



4QFY2020 Results Update

30 June 2020



Contents Financial Highlights FYE2020

Review by Segment

FYE2020 vs. FYE2019

For the year ended 30 April 2020, the Group recorded a lower revenue of RM255.2 million which represented a decrease of 22.3% as compared to the previous financial year of RM328.4 million. In tandem with the lower revenue, the Group recorded a lower pre-tax profit of RM41.6 million as compared to the preceding year of RM63.4 million, a decrease of 34.4%.

Malaysia's Movement Control Order (MCO) since 18 March 2020 arising from the Covid-19 pandemic had impacted the business activities across the Group. The unexpected and extended nature of the phased lockdown presented unprecedented challenge to the Group, who had swiftly and proactively instituted various actions and measures to mitigate the impact.

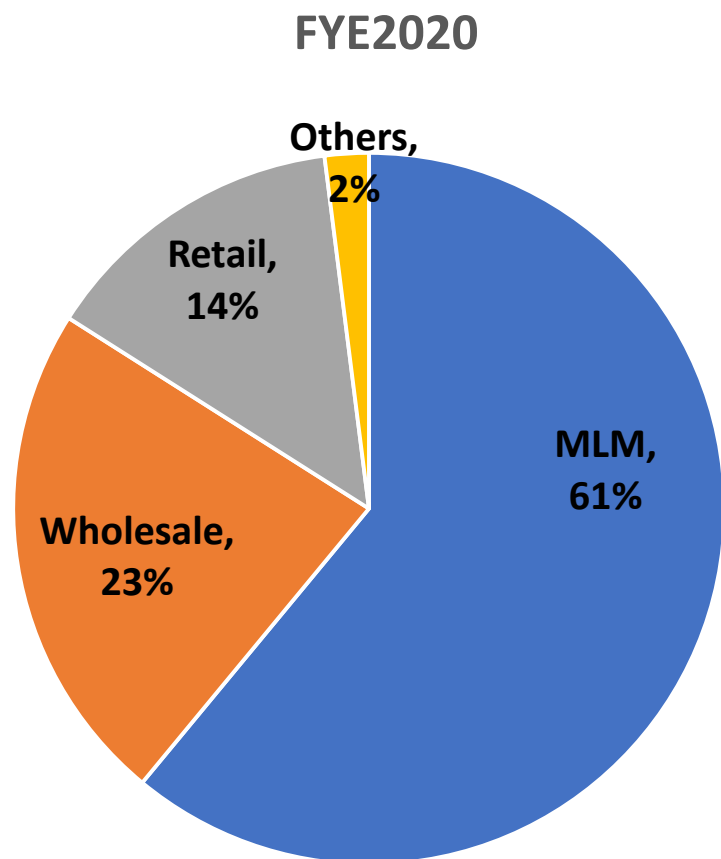
FYE2020 vs. FYE2019

	FYE2020 30 Apr 2020 (RM'mil)	FYE2019 30 Apr 2019 (audited) (RM'mil)	Variance +/-
Revenue	255.16	328.41	-22.3%
Pre-tax Profit	41.61	63.39	-34.4%
Profit After Tax	32.23	47.74	-32.5%
Net Margin (%)	12.6%	14.5%	-1.9%
EPS (sen)	11.10 sen	16.43 sen	-5.33 sen

Statement of Financial Position

	FYE2020 30 Apr 2020 (RM'mil)	FYE2019 30 Apr 2019 (audited) (RM'mil)
Net cash + Short term investment	95.88	95.11
Total assets	361.67	364.24
Total liabilities	51.68	43.56
Shareholders' equity	299.36	310.22
Net assets per share (sen)	103 sen	107 sen

Segment Revenue



Segment	FYE2020 30 Apr 2020		FYE2019 30 Apr 2019 (audited)	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	156.72	61%	224.89	69%
Wholesale	57.43	23%	58.97	18%
Retail	36.71	14%	40.56	12%
Others	4.30	2%	3.98	1%
Total	255.16	100%	328.41	100%



Review by
Segment

Multi Level Marketing (“MLM”)

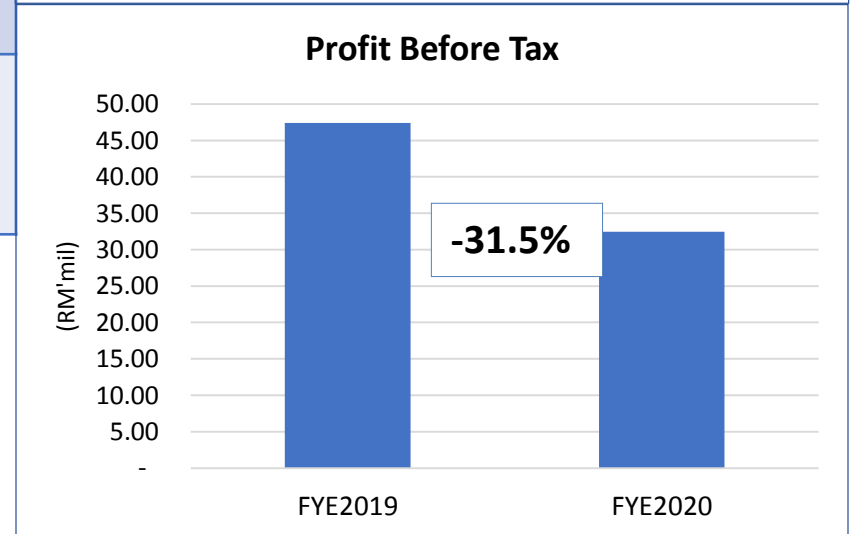
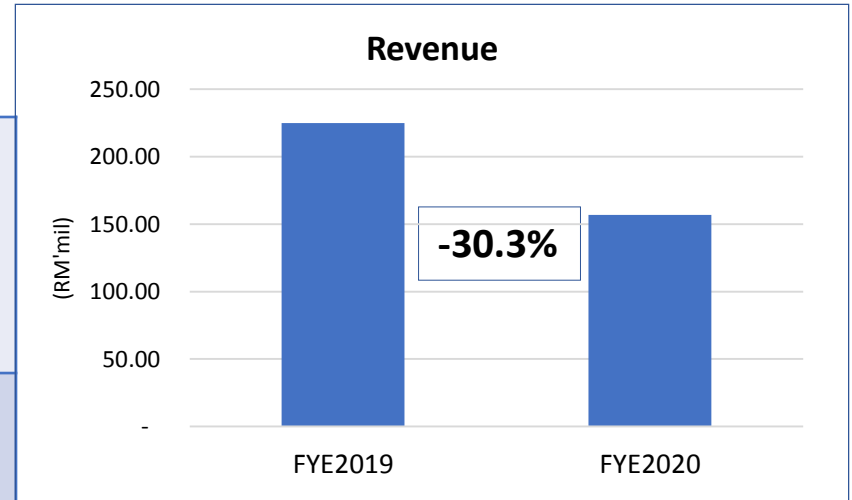
Wholesale

Retail

Others

MLM

MLM Segment	FYE2020 30 Apr 2020 (RM'mil)	FYE2019 30 Apr 2019 (RM'mil)	Changes (%)
External Revenue	156.72	224.89	-30.3%
Profit Before Tax	32.46	47.40	-31.5%



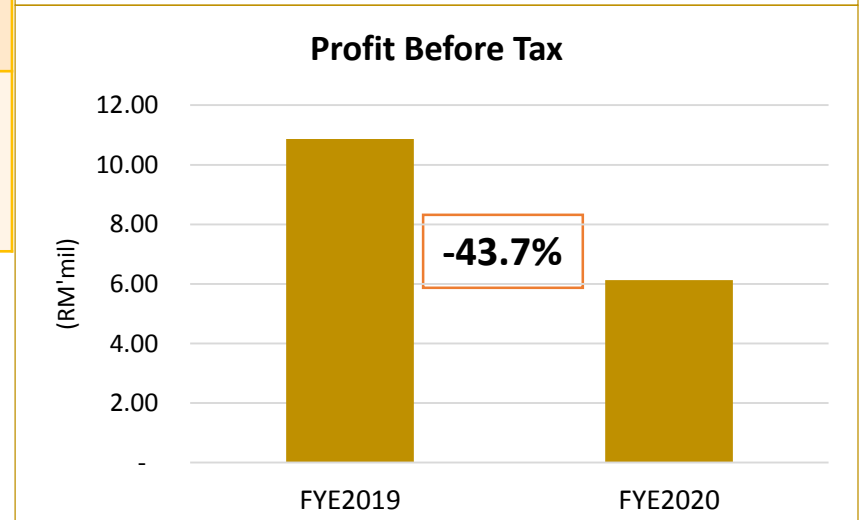
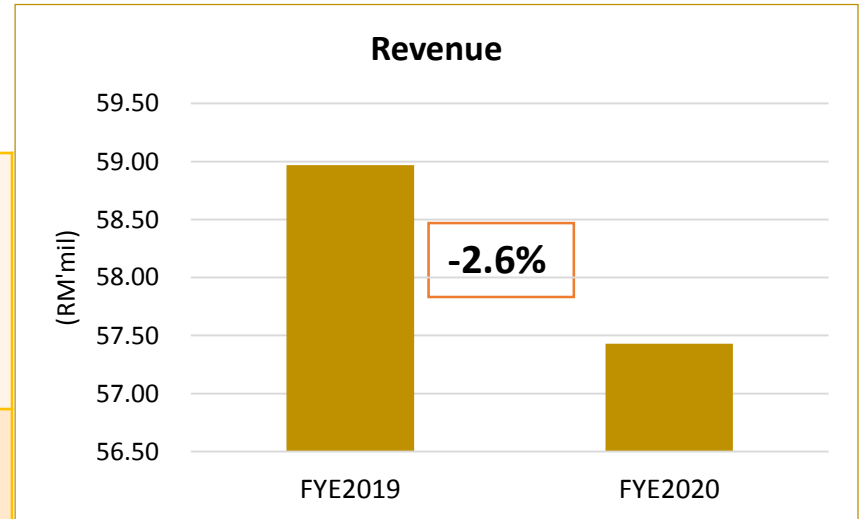
MLM

For the FYE 2020, the MLM division recorded lower revenue and pre-tax profit of RM156.7 million and RM32.5 million for the financial year under review, down by 30.3% and 31.5% respectively as compared to RM224.9 million and RM47.4 million in the preceding year's corresponding period.

The MLM division operated under an extremely challenging business environment with the outbreak of Covid-19 pandemic and the compounding global and domestic economic uncertainties, taking a big toll on consumer sentiment. The division has taken various steps to mitigate the negative impact. In addition to costs optimization initiatives, the division has leveraged on e-commerce sales, aggressively organized product promotions and rebates to members, and also successfully attracted more new members to expand its active distributor base.

Wholesale

Wholesale Segment	FYE2020 30 Apr 2020 (RM'mil)	FYE2019 30 Apr 2019 (RM'mil)	Changes (%)
External Revenue	57.43	58.97	-2.6%
Profit Before Tax	6.13	10.87	-43.7%



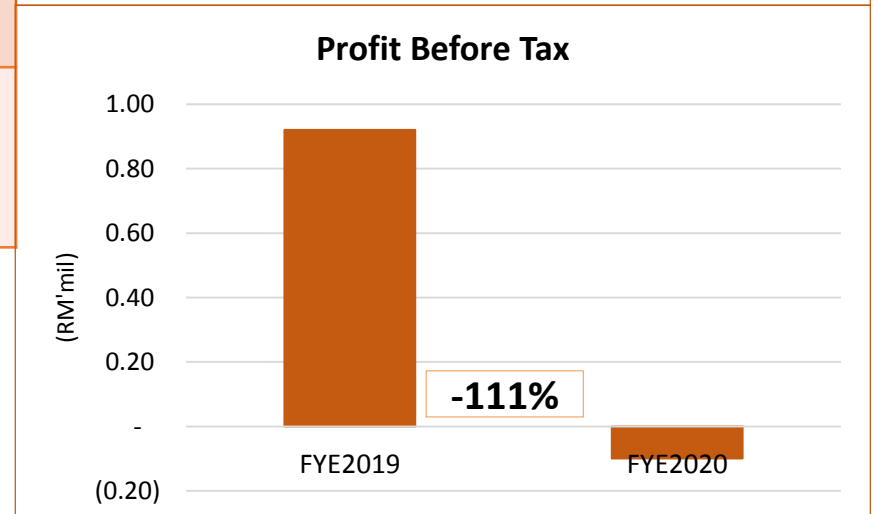
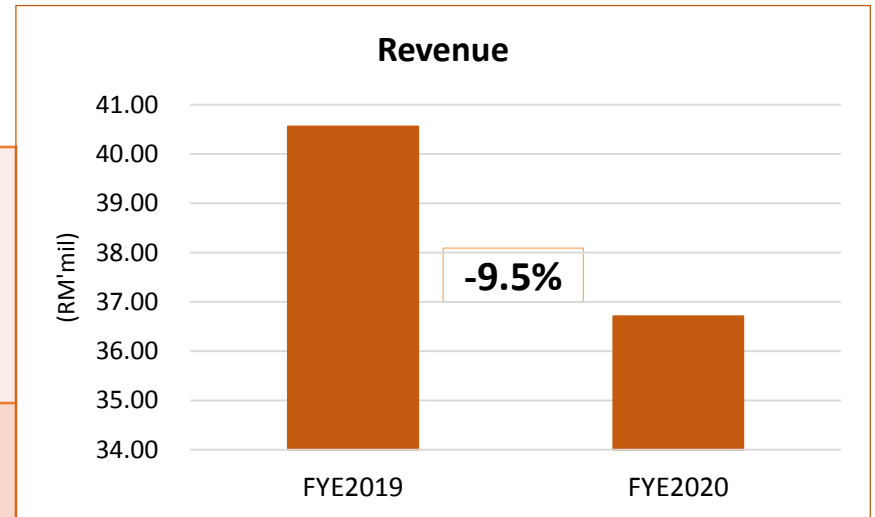
Wholesale

For the FYE2020, the Wholesale division recorded a lower revenue of RM57.4 million, a marginal decrease of 2.6% as compared to RM59.0 million in the preceding year. Higher sales generated from Puer-tea and the export of bird nest products were offset by lower demand for Chinese medicated tonic, cooking wine and patented medicine as the delivery of non-essential goods was prohibited during the MCO period.

Pre-tax profit decreased by 43.7% to RM6.1 million mainly due to lower contribution as a result of a 50% drop in inter-segment sales, coupled with lower sales from Chinese medicated tonic and patented medicine which command higher margin. In addition, an estimated credit loss of RM1.1 million as required under MFRS 9 was recorded during the period.

Retail

Retail Segment	FYE2020 30 Apr 2020 (RM'mil)	FYE2019 30 Apr 2019 (RM'mil)	Changes (%)
External Revenue	36.71	40.56	-9.5%
Profit Before Tax	-0.1	0.92	-111%



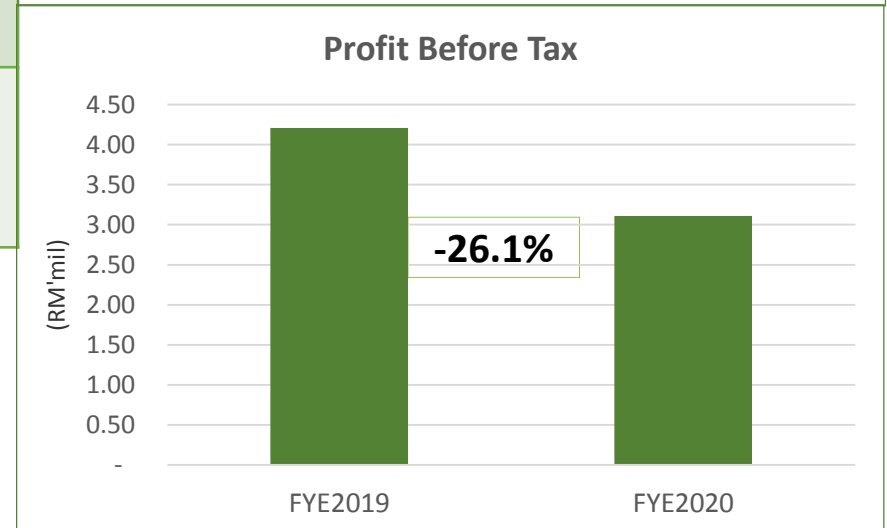
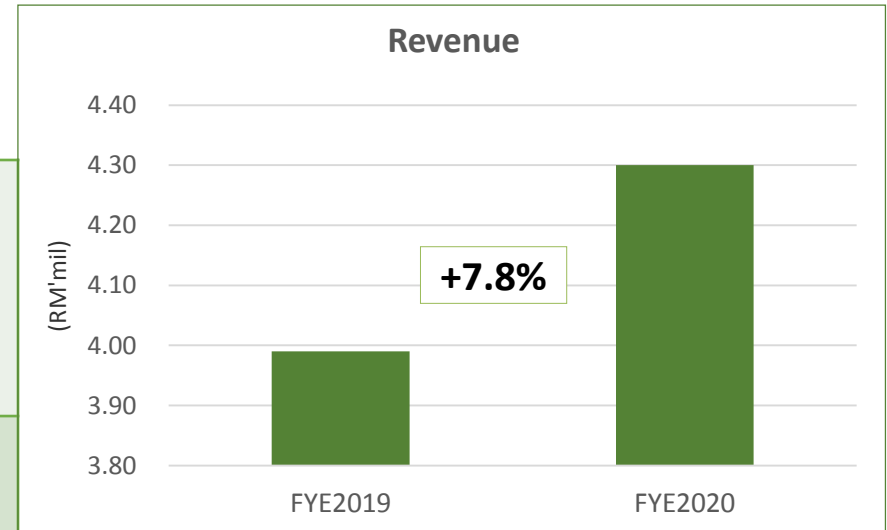
Retail

For the FYE2020, the Retail revenue fell by 9.5% from RM40.6 million to RM36.7 million as the division was hit hard by the MCO. The Retail outlets operated at a minimal level during the 1st phase of the MCO and only partially re-opened from the 2nd phase with shorter operating hours.

Further, taking into account the depressed consumer sentiment, the division deferred its grand year end members' sales promotion which did not help its performance. The division only managed to break even before factoring in MFRS 16 impact of RM0.1 million, as compared to pre-tax profit of RM 0.9 million in the previous year.

"Others" segment

"Others" Segment	FYE2020 30 Apr 2020 (RM'mil)	FYE2019 30 Apr 2019 (RM'mil)	Changes (%)
External Revenue	4.30	3.99	+7.8%
Profit Before Tax	3.11	4.21	-26.1%



“Others” segment

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

During the financial year under review, higher rental income from investment properties was recorded mainly due to a new tenancy. However, pre-tax profit decreased by 26.1% to RM 3.1 million, dragged by lower manufacturing contribution and the compensation of RM 0.5 million paid in respect of a sealed judgment arising from an alleged early termination of a tenancy agreement for one of the investment properties.



Thank You

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