



1QFY2020 Results Update

27 September 2019



Contents Financial Highlights 1QFY2020

Review by Segment

1QFY2020 vs. 1QFY2019

For the 1st quarter under review, the Group recorded lower revenue of RM66.1 million, a decrease of 17.5% as compared to the previous year corresponding quarter of RM80.1 million.

- ✓ The decreased in revenue was mainly attributable to lower contribution from the Multi-level marketing (“MLM”) division.
- ✓ The Group’s gross profit margin fell by 2.0% as the result of an unfavourable change in sales mix.

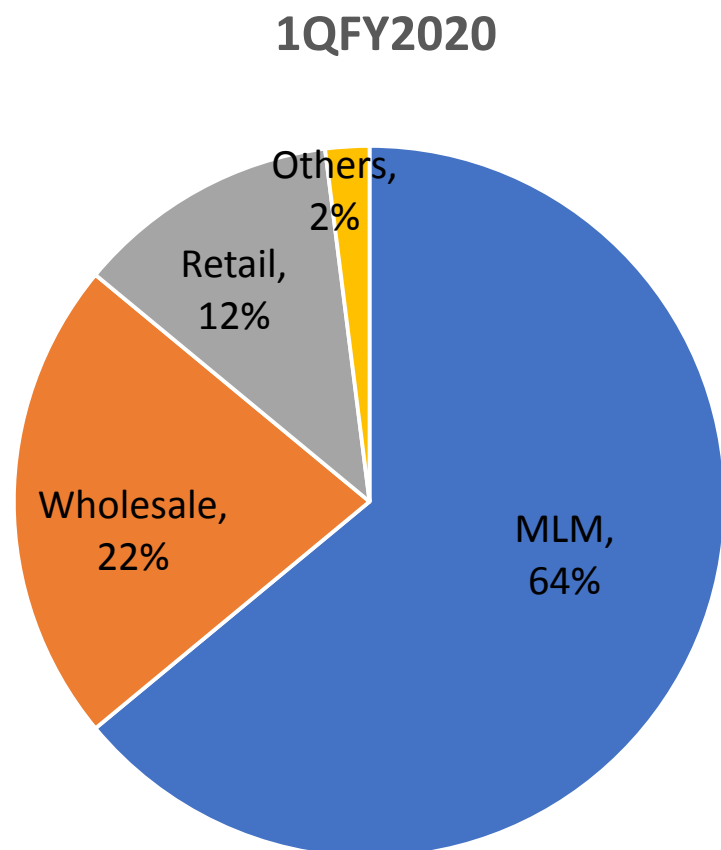
1QFY2020 vs. 1QFY2019

	1QFY2020 31 July 2019 (RM'mil)	1QFY2019 31 July 2018 (RM'mil)	Variance +/-
Revenue	66.06	80.09	-17.5%
Pre-tax Profit	10.20	14.44	-29.4%
Profit attributable to owners	7.74	11.00	-29.6%
Net Margin (%)	11.7%	13.7%	-2.0%
EPS (sen)	2.67	3.78	-1.11 sen

Statement of Financial Position

	1QFY2020 31 July 2019 (RM'mil)	FYE2019 30 Apr 2019 (audited) (RM'mil)
Net Cash + Short Term Investment	100.05	95.11
Total Assets	372.79	364.24
Total Liabilities	45.90	43.56
Shareholders' Equity	316.68	310.22
Net Assets per Share (sen)	109 sen	107 sen

Segment Revenue



Segment	1QFY2020 31 July 2019		1QFY2019 31 July 2018	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	42.06	64%	58.03	72%
Wholesale	14.81	22%	13.56	17%
Retail	8.13	12%	7.62	10%
Others	1.06	2%	0.88	1%
Total	66.06	100%	80.09	100%



Review by
Segment

Multi Level Marketing (“MLM”)

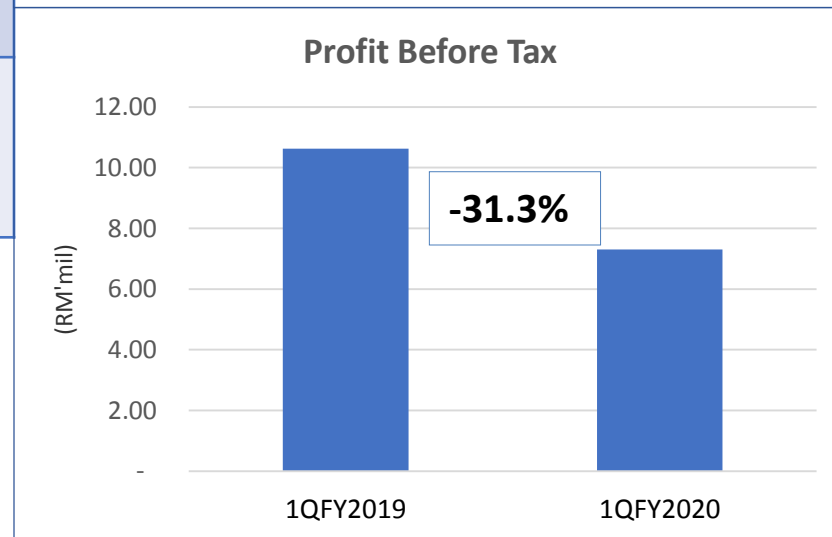
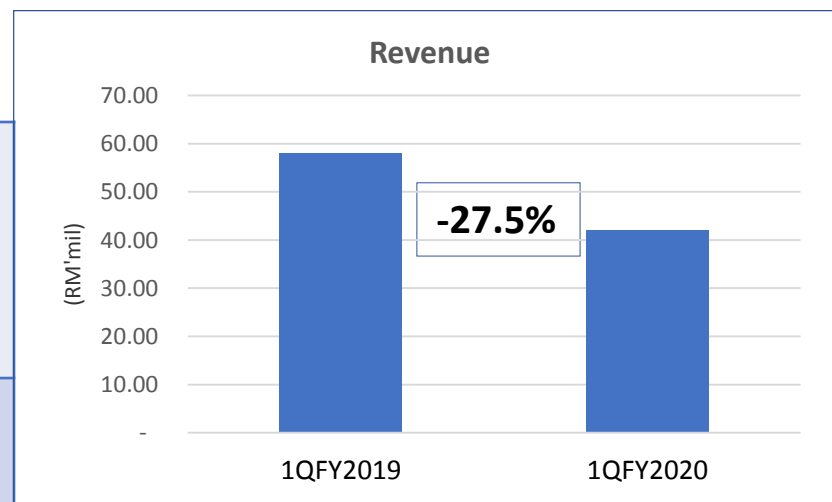
Wholesale

Retail

Others

MLM

MLM Segment	1QFY2020 31 July 2019 (RM'mil)	1QFY2019 31 July 2018 (RM'mil)	Changes (%)
External Revenue	42.06	58.03	-27.5%
Profit Before Tax	7.30	10.63	-31.3%



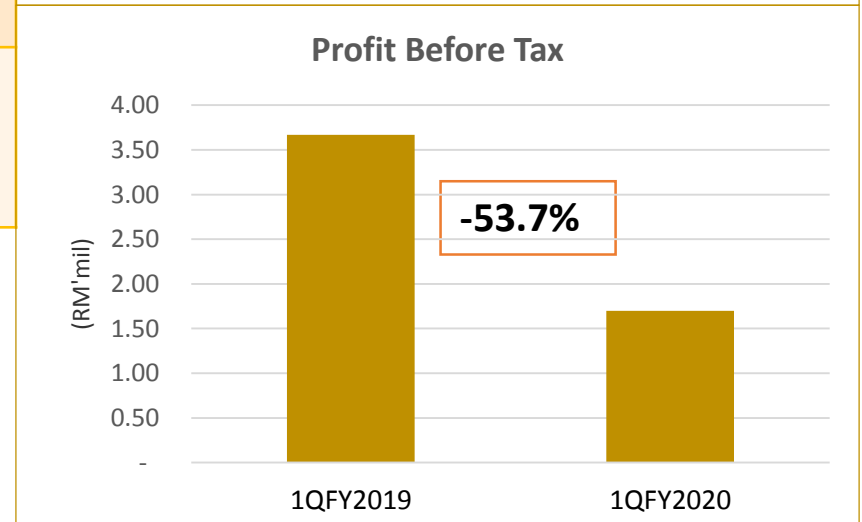
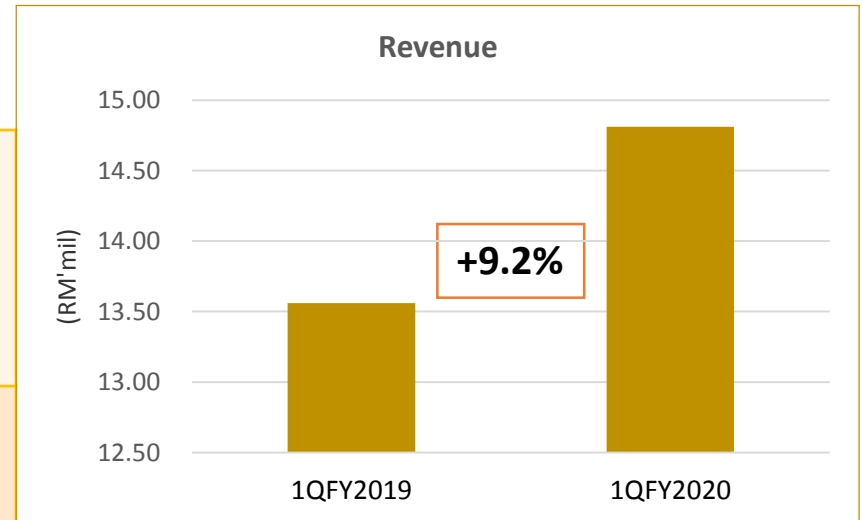
MLM

The division registered lower revenue and pre-tax profit of RM42.1 million and RM7.3 million for the period under review as compared to the preceding year's corresponding quarter of RM58.0 million and RM10.6 million respectively.

- ✓ The slowdown in members' recruitment and renewal since the last financial year persisted in the 1st quarter of the current financial year.
- ✓ Members have continued to cut back spending in view of weak market sentiment while distributors have also slowed down activities since last financial year.
- ✓ The response from overseas incentive campaign which ended in May 2019 was not encouraging as members faced difficulties marketing products amidst the current weak market condition.

Wholesale

Wholesale Segment	1QFY2020 31 July 2019 (RM'mil)	1QFY2019 31 July 2018 (RM'mil)	Changes (%)
External Revenue	14.81	13.56	+9.2%
Profit Before Tax	1.70	3.67	-53.7%



Wholesale

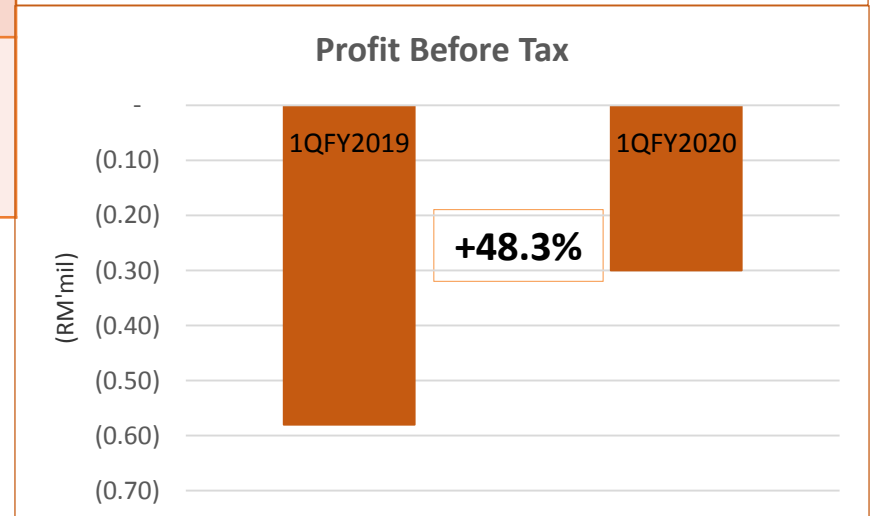
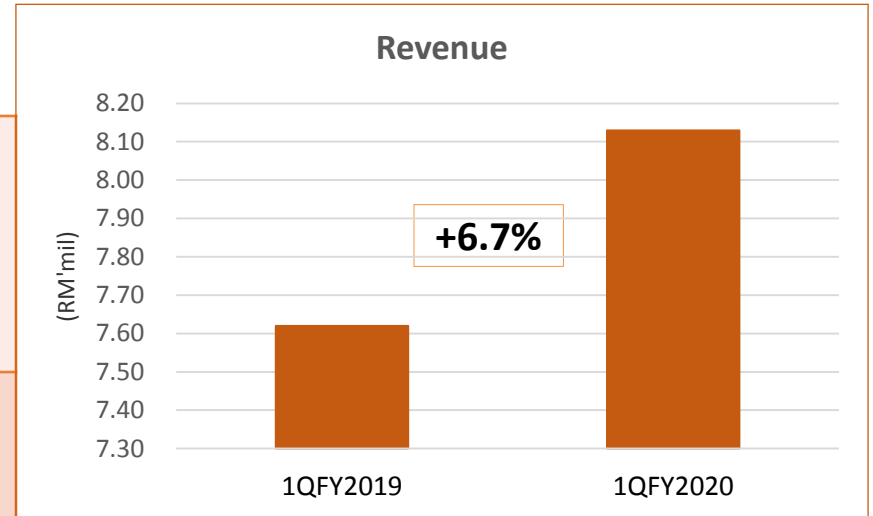
During the period under review, revenue increased by 9.2% to RM14.8 million as compared to the preceding year's corresponding quarter of RM13.6 million.

- ✓ The increase in revenue was mainly attributable to the higher sales from Chinese medicated tonic and bird nest product.
- ✓ The Group has started the export of bird nest products to China after obtaining an export permit from Certification and Accreditation Administration of the People's Republic of China ("CNCA").

However, divisional pre-tax profit fell to RM1.7 million due to lower contribution from inter-segment sales and higher import costs.

Retail

Retail Segment	1QFY2020 31 July 2019 (RM'mil)	1QFY2019 31 July 2018 (RM'mil)	Changes (%)
External Revenue	8.13	7.62	+6.7%
Profit Before Tax	-0.30	-0.58	+48.3%



Retail

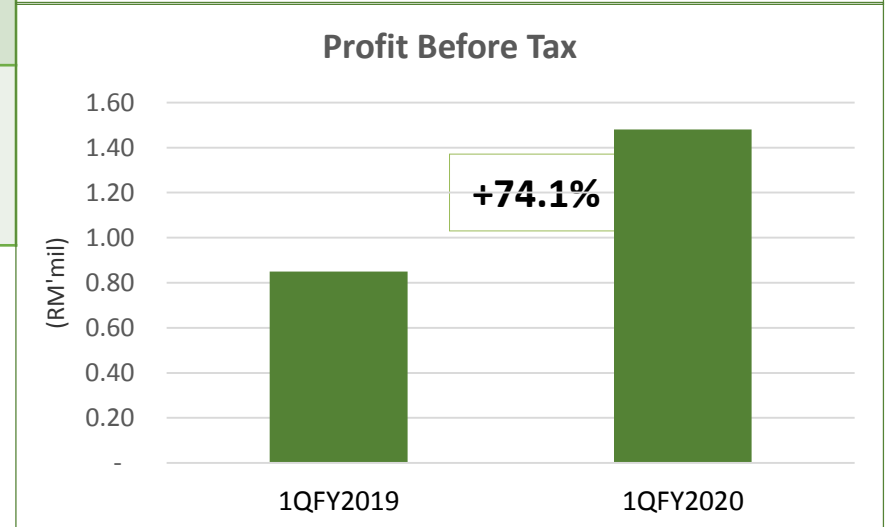
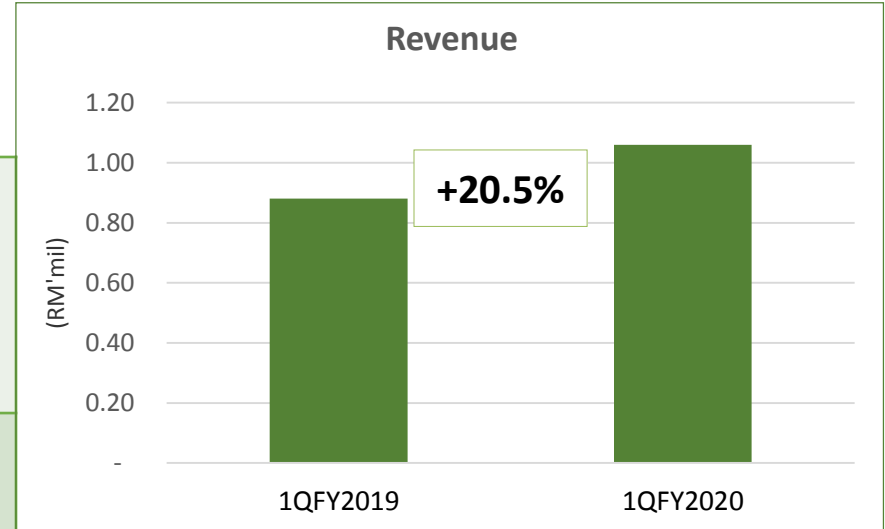
Revenue increased by 6.7% to RM8.1 million as compared to the preceding year's corresponding quarter of RM7.6 million.

- ✓ In the face of slower domestic growth and sluggish purchasing power, the division launched an extensive sales promotion on one of its premium house brand products which received good response from its Loyalty friendship members.

Correspondingly, the division narrowed losses to RM0.3 million as compared to the preceding year's corresponding quarter of RM0.6 million.

“Others” Segment

“Others” Segment	1QFY2020 31 July 2019 (RM'mil)	1QFY2019 31 July 2018 (RM'mil)	Changes (%)
External Revenue	1.06	0.88	+20.5%
Profit Before Tax	1.48	0.85	+74.1%



“Others” Segment

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

During the period under review, the pre-tax profit increased by almost double from RM0.8 million to RM1.5 million mainly attributable to higher contribution from intersegment sales of the manufacturing division coupled with higher rental income generated from investment properties.



Thank You

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