



# 4QFY2019 Results Update

26 June 2019



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Review by Segment

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# FYE2019 vs. FYE2018

For the year ended 30 April 2019, the Group recorded a lower revenue of RM328.4 million which represented a decrease of 28.9% as compared to the previous financial year of RM461.7 million, after factored in the impact of MFRS 9 and MFRS 15 which was effective on or after 1 January 2018. The decrease was mainly attributable to lower revenue generated from the Multi level marketing (“MLM”) and Wholesale divisions.

- ✓ The Group’s gross profit margin was 36.5% before the impact of MFRS 9 and MFRS 15 as compared to previous year of 35.0%, it improved by about 1.5% as a result of higher margin contribution from “small-ticket” items in the MLM division and higher sales contribution from high margin products in Wholesale division.

# FYE2019 vs. FYE2018

- ✓ The Group recorded a lower pre-tax profit of RM63.5 million as compared to the preceding year of RM96.5 million, a decrease of 34.2%. The decrease in pre-tax profit was mainly attributed to lower revenue registered and additional marketing and branding costs of approximately RM1.4 million incurred during the financial year. In addition, a one-off 6% rebate on sales carried out in May 2018 prior to the abolishment of GST on 1 June 2018 amounting to RM0.9 million and higher CSR cost of RM 1.4 million incurred during the year had further lowered the bottom line.

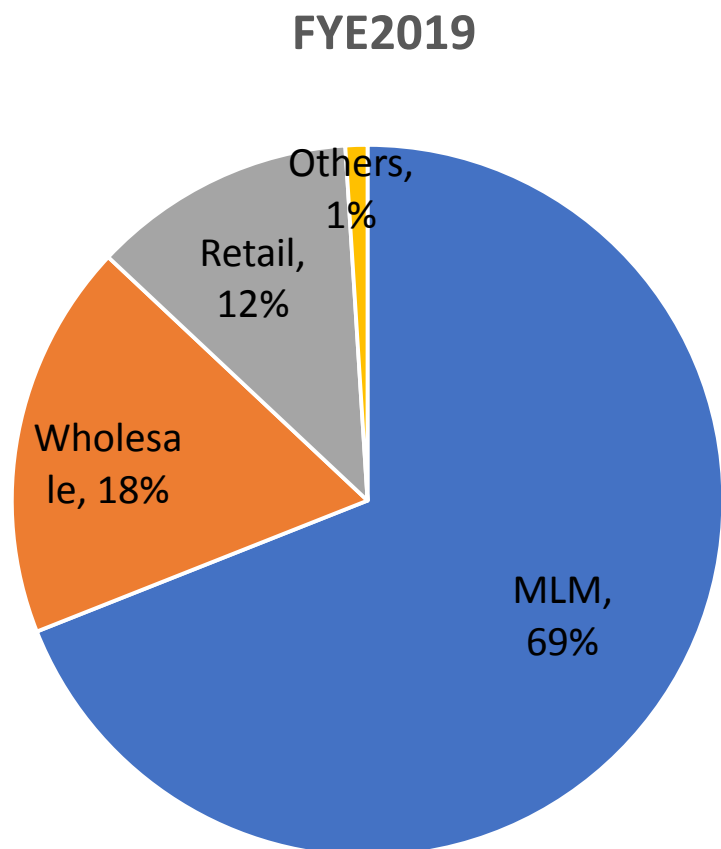
# FYE2019 vs. FYE2018

	<b>FYE2019 30 Apr 2019  (RM'mil)</b>	<b>FYE2018 30 Apr 2018 (audited) (RM'mil)</b>	<b>Variance +/-</b>
Revenue	328.35	461.70	<b>-28.9%</b>
Pre-tax Profit	63.50	96.49	<b>-34.2%</b>
Profit attributable to owners	47.41	72.26	<b>-34.4%</b>
Net Margin (%)	14.4%	15.7%	<b>-1.3%</b>
EPS (sen)	16.31	24.88	<b>-8.57 sen</b>

# Statement of Financial Position

	<b>FYE2019 30 Apr 2019  (RM'mil)</b>	<b>FYE2018 30 Apr 2018 (audited) (RM'mil)</b>
Net Cash + Short Term Investment	95.12	126.62
Total Assets	364.67	396.00
Total Liabilities	44.12	77.08
Shareholders' Equity	310.07	307.91
Net Assets per Share (sen)	107 sen	106 sen

# Segment Revenue



Segment	FYE2019 30 Apr 2019		FYE2018 30 Apr 2018	
	(RM'mil)	(%)	(RM'mil)	(%)
<b>MLM</b>	224.89	69%	352.55	76%
<b>Wholesale</b>	58.91	18%	63.65	14%
<b>Retail</b>	40.56	12%	41.48	9%
<b>Others</b>	3.99	1%	4.02	1%
<b>Total</b>	328.35	100%	461.70	100%



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Review by  
Segment

Multi Level Marketing (“MLM”)

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Wholesale

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Retail

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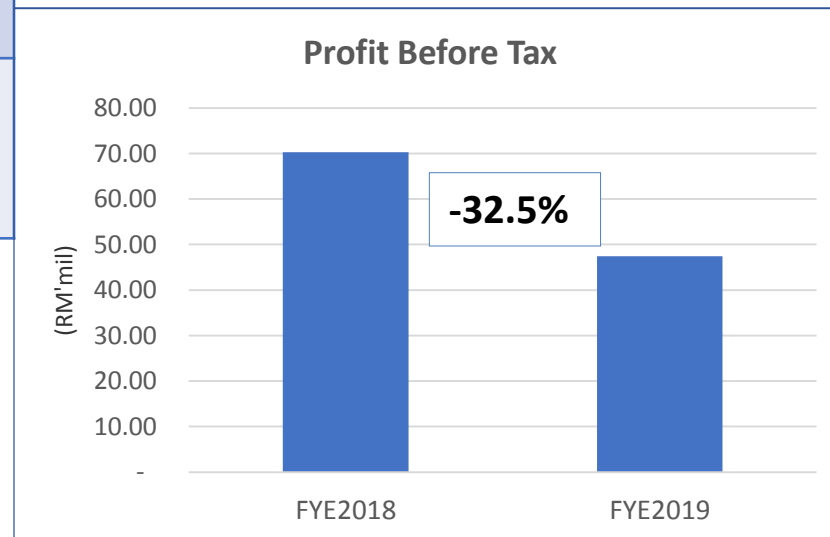
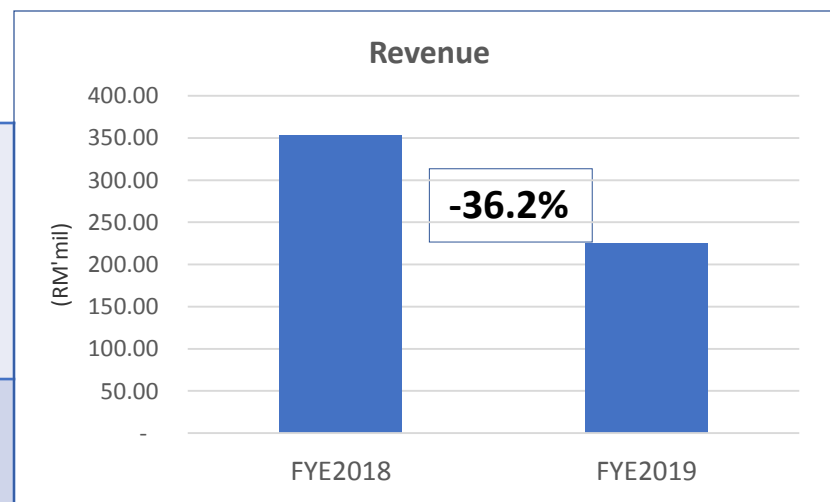
Others

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# MLM

MLM Segment	FYE2019 30 Apr 2019  (RM'mil)	FYE2018 30 Apr 2018  (RM'mil)	Changes  (%)
External Revenue	224.89	352.55	<b>-36.2%</b>
Profit Before Tax	47.40	70.25	<b>-32.5%</b>



# MLM

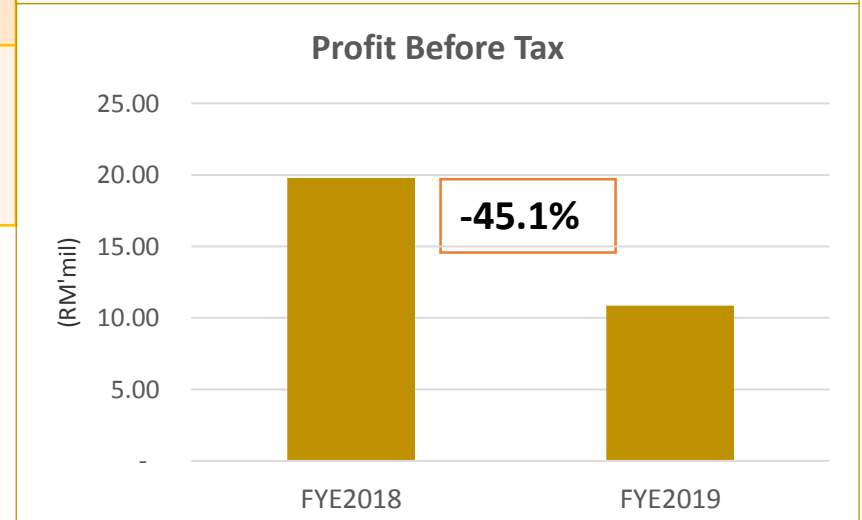
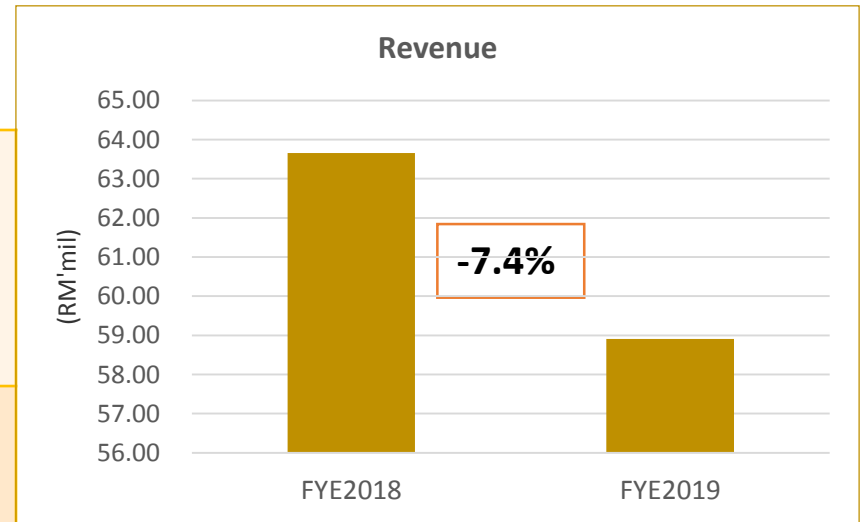
For the FYE2019, the MLM division recorded a lower revenue of RM224.9 million as compared to the preceding year of RM352.6 million, a decrease of 36.2%. Excluding the adjustment arising from MFRSs, the revenue was RM234.2 million.

- ✓ The division is continuously facing challenges during the year, the slow-down in members' recruitment and renewal had affected the financial performance of the division.
- ✓ A higher base was recorded in the preceding year due to the overwhelming response from the 25th anniversary grand sales promotion and successful overseas incentive trip campaign in the last financial year.

Despite additional contribution from newly launched “small ticket” items during the financial year, the MLM division recorded a lower pre-tax profit of RM47.4 million as compared to the preceding year of RM70.3 million. Furthermore, the sales promotion with an additional 6% rebate given to members prior to the abolishment of GST amounting to approximately RM0.9 million was absorbed by the division. There was higher marketing & branding costs incurred approximately RM1.4 million during the financial year.

# Wholesale

Wholesale Segment	FYE2019 30 Apr 2019  (RM'mil)	FYE2018 30 Apr 2018  (RM'mil)	Changes  (%)
External Revenue	58.91	63.66	-7.4%
Profit Before Tax	10.87	19.80	-45.1%



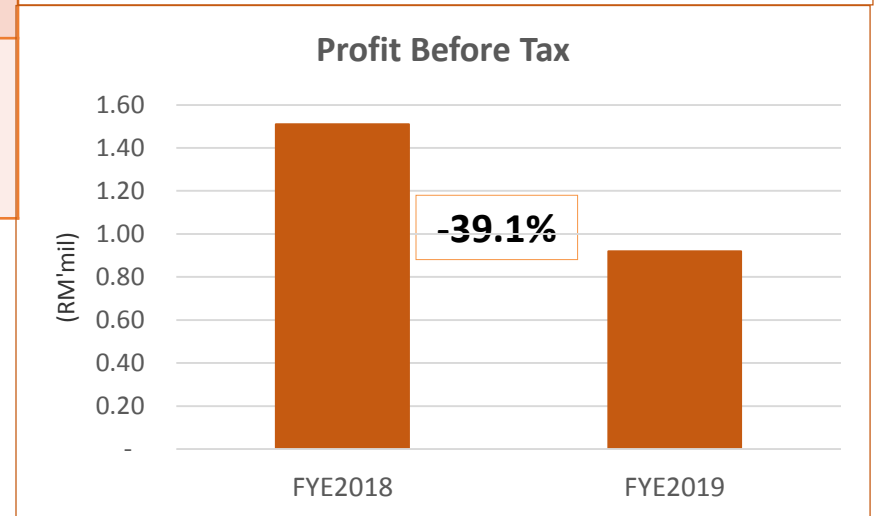
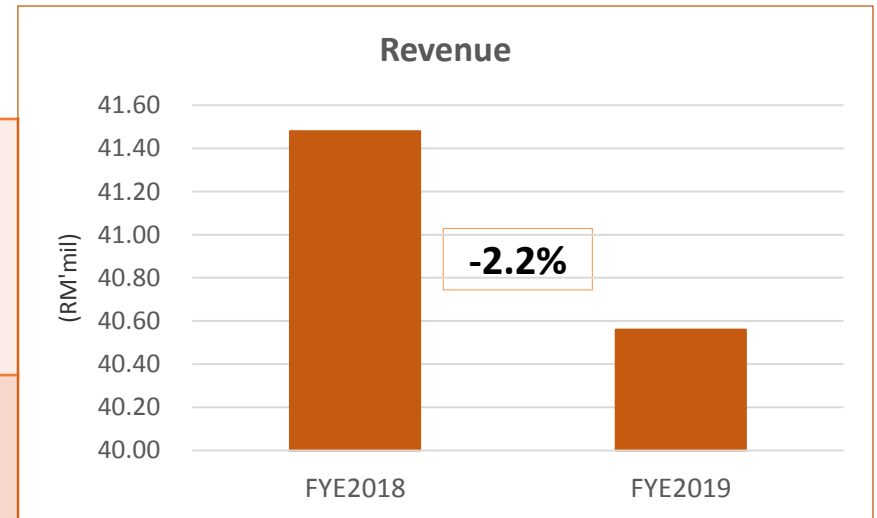
# Wholesale

For the FYE2019, the Wholesale division recorded a lower revenue of RM58.9 million, a decrease of 7.4% as compared to the preceding year of RM63.7 million. Despite additional sales generated from patented medicine, it was offset by the drop in sales of vintage tea and other products.

The pre-tax profit was lower by 45% to RM10.9 million mainly due to lower revenue and contribution from inter-segment sales. Furthermore, higher CSR costs amounting to RM1.4 million incurred during the financial year had further reduced the pre-tax profit.

# Retail

Retail Segment	FYE2019 30 Apr 2019  (RM'mil)	FYE2018 30 Apr 2018  (RM'mil)	Changes  (%)
External Revenue	40.56	41.48	-2.2%
Profit Before Tax	0.92	1.51	-39.1%



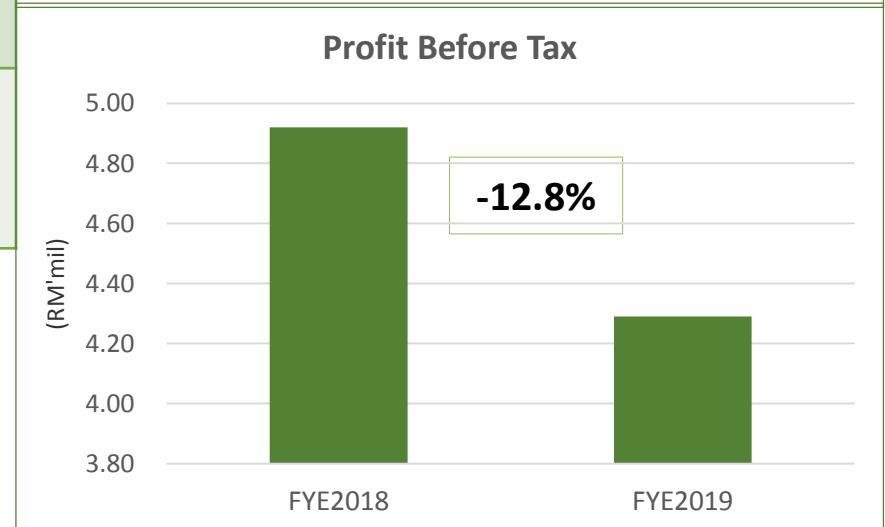
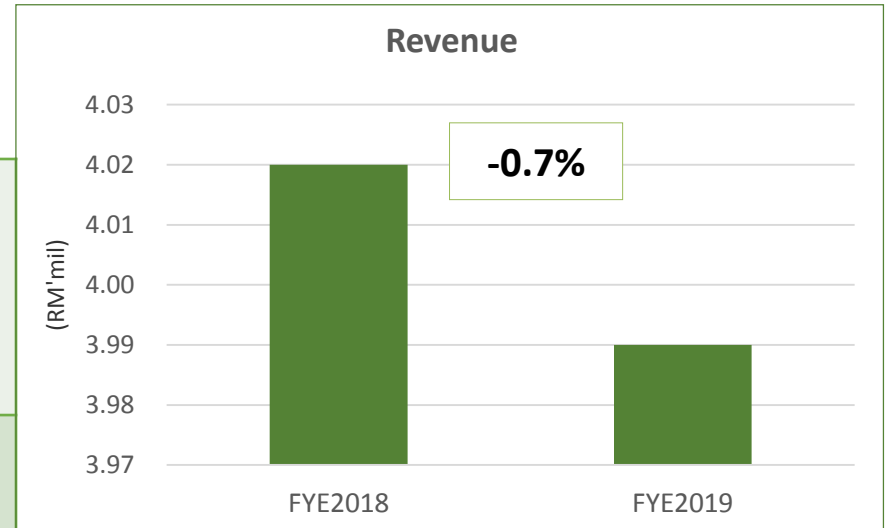
# Retail

For the FYE2019, excluding the adjustment arising from MFRSs, the Retail division revenue maintained at about RM41.0 million. Consumer are cautious in spending especially on premium products as the overall sentiment in the retail industry remained weak coupled with rising cost of living.

As a result, lower sale from premium food supplements which command higher margin coupled with high operating costs reduced the pre-tax profit by 39.1% to about RM1.0 million as compared to the preceding year.

# "Others" Segment

"Others" Segment	FYE2019 30 Apr 2019  (RM'mil)	FYE2018 30 Apr 2018  (RM'mil)	Changes  (%)
External Revenue	3.99	4.02	-0.7%
Profit Before Tax	4.29	4.92	-12.8%



# “Others” Segment

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

Despite higher rental income from investment properties which increased by 25.0% to RM 3.7 million, it was offset by lower contribution from the manufacturing division. Hence, the pre-tax profit of Others division was lower by 13% to RM 4.3 million.





# Thank You

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