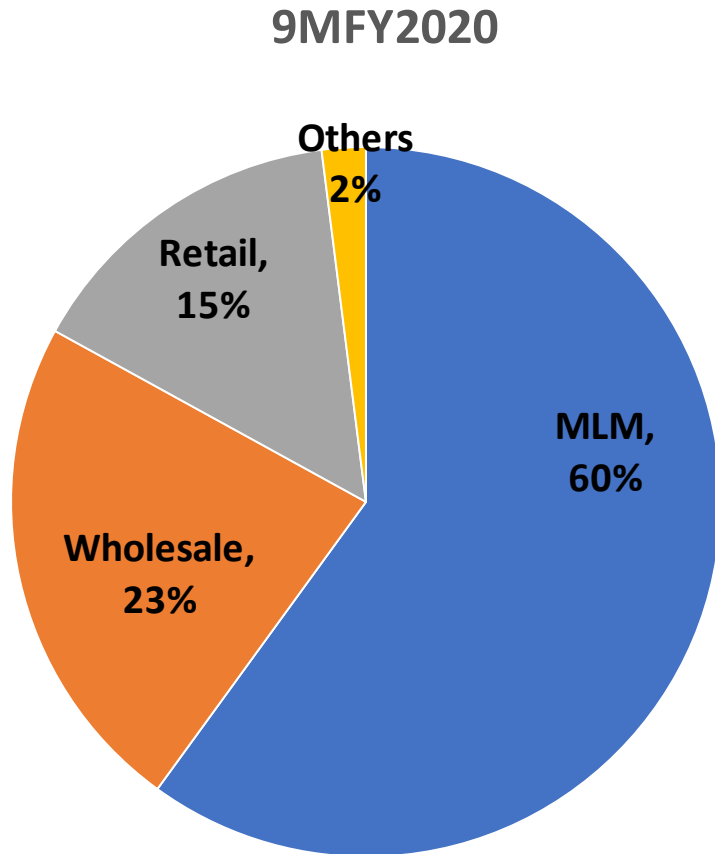
9MFY2020 vs. 9MFY2019

	9MFY2020 31 Jan 2020 (RM'mil)	9MFY2019 31 Jan 2019 (RM'mil)	Variance +/-
Revenue	201.47	258.41	-22.0%
Pre-tax Profit	30.73	49.62	-38.1%
Profit After Tax	22.66	37.39	-39.4%
Net Margin (%)	11.24%	14.47%	-3.2%
EPS (sen)	7.80	12.86	-5.06 sen

Statement of Financial Position

	9MFY2020 31 Jan 2020 (RM'mil)	FYE2019 30 Apr 2019 (audited) (RM'mil)
Net cash + Short term investment	91.30	95.11
Total assets	358.12	364.24
Total liabilities	50.79	43.56
Shareholders' equity	296.71	310.22
Net assets per share (sen)	102	107

Segment Revenue



Segment	9MFY2020 31 Jan 2020		9MFY2019 31 Jan 2019	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	121.45	60%	177.46	69%
Wholesale	46.66	23%	46.92	18%
Retail	30.22	15%	30.99	12%
Others	3.14	2%	3.04	1%
Total	201.47	100%	258.41	100%



Review by
Segment

Multi Level Marketing (“MLM”)

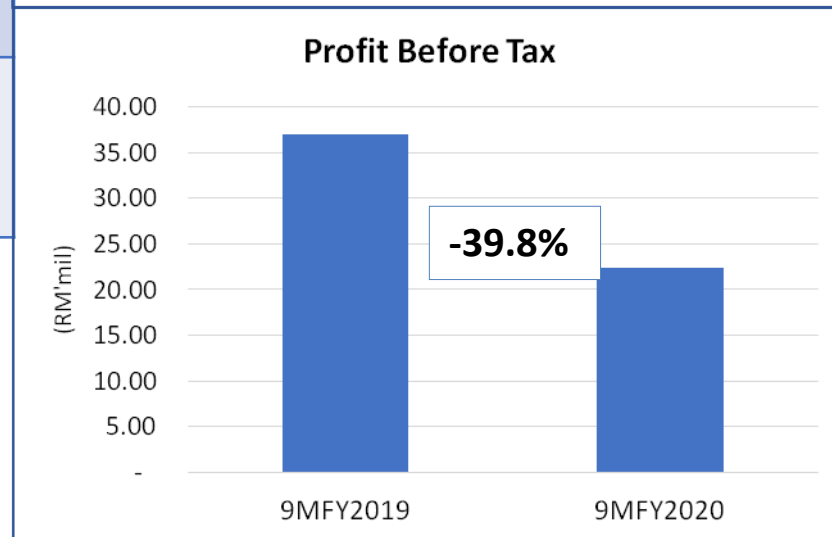
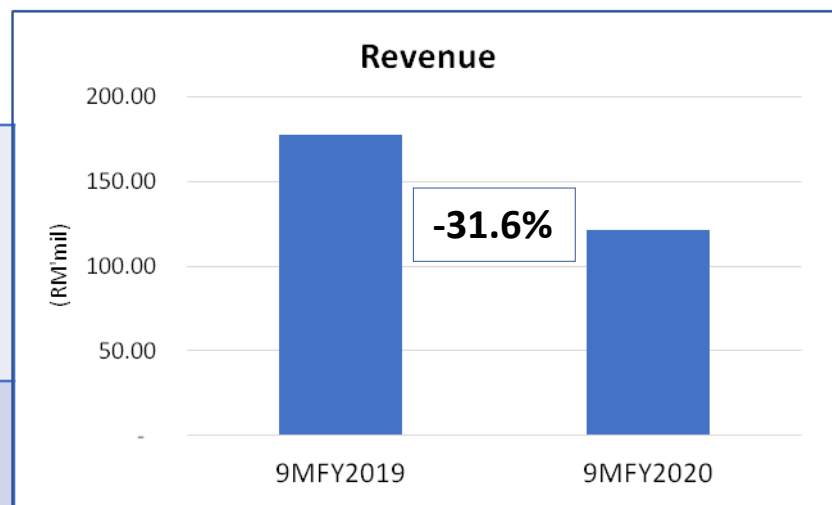
Wholesale

Retail

Others

MLM

MLM Segment	9MFY2020 31 Jan 2020 (RM'mil)	9MFY2019 31 Jan 2019 (RM'mil)	Changes (%)
External Revenue	121.45	177.46	-31.6%
Profit Before Tax	22.33	36.99	-39.8%



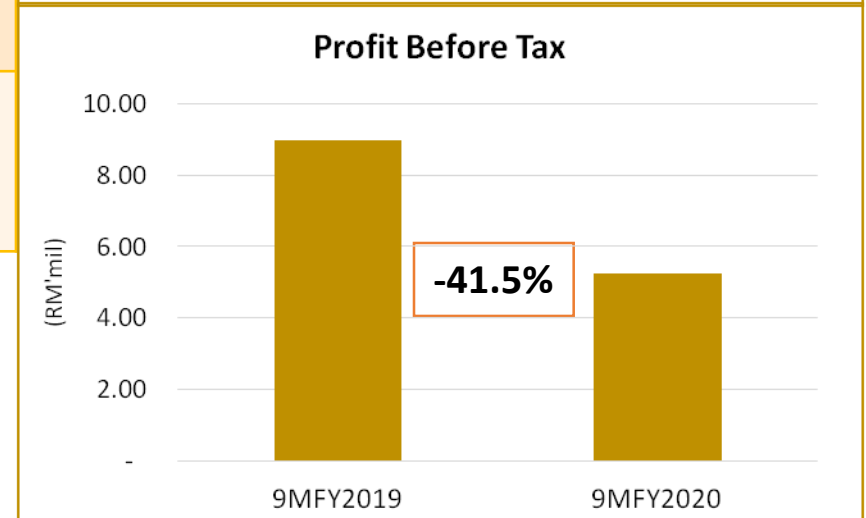
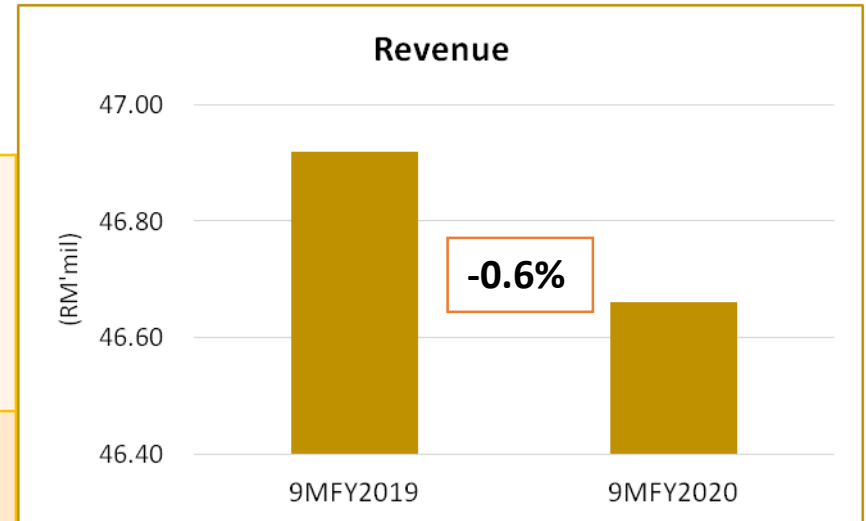
MLM

For 9MFY2020, the MLM division recorded a lower revenue and pre-tax profit of RM 121.5 million and RM 22.3 million, down by 31.6% and 39.8% respectively as compared to RM 177.5 million and RM 37.0 million in the preceding year's corresponding period.

The MLM division continues to operate under a very difficult business conditions with global and domestic economic uncertainties compounding the already weak consumer sentiment. Due to the high cost of living, members remain cautious and are highly selective in their spending, while new members' recruitment and renewal were also affected.

Wholesale

Wholesale Segment	9MFY2020 31 Jan 2020 (RM'mil)	9MFY2019 31 Jan 2019 (RM'mil)	Changes (%)
External Revenue	46.66	46.92	-0.6%
Profit Before Tax	5.25	8.97	-41.5%



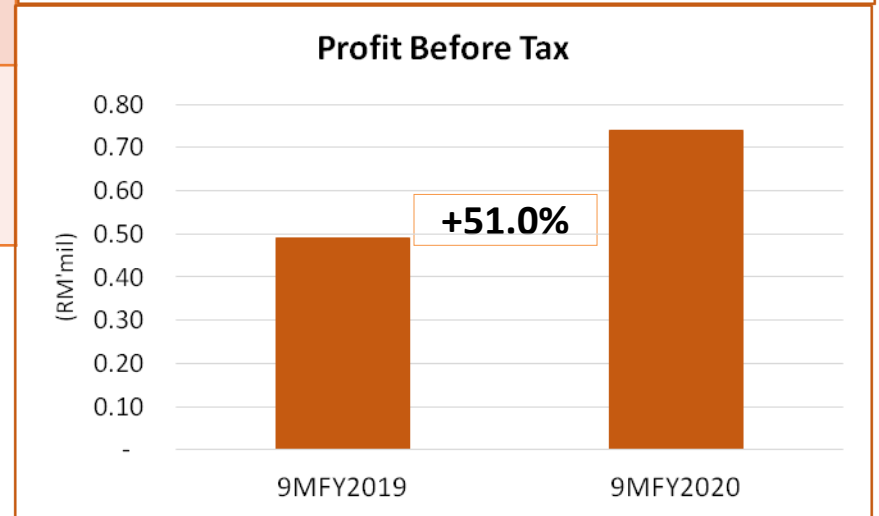
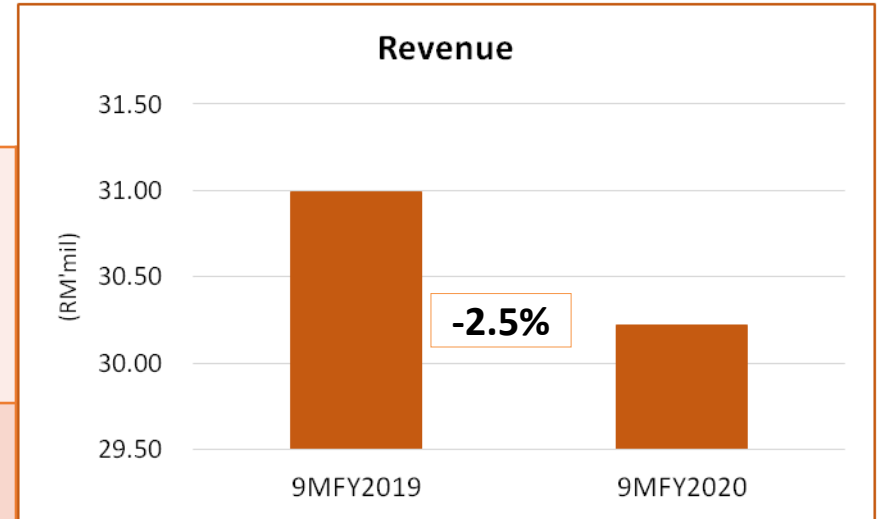
Wholesale

Wholesale revenue was maintained at RM 46.7 million for the period under review 9MFY2020. Higher sales generated from Puer-tea and the export of bird nest products were offset by the drop in Chinese medicated tonic and patented medicine sales.

Pre-tax profit decreased by 41.5% to RM 5.3 million due to lower contribution from inter-segment sales and higher import cost due to price increase by overseas suppliers.

Retail

Retail Segment	9MFY2020 31 Jan 2020 (RM'mil)	9MFY2019 31 Jan 2019 (RM'mil)	Changes (%)
External Revenue	30.22	30.99	-2.5%
Profit Before Tax	0.74	0.49	+51.0%

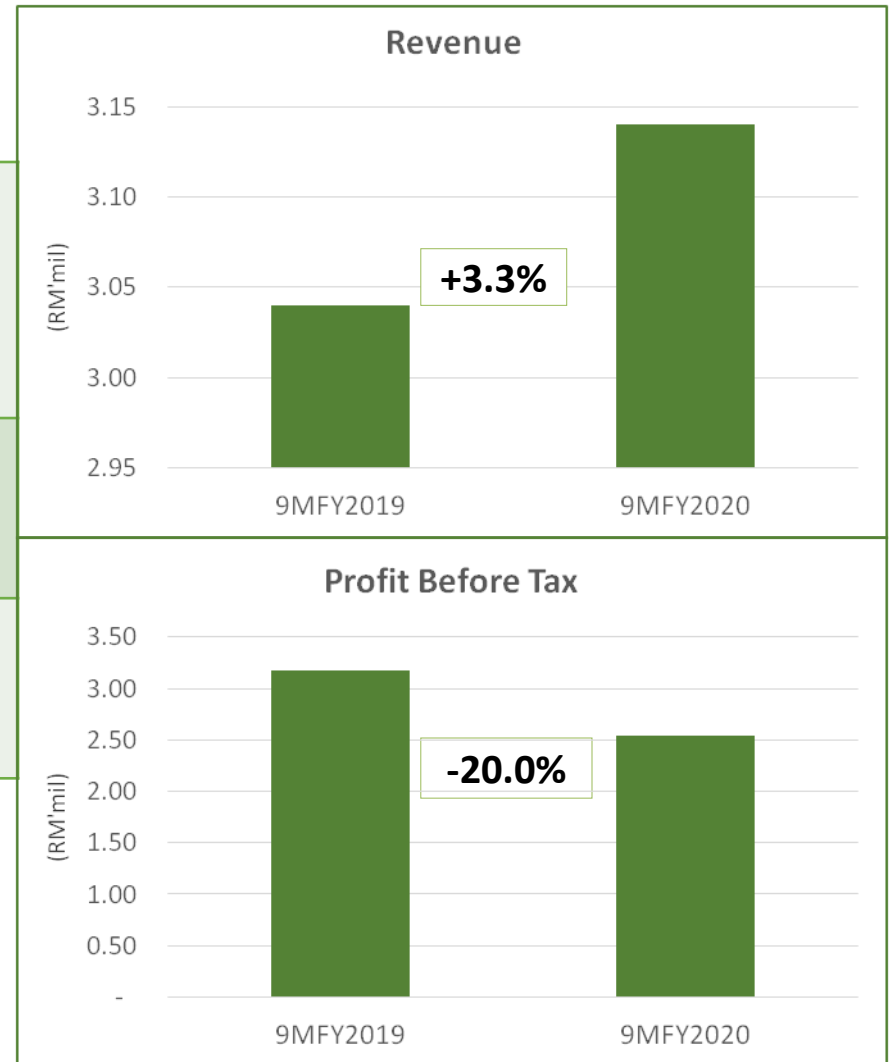


Retail

For the 9MFY2020, the Retail revenue was maintained at about RM 30.0 million while pre-tax profit rose by 51.0% to RM 0.7 million, due to the higher sales from house brand products which carry higher margin, as well as costs optimization initiatives during the period.

"Others" segment

"Others" Segment	9MFY2020 31 Jan 2020 (RM'mil)	9MFY2019 31 Jan 2019 (RM'mil)	Changes (%)
External Revenue	3.14	3.04	+3.3%
Profit Before Tax	2.54	3.17	-20.0%



“Others” segment

Revenue comprised mainly of rental income from investment properties, health food supplement manufacturing activities and credit & leasing business. The main contributors are manufacturing and rental income from investment properties.

For the 9MFY2020, pre-tax profit fell by 20.0% to RM 2.5 million as higher rental income from investment properties was offset by lower manufacturing contribution and the compensation claim of RM 0.5 million adjudged pursuant to a sealed judgment arising from an alleged early termination of tenancy agreement on one of the investment properties has further affected the results of “Others” segment.



Thank You

Wisma Hai-O, Lot 11995

Batu 2, Jalan Kapar

41400 Klang, Selangor D.E.

T : 03-33423322 F : 03-33434257

www.hai-o.com.my