

# RITAMIX GLOBAL LIMITED

## 利特米有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1936

### INTERIM REPORT 2021





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Dato' Sri Lee Haw Yih (*Chairman and chief executive officer*)  
Datin Sri Yaw Sook Kean

### Non-executive Director

Mr. Lee Haw Shyang

### Independent Non-executive Directors

Ms. Ng Siok Hui  
Mr. Lim Chee Hoong  
Mr. Lim Heng Choon

## COMPANY SECRETARY

Ms. Leung Ho Yee

## AUTHORISED REPRESENTATIVES

Ms. Leung Ho Yee  
Dato' Sri Lee Haw Yih

## BOARD COMMITTEES

### Audit Committee

Mr. Lim Chee Hoong (*Chairperson*)  
Mr. Lim Heng Choon  
Ms. Ng Siok Hui

### Remuneration Committee

Ms. Ng Siok Hui (*Chairperson*)  
Mr. Lim Chee Hoong  
Dato' Sri Lee Haw Yih

### Nomination Committee

Mr. Lim Heng Choon (*Chairperson*)  
Ms. Ng Siok Hui  
Dato' Sri Lee Haw Yih

## REGISTERED OFFICE

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HEADQUARTERS

No. 7, Jalan TP 7  
UEP Industrial Park  
40400 Shah Alam  
Selangor Darul Ehsan  
Malaysia

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31st Floor  
148 Electric Road  
North Point  
Hong Kong

## HONG KONG LEGAL ADVISER

ONC Lawyers  
19th Floor, Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

## COMPLIANCE ADVISER

Messis Capital Limited  
Room 1606, 16th Floor  
Tower 2, Admiralty Centre  
18 Harcourt Road  
Hong Kong



## JOINT AUDITORS

Mazars CPA Limited  
*Certified Public Accountants, Hong Kong*  
42/F, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

Mazars PLT  
*Chartered Accountants, Malaysia*  
Wisma Golden Eagle Realty  
11th Floor, South Block  
142-A Jalan Ampang, 50450 Kuala Lumpur  
Malaysia

## COMPANY'S WEBSITE

[www.ritamix-global.com](http://www.ritamix-global.com)

## PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited  
2103B, 21st Floor  
148 Electric Road  
North Point  
Hong Kong

## PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad  
17-23, Jalan Sultan  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Malayan Banking Berhad  
Subang Business Centre  
2nd Floor, No. B-13, Jalan USJ 25/I  
Garden Shoppe, One City, USJ 25  
47650 Subang Jaya  
Selangor Darul Ehsan  
Malaysia

## LISTING INFORMATION

### Place of Listing

The Main Board of The Stock Exchange of  
Hong Kong Limited

### Stock Code

1936

### Board Lots

2,000 shares



## UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Ritamix Global Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”), together with the relevant comparative figures for the corresponding period in 2020 as follows. The financial results have been approved by the Board.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

|  | Notes | For the six months ended<br>30 June |                               |
|--|-------|-------------------------------------|-------------------------------|
|  |       | 2021<br>RM'000<br>(Unaudited)       | 2020<br>RM'000<br>(Unaudited) |
| <b>Revenue</b>   | 4     | 56,772                              | 58,573                        |
| Cost of goods sold   |       | (43,390)                            | (45,317)                      |
| Gross profit   |       | 13,382                              | 13,256                        |
| Other income   | 5     | 1,180                               | 1,357                         |
| Selling and distribution costs   |       | (1,187)                             | (1,079)                       |
| Administrative and other operating expenses  |       | (5,042)                             | (3,860)                       |
| Finance costs  | 6     | (24)                                | (43)                          |
| Loss allowance of trade receivables  | 11    | (145)                               | (202)                         |
| Listing expenses   |       | —                                   | (4,291)                       |
| <b>Profit before tax</b>   | 6     | 8,164                               | 5,138                         |
| Income tax expenses  | 7     | (2,335)                             | (2,310)                       |
| <b>Profit for the period, attributable to equity holders of the Company</b>                        |       | 5,829                               | 2,828                         |
| <b>Other comprehensive income/(loss)</b>   |       |                                     |                               |
| <i>Item that may be reclassified subsequently to profit or loss:</i>                               |       |                                     |                               |
| Exchange differences on translation of the Company's financial statements to presentation currency |       | 962                                 | (1,087)                       |
| <b>Total comprehensive income for the period, attributable to equity holders of the Company</b>    |       | 6,791                               | 1,741                         |
| <b>Earnings per share attributable to equity holders of the Company</b>                            |       |                                     |                               |
| Basic and diluted  | 8     | 1.17 RM sen                         | 0.69 RM sen                   |

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

|  | Notes | At 30 June<br>2021<br>RM'000<br>(Unaudited) | At 31 December<br>2020<br>RM'000<br>(Audited) |
|--|-------|---|---|
| <b>Non-current assets</b>                    |       |   |   |
| Property, plant and equipment                | 10    | 14,720                                      | 14,725  |
| <b>Current assets</b>                        |       |   |   |
| Inventories                                  |       | 37,381                                      | 34,912  |
| Trade and other receivables                  | 11    | 28,411                                      | 29,467  |
| Other investments                            | 12    | 49,913                                      | 53,074  |
| Restricted bank balances                     |       | 1,670                                       | 1,670   |
| Bank balances and cash                       |       | 28,776                                      | 15,171  |
|  |       | 146,151                                     | 134,294                                       |
| <b>Current liabilities</b>                   |       |   |   |
| Trade and other payables                     | 13    | 11,124                                      | 7,096   |
| Interest-bearing borrowings                  | 14    | 181   | —   |
| Income tax payables                          |       | 1,138                                       | 513   |
| Lease liabilities                            | 15    | 284   | 61  |
|  |       | 12,727                                      | 7,670   |
| <b>Net current assets</b>                    |       | 133,424                                     | 126,624                                       |
| <b>Total assets less current liabilities</b> |       | 148,144                                     | 141,349                                       |
| <b>Non-current liabilities</b>               |       |   |   |
| Deferred tax liabilities                     |       | 640   | 636   |
| <b>Net assets</b>                            |       | 147,504                                     | 140,713                                       |
| <b>Capital and reserves</b>                  |       |   |   |
| Share capital                                | 16    | 2,769                                       | 2,769   |
| Reserves                                     |       | 144,735                                     | 137,944                                       |
| <b>Total equity</b>                          |       | 147,504                                     | 140,713                                       |

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

|  | Attributable to equity holders of the Company |   |   |  |                               |                 |
|--|---|---|---|--|-------------------------------|-----------------|
|  | Share capital<br>RM'000<br>(Note 16)          | Share premium<br>RM'000<br>(Note 17(a)) | Capital reserve<br>RM'000<br>(Note 17(b)) | Exchange reserve<br>RM'000<br>(Note 17(c)) | Accumulated profits<br>RM'000 | Total<br>RM'000 |
| <i>For the six months ended 30 June 2020</i>   |   |   |   |  |                               |                 |
| At 1 January 2020 (Audited)  | —*  | —                                       | 14,344                                    | —  | 69,891                        | 84,235          |
| Profit for the period  | —   | —                                       | —   | —  | 2,828                         | 2,828           |
| <b>Other comprehensive loss</b>  |   |   |   |  |                               |                 |
| <i>Item that may be reclassified subsequently to profit or loss</i>                                |   |   |   |  |                               |                 |
| Exchange differences on translation of the Company's financial statements to presentation currency | —   | —                                       | —   | (1,087)                                    | —                             | (1,087)         |
| Total comprehensive income for the period  | —   | —                                       | —   | (1,087)                                    | 2,828                         | 1,741           |
| <b>Transaction with owners</b>   |   |   |   |  |                               |                 |
| <i>Contributions and distributions</i>   |   |   |   |  |                               |                 |
| Issue of shares pursuant to the Capitalisation Issue (Note 16(b))                                  | 2,079   | (2,079)                                 | —   | —  | —                             | —               |
| Issue of shares pursuant to the Share Offer (Note 16(c))   | 690   | 68,351                                  | —   | —  | —                             | 69,041          |
| Transaction costs attributable to issue of shares (Note 16(c))                                     | —   | (17,291)                                | —   | —  | —                             | (17,291)        |
| At 30 June 2020 (Unaudited)  | 2,769   | 48,981                                  | 14,344                                    | (1,087)                                    | 72,719                        | 137,726         |
| <i>For the six months ended 30 June 2021</i>   |   |   |   |  |                               |                 |
| At 1 January 2021 (Audited)  | 2,769   | 48,981                                  | 14,344                                    | (3,723)                                    | 78,342                        | 140,713         |
| Profit for the period  | —   | —                                       | —   | —  | 5,829                         | 5,829           |
| <b>Other comprehensive income</b>  |   |   |   |  |                               |                 |
| <i>Item that may be reclassified subsequently to profit or loss</i>                                |   |   |   |  |                               |                 |
| Exchange differences on translation of the Company's financial statements to presentation currency | —   | —                                       | —   | 962  | —                             | 962             |
| Total comprehensive income for the period  | —   | —                                       | —   | 962  | 5,829                         | 6,791           |
|  | —   | —                                       | —   | —  | —                             | —               |
| At 30 June 2021 (Unaudited)  | 2,769   | 48,981                                  | 14,344                                    | (2,761)                                    | 84,171                        | 147,504         |

\* Represent amount less than RM1,000.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

|   | For the six months ended |                 |
|---|--------------------------|-----------------|
|   | 30 June                  |                 |
|   | 2021                     | 2020            |
|   | RM'000                   | RM'000          |
|   | (Unaudited)              | (Unaudited)     |
| <b>OPERATING ACTIVITIES</b>   |                          |                 |
| Profit before tax   | 8,164                    | 5,138           |
| Adjustments for:  |                          |                 |
| Depreciation  | 751                      | 632             |
| Gain on disposal of property, plant and equipment                     | (27)                     | —               |
| Fair value (gain)/loss on other investments                           | (310)                    | 10              |
| Loss allowance of trade receivables                                   | 145                      | 202             |
| Interest income   | (280)                    | (187)           |
| Interest expenses   | 24                       | 43              |
| Investment income arising from other investments                      | (433)                    | (104)           |
| Exchange differences  | 962                      | (1,087)         |
| <b>Cash flows from operations before movements in working capital</b> | <b>8,996</b>             | <b>4,647</b>    |
| Inventories   | (2,469)                  | (6,002)         |
| Trade and other receivables   | 910                      | 7,703           |
| Trade and other payables  | 4,027                    | (1,584)         |
| <b>Cash generated from operations</b>                                 | <b>11,464</b>            | <b>4,764</b>    |
| Income tax paid   | (1,704)                  | (2,287)         |
| <b>Net cash from operating activities</b>                             | <b>9,760</b>             | <b>2,477</b>    |
| <b>INVESTING ACTIVITIES</b>   |                          |                 |
| Interest received   | 280                      | 187             |
| Investment income arising from other investments                      | 433                      | 104             |
| Purchases of other investments  | (10,435)                 | (29,913)        |
| Redemption of other investments                                       | 13,905                   | 7,667           |
| Purchases of property, plant and equipment                            | (245)                    | (62)            |
| Proceeds from disposal of property, plant and equipment               | 27                       | —               |
| <b>Net cash from (used in) investing activities</b>                   | <b>3,965</b>             | <b>(22,017)</b> |



For the six months ended  
30 June

2021  
RM'000  
(Unaudited)

2020  
RM'000  
(Unaudited)

|  | 2021<br>RM'000<br>(Unaudited) | 2020<br>RM'000<br>(Unaudited) |
|--|-------------------------------|-------------------------------|
| <b>FINANCING ACTIVITIES</b>  |                               |                               |
| Proceeds from the Share Offer <i>(as defined in Note 16(c) below)</i>                                      | —                             | 69,041                        |
| Payment for transaction costs attributed to issue of shares  | —                             | (17,291)                      |
| Inception of interest-bearing borrowings   | 181                           | 4,443                         |
| Repayment of interest-bearing borrowings   | —                             | (5,952)                       |
| Interest paid  | (10)                          | (28)                          |
| Repayment of lease liabilities   | (291)                         | (291)                         |
| <b>Net cash (used in) from financing activities</b>  | <b>(120)</b>                  | <b>49,922</b>                 |
| <b>Net increase in cash and cash equivalents</b>   | <b>13,605</b>                 | <b>30,382</b>                 |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>                                  | <b>15,171</b>                 | <b>6,482</b>                  |
| <b>Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash</b> | <b>28,776</b>                 | <b>36,864</b>                 |



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 October 2018. The Company's shares in issue were initially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 May 2020 (the "**Listing**"). The Company's immediate and ultimate holding company is Garry-Worth Investment Limited ("**Garry-Worth**"), which was incorporated in the British Virgin Islands (the "**BVI**"). The ultimate controlling parties of the Group are Dato' Sri Lee Haw Yih, Datin Sri Yaw Sook Kean, Mr. Lee Haw Shyang and Mr. Lee Haw Hann (collectively referred to as the "**Ultimate Controlling Parties**"). The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business in Hong Kong is situated at 31st Floor, 148 Electric Road, North Point, Hong Kong and the Group's headquarters is situated at No. 7, Jalan TP 7, UEP Industrial Park, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The Group is based in Malaysia and principally engages in (i) distribution of animal feed additives and, to a lesser extent, human food ingredients; and (ii) manufacturing of animal feed additives premixes.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 (the "**Interim Financial Statements**") are presented in Malaysian Ringgit ("**RM**") and all amounts have been rounded to the nearest thousand ("**RM'000**"), unless otherwise indicated.

The Interim Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "*Interim Financial Reporting*" issued by International Accounting Standard Board (the "**IASB**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The preparation of the Interim Financial Statements in conformity with IAS 34 requires the management of the Group (the "**Management**") to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2020, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual IFRSs, IASs and Interpretations issued by the IASB. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the "**2020 Financial Statements**") as set out in the Company's annual report for the year ended 31 December 2020.

In preparing the Interim Financial Statements, significant judgements made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the 2020 Financial Statements.



## 2. PRINCIPAL ACCOUNTING POLICIES

The measurement basis used in the preparation of the Interim Financial Statements is historical cost basis, except for other investments in unlisted investments classified at fair value through profit or loss which are measured at fair value.

The accounting policies and methods of computation used in the Interim Financial Statements are consistent with those followed in the preparation of the 2020 Financial Statements.

The adoption of the new/revised IFRSs which are relevant to the Group and effective for current period does not have any significant impact on the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the IASB has issued a number of new/revised IFRSs that are not yet effective for the current period, which the Group has not early adopted. The Directors do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the consolidated financial statements of the Group.

## 3. SEGMENT INFORMATION

Information reported to the executive Directors, being identified as the chief operating decision makers (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- (1) Animal feed additives products segment: manufacturing and distribution of animal feed additives products; and
- (2) Human food ingredient products segment: distribution of human food ingredient products.

### Segment revenue and results

Segment revenue represents revenue derived from (i) manufacturing and distribution of animal feed additives products and (ii) distribution of human food ingredient products.

Segment results represent gross profit less selling and distribution costs and loss allowance of trade receivables incurred by each segment without allocation of other income, administrative and other operating expenses, finance costs, Listing expenses and income tax expenses. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment.

No analysis of the Group’s assets and liabilities by operating segments is presented as it is not regularly provided to the CODM for review.

In addition, the Group’s place of domicile is Malaysia, where the central management and control is located.

### 3. SEGMENT INFORMATION (Continued)

#### Segment revenue and results (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segments:

|  | Animal feed<br>additives<br>products<br>RM'000 | Human food<br>ingredient<br>products<br>RM'000 | Total<br>RM'000 |
|--|--|--|-----------------|
| <i>For the six months ended 30 June 2021 (Unaudited)</i>       |  |  |                 |
| Revenue from external customers and reportable segment revenue |  |  |                 |
| – Distribution   | 28,069   | 12,193   | 40,262          |
| – Manufacturing  | 16,510   | —  | 16,510          |
| <b>Total</b>   | <b>44,579</b>                                  | <b>12,193</b>                                  | <b>56,772</b>   |
| Gross profit   |  |  |                 |
| – Distribution   | 5,913  | 3,273  | 9,186           |
| – Manufacturing  | 4,196  | —  | 4,196           |
| <b>Total</b>   | <b>10,109</b>                                  | <b>3,273</b>                                   | <b>13,382</b>   |
| Selling and distribution costs                                 | (929)  | (258)  | (1,187)         |
| Loss allowance of trade receivables                            | (145)  | —  | (145)           |
| <b>Segment results</b>   | <b>9,035</b>                                   | <b>3,015</b>                                   | <b>12,050</b>   |
| <i>Unallocated income and expenses</i>                         |  |  |                 |
| Other income   |  |  | 1,180           |
| Administrative and other operating expenses                    |  |  | (5,042)         |
| Finance costs  |  |  | (24)            |
| <b>Profit before tax</b>                                       |  |  | <b>8,164</b>    |
| Income tax expenses  |  |  | (2,335)         |
| <b>Profit for the period</b>                                   |  |  | <b>5,829</b>    |
| <i>Other information:</i>                                      |  |  |                 |
| Depreciation (Note i)  | 70   | —  | 70              |
| Additions to property, plant and equipment (Note ii)           | 15   | —  | 15              |



### 3. SEGMENT INFORMATION (Continued)

#### Segment revenue and results (Continued)

|   | Animal feed<br>additives<br>products<br>RM'000 | Human food<br>ingredient<br>products<br>RM'000 | Total<br>RM'000 |
|---|--|--|-----------------|
| <i>For the six months ended 30 June 2020 (Unaudited)</i>          |  |  |                 |
| Revenue from external customers and reportable<br>segment revenue |  |  |                 |
| — Distribution  | 29,867   | 7,179  | 37,046          |
| — Manufacturing   | 21,527   | —  | 21,527          |
| <b>Total</b>  | <b>51,394</b>                                  | <b>7,179</b>                                   | <b>58,573</b>   |
| Gross profit  |  |  |                 |
| — Distribution  | 6,182  | 1,322  | 7,504           |
| — Manufacturing   | 5,752  | —  | 5,752           |
| <b>Total</b>  | <b>11,934</b>                                  | <b>1,322</b>                                   | <b>13,256</b>   |
| Selling and distribution costs                                    | (951)  | (128)  | (1,079)         |
| Loss allowance of trade receivables                               | (202)  | —  | (202)           |
| <b>Segment results</b>  | <b>10,781</b>                                  | <b>1,194</b>                                   | <b>11,975</b>   |
| <i>Unallocated income and expenses</i>                            |  |  |                 |
| Other income  |  |  | 1,357           |
| Administrative and other operating expenses                       |  |  | (3,860)         |
| Finance costs   |  |  | (43)            |
| Listing expenses  |  |  | (4,291)         |
| <b>Profit before tax</b>  |  |  | <b>5,138</b>    |
| Income tax expenses   |  |  | (2,310)         |
| <b>Profit for the period</b>                                      |  |  | <b>2,828</b>    |
| <i>Other information:</i>   |  |  |                 |
| Depreciation (Note i)   | 47   | —  | 47              |

Note:

- (i) Depreciation not included in the measure of segment results during the six months ended 30 June 2021 and 2020, which amounted to approximately RM681,000 (unaudited) and approximately RM585,000 (unaudited), respectively.
- (ii) Additions to property, plant and equipment not included in the measure of segment results during the six months ended 30 June 2021 amounted to approximately RM732,000 (Six months ended 30 June 2020: RM654,000).

### 3. SEGMENT INFORMATION (Continued)

#### Geographical information

No geographical segment analysis on the Group's revenue is provided as substantially all of the Group's revenue and contribution to results were derived from Malaysia.

No geographical analysis on segment assets is provided as substantially all of the Group's assets were located at Malaysia.

#### Information about major customers

No revenue derived from a single customer or a group of customers under common control, which amounted to 10% or more of the Group's revenue during the six months ended 30 June 2021 and 2020.

### 4. REVENUE

|   | For the six months ended<br>30 June |                               |
|---|-------------------------------------|-------------------------------|
|   | 2021<br>RM'000<br>(Unaudited)       | 2020<br>RM'000<br>(Unaudited) |
| <b>Revenue from contracts with customers within IFRS 15</b> |                                     |                               |
| Distribution income   | 40,262                              | 37,046                        |
| Manufacturing income  | 16,510                              | 21,527                        |
|   | 56,772                              | 58,573                        |

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

|                                       | For the six months ended<br>30 June |                               |
|---------------------------------------|-------------------------------------|-------------------------------|
|                                       | 2021<br>RM'000<br>(Unaudited)       | 2020<br>RM'000<br>(Unaudited) |
| <i>Timing of revenue recognition:</i> |                                     |                               |
| — <b>at a point in time</b>           |                                     |                               |
| Distribution income                   | 40,262                              | 37,046                        |
| Manufacturing income                  | 16,510                              | 21,527                        |
|                                       | 56,772                              | 58,573                        |



## 5. OTHER INCOME

|   | For the six months ended<br>30 June |                       |
|---|-------------------------------------|-----------------------|
|   | 2021                                | 2020                  |
|   | RM'000<br>(Unaudited)               | RM'000<br>(Unaudited) |
| Bank interest income                              | 280                                 | 187                   |
| Exchange gain, net                                | —                                   | 773                   |
| Gain on disposal of property, plant and equipment | 27                                  | —                     |
| Fair value gain on other investments              | 310                                 | —                     |
| Investment income arising from other investments  | 433                                 | 104                   |
| Sundry income                                     | 130                                 | 293                   |
|   | <b>1,180</b>                        | <b>1,357</b>          |

## 6. PROFIT BEFORE TAX

This is stated after charging (crediting):

|   | For the six months ended<br>30 June |                       |
|---|-------------------------------------|-----------------------|
|   | 2021                                | 2020                  |
|   | RM'000<br>(Unaudited)               | RM'000<br>(Unaudited) |
| <b>Finance costs</b>  |                                     |                       |
| Interest expenses on interest-bearing borrowings  | 11                                  | 28                    |
| Interest expenses on lease liabilities  | 13                                  | 15                    |
|   | <b>24</b>                           | <b>43</b>             |
| <b>Staff costs (including Directors' emoluments)</b>  |                                     |                       |
| Salaries, allowances and other benefits in kinds  | 2,513                               | 2,522                 |
| Contributions to defined contribution plans   | 250                                 | 300                   |
| Total staff costs (charged to "cost of goods sold", "selling and distribution costs" and "administrative and other operating expenses", as appropriate) | <b>2,763</b>                        | <b>2,822</b>          |
| <b>Other items</b>  |                                     |                       |
| Auditor's remuneration  | —                                   | 58                    |
| Cost of inventories   | 43,390                              | 45,317                |
| Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)  | 751                                 | 632                   |
| Exchange loss (gain), net   | 104                                 | (773)                 |
| Gain on disposal of property, plant and equipment   | 27                                  | —                     |
| Loss allowance of trade receivables   | 145                                 | 202                   |
| Fair value (gain) loss on other investments   | (310)                               | 10                    |

## 7. INCOME TAX EXPENSES

|  | For the six months ended<br>30 June |                               |
|--|-------------------------------------|-------------------------------|
|  | 2021<br>RM'000<br>(Unaudited)       | 2020<br>RM'000<br>(Unaudited) |
| <b>Current tax</b>                             |                                     |                               |
| Malaysia corporate income tax ("Malaysia CIT") | 2,331                               | 2,267                         |
| <b>Deferred tax</b>                            |                                     |                               |
| Changes in temporary differences               | 4                                   | 43                            |
| Total income tax expenses                      | 2,335                               | 2,310                         |

The group entities established in the Cayman Islands and the BVI are exempted from income tax of those jurisdictions.

Malaysia CIT is calculated at the rate of 24% of the Group's estimated assessable profits arising from Malaysia during the six months ended 30 June 2021 and 2020.

Hong Kong profits tax has not been provided for as the Group had no assessable profits in Hong Kong for the six months ended 30 June 2021.

The enterprise income tax of the People's Republic of China (the "PRC") has not been provided for as the Group had no assessable profits in the PRC for the six months ended 30 June 2021.

## 8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to equity holders of the Company is based on the following information:

|   | For the six months ended<br>30 June |                               |
|---|-------------------------------------|-------------------------------|
|   | 2021<br>RM'000<br>(Unaudited)       | 2020<br>RM'000<br>(Unaudited) |
| <i>Profit:</i>  |                                     |                               |
| Profit for the period attributable to equity holders of the Company, used in basic and diluted earnings per share calculation | 5,829                               | 2,828                         |
| <i>Number of shares:</i>  |                                     |                               |
| Weighted average number of ordinary shares for basic and diluted earnings per share calculation                               | 500,000,000                         | 408,653,846                   |



## 8. EARNINGS PER SHARE (Continued)

The calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined based on the assumption that the issue of shares from the Capitalisation Issue (as defined in Note 16(b) below) to the Company's shareholders (the "Shareholders") had occurred on 1 January 2019.

Diluted earnings per share are the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2021 and 2020.

## 9. DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2021 (Six months ended 30 June 2020: nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

|   | Right-of-use<br>assets<br>RM'000<br>(Note 15) | Freehold<br>land<br>RM'000 | Buildings<br>RM'000 | Leasehold<br>improvements<br>RM'000 | Furniture,<br>fixtures<br>and office<br>equipment<br>RM'000 | Plant and<br>machineries<br>RM'000 | Motor<br>vehicles<br>RM'000 | Total<br>RM'000 |
|---|---|----------------------------|---------------------|-------------------------------------|---|------------------------------------|-----------------------------|-----------------|
| <b>Reconciliation of carrying amounts – year ended 31 December 2020 (Audited)</b>     |   |                            |                     |                                     |   |                                    |                             |                 |
| At 1 January 2020   | 30  | 4,066                      | 8,668               | 263                                 | 298   | 325                                | 518                         | 14,168          |
| Adjustment on transition to IFRS 16   | –   | –                          | –                   | –                                   | –   | –                                  | –                           | –               |
| Additions   | 592   | –                          | –                   | 73                                  | 274   | 213                                | 748                         | 1,900           |
| Depreciation  | (563)   | –                          | (197)               | (63)                                | (150)   | (108)                              | (262)                       | (1,343)         |
| At 31 December 2020   | 59  | 4,066                      | 8,471               | 273                                 | 422   | 430                                | 1,004                       | 14,725          |
| <b>Reconciliation of carrying amounts – six months ended 30 June 2021 (Unaudited)</b> |   |                            |                     |                                     |   |                                    |                             |                 |
| At 1 January 2021   | 59  | 4,066                      | 8,471               | 273                                 | 422   | 430                                | 1,004                       | 14,725          |
| Additions   | 502   | –                          | –                   | 45                                  | 61  | 15                                 | 123                         | 746             |
| Depreciation  | (282)   | –                          | (98)                | (34)                                | (90)  | (70)                               | (177)                       | (751)           |
| At 30 June 2021   | 279   | 4,066                      | 8,373               | 284                                 | 393   | 375                                | 950                         | 14,720          |

## 11. TRADE AND OTHER RECEIVABLES

|                          | <i>Note</i> | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|--------------------------|-------------|--|--|
| <b>Trade receivables</b> |             |  |  |
| From third parties       |             | 25,111   | 27,073   |
| Less: Loss allowance     |             | (1,821)  | (1,676)  |
|                          | 11(a)       | 23,290   | 25,397   |
| <b>Other receivables</b> |             |  |  |
| Deposits and prepayments |             | 5,121  | 4,070  |
|                          |             | 28,411   | 29,467   |

### 11(a) Trade receivables from third parties

The Group grants a credit period of up to 90 days to its customers upon the delivery of goods.

As at 30 June 2021 and 31 December 2020, trade receivables of approximately RM949,000 and RM949,000, respectively, were secured by the property pledged by a trade debtor and the remaining balances were unsecured. The Management considers that the fair value of the pledged property is sufficient to cover the respective trade receivables balance at 30 June 2021 and 31 December 2020, respectively. The amount due is interest-free and repayable on demand.



## 11. TRADE AND OTHER RECEIVABLES (Continued)

### 11(a) Trade receivables from third parties (Continued)

The ageing of trade receivables (net of loss allowance) based on invoice date at the end of each reporting period is as follows:

|                      | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|----------------------|--|--|
| Within 30 days       | 8,723  | 9,328  |
| 31 to 60 days        | 5,742  | 7,201  |
| 61 to 90 days        | 3,505  | 3,874  |
| Over 90 days         | 7,141  | 6,670  |
|                      | 25,111   | 27,073   |
| Less: Loss allowance | (1,821)  | (1,676)  |
|                      | 23,290   | 25,397   |

## 12. OTHER INVESTMENTS

|   | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|---|--|--|
| <b>Financial assets mandatorily measured at fair value through profit or loss</b> |  |  |
| Unlisted investments — unit trust   | 49,913   | 53,074   |

12(a) The unit trust represented unlisted investments managed by a bank in Malaysia, which mainly invested in Islamic money market instruments, debt securities, money market instruments and fixed deposits. It can be redeemed from time to time and bears interest at floating rates ranging from 0.1% to 3.15% per annum (31 December 2020: ranging from 1.58% to 2.73% per annum). The fair values of the unit trust are reported by the bank by reference to the fair value of the underlying instruments at the end of each reporting period.

## 13. TRADE AND OTHER PAYABLES

|                             | Note  | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|-----------------------------|-------|--|--|
| <b>Trade payables</b>       |       |  |  |
| To third parties            | 13(a) | 9,969  | 5,581  |
| <b>Other payables</b>       |       |  |  |
| Accruals and other payables |       | 1,155  | 1,515  |
|                             |       | 11,124   | 7,096  |

### 13(a) Trade payables

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

|                | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|----------------|--|--|
| Within 30 days | 6,133  | 2,665  |
| 31 to 60 days  | 2,067  | 2,361  |
| 61 to 90 days  | 1,084  | 487  |
| Over 90 days   | 685  | 68   |
|                | 9,969  | 5,581  |

The credit term on trade payables is up to 90 days.



## 14. INTEREST-BEARING BORROWINGS

|                                       | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|---------------------------------------|--|--|
| Interest-bearing borrowings — secured | 181  | —  |

The interest-bearing borrowings are wholly repayable within one year since their inception. At 30 June 2021, the weighted average annual effective interest rate of the interest-bearing borrowings was approximately 3.69%.

As at 30 June 2021 and 31 December 2020, the interest-bearing borrowings are secured by the restricted bank deposits placed with the banks in Malaysia.

The interest-bearing borrowings were subsequently repaid in July 2021.

## 15. LEASE LIABILITIES

|                                      | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
|--------------------------------------|--|--|
| <b>Right-of-use assets</b> (Note 10) |  |  |
| Leased properties                    | 279  | 59   |
| <b>Lease liabilities</b>             |  |  |
| Current                              | 284  | 61   |

In addition to the information disclosed in Notes 6 and 10, the Group had the following amounts relating to leases during the six months ended 30 June 2021 and 2020:

|   | For the six months ended<br>30 June |                               |
|---|-------------------------------------|-------------------------------|
|   | 2021<br>RM'000<br>(Unaudited)       | 2020<br>RM'000<br>(Unaudited) |
| <b>Depreciation charge of right-of-use assets</b> |                                     |                               |
| Leased properties                                 | 282                                 | 282                           |

## 15. LEASE LIABILITIES (Continued)

The total cash outflows for leases were approximately RM291,000 (unaudited) and approximately RM291,000 (unaudited) for the six months ended 30 June 2021 and 2020, respectively.

Commitments and present value of lease liabilities are as follows:

|                                | Lease payments                                 |  | Present value of lease payments                |  |
|--------------------------------|--|--|--|--|
|                                | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
| Amounts payable:               |  |  |  |  |
| Within one year                | 288  | 63   | 284  | 61   |
| Less: Future finance charges   | (4)  | (2)  | —  | —  |
| <b>Total lease liabilities</b> | <b>284</b>                                     | <b>61</b>  | <b>284</b>                                     | <b>61</b>  |

## 16. SHARE CAPITAL

|   | Notes | Number of shares      | HK\$               | Equivalent to RM   |
|---|-------|-----------------------|--------------------|--------------------|
| <i>Ordinary share of HK\$0.01 each</i>                                |       |                       |                    |                    |
| Authorised:   |       |                       |                    |                    |
| At 1 January 2020 (Audited)   |       | 38,000,000            | 380,000            | 200,000            |
| Increase  | 16(a) | 19,962,000,000        | 199,620,000        | 110,226,394        |
| <b>At 31 December 2020 (Audited) and<br/>30 June 2021 (Unaudited)</b> |       | <b>20,000,000,000</b> | <b>200,000,000</b> | <b>110,426,394</b> |
| Issued and fully paid:  |       |                       |                    |                    |
| At 1 January 2020 (Audited)   |       | 100                   | 1                  | —*                 |
| Issue of shares pursuant to<br>the Capitalisation Issue               | 16(b) | 374,999,900           | 3,749,999          | 2,078,713          |
| Issue of shares pursuant to the Share Offer                           | 16(c) | 125,000,000           | 1,250,000          | 690,417            |
| <b>At 31 December 2020 (Audited) and<br/>30 June 2021 (Unaudited)</b> |       | <b>500,000,000</b>    | <b>5,000,000</b>   | <b>2,769,130</b>   |

\* Represent amount less than RM1.



## 16. SHARE CAPITAL (Continued)

- 16(a) On 8 April 2020, the authorised share capital of the Company was increased by HK\$199,620,000 by the creation of additional 19,962,000,000 shares of HK\$0.01 each.
- 16(b) Pursuant to the resolutions in writing of the Shareholders passed on 8 April 2020, subject to the share premium account of the Company being credited as a result of the issue of the Company's shares under the Listing, the Directors were authorised to allot and issue a total of 374,999,900 shares of HK\$0.01 each to the then existing Shareholders, credited as fully paid at par by way of capitalisation of the sum of HK\$3,749,999 standing to be credit of the share premium account of the Company (the "**Capitalisation Issue**"). The Capitalisation Issue was fully completed on 13 May 2020.
- 16(c) On 13 May 2020, the shares of the Company were initially listed on the Main Board of the Stock Exchange and 125,000,000 shares of HK\$0.01 each were issued at the offer price of HK\$1 per share by way of share offer (the "**Share Offer**"). The gross proceeds from the Share Offer amounted to HK\$125,000,000 (equivalent to approximately RM69,041,000). The expenses attributable to issue of shares pursuant to the Share Offer of approximately RM17,291,000 were recognised in the share premium account of the Company.

## 17. RESERVES

### 17(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's amended and restated articles of association adopted on 8 April 2020, share premium is distributable to the Shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

### 17(b) Capital reserve

The capital reserve represents the waiver of the amount due from the Group granted by the Ultimate Controlling Parties in prior years and the aggregate amount of the nominal value of the issued/registered capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any).

### 17(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation.

## 18. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, the following transactions were made by the Group with related parties during the six months ended 30 June 2021 and 2020:

- (a) Transactions between the group entities have been eliminated on consolidation and are not disclosed. During the six months ended 30 June 2021 and 2020, the Group had the following significant transactions with a related company. In the opinion of the Management, they are under normal commercial terms that are fair and reasonable and in the best interests of the Group.

|   |                                       | For the six months ended<br>30 June |             |
|---|---------------------------------------|-------------------------------------|-------------|
|   |                                       | 2021                                | 2020        |
|   |                                       | RM'000                              | RM'000      |
|   |                                       | (Unaudited)                         | (Unaudited) |
| Related party relationship  | Nature of transaction                 |                                     |             |
| Related company controlled by the<br>Ultimate Controlling Parties | Utilities expenses (Note)             | 9                                   | 10          |
|   | Repayment of lease liabilities (Note) | 282                                 | 282         |
|   |                                       | 291                                 | 292         |

Note: During the six months ended 30 June 2021 and 2020, the related party transactions represented operating lease payments and related utilities expenses paid on premises charged by Lee & Seetho Holding Sdn. Bhd., a company ultimately controlled by the Ultimate Controlling Parties.

- (b) Remuneration for key management personnel (including Directors) of the Group:

|  |  | For the six months ended<br>30 June |             |
|--|--|-------------------------------------|-------------|
|  |  | 2021                                | 2020        |
|  |  | RM'000                              | RM'000      |
|  |  | (Unaudited)                         | (Unaudited) |
| Salaries, allowances and other benefits in kinds |  | 803                                 | 834         |
| Contributions to defined contribution plans      |  | 108                                 | 99          |
|  |  | 911                                 | 933         |



## 19. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the Interim Financial Statements on a recurring basis across the three levels of the fair value hierarchy defined in IFRS 13 “Fair Value Measurement” with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 (lowest level): unobservable inputs for the asset or liability.

### (a) Assets measured at fair value

|  | Level 2  |  |
|--|--|--|
|  | At<br>30 June<br>2021<br>RM'000<br>(Unaudited) | At<br>31 December<br>2020<br>RM'000<br>(Audited) |
| Other investments<br>— Unlisted investments — unit trust (Note 12) | 49,913   | 53,074   |

During the six months ended 30 June 2021 and the year ended 31 December 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The details of the measurement basis and movements of the financial assets at fair value through profit or loss are set out in Note 12 to the Interim Financial Statements.

The Group reviews estimation of fair values of the unlisted investments in non-principal guaranteed funds and unit trust which are categorised into Level 2 of the fair value hierarchy. Reports with estimation of the fair values are prepared by the banks on a monthly basis.

### (b) Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and financial liabilities are carried at amounts not materially different from their fair values at 30 June 2021 and 31 December 2020.



## 20. MAJOR NON-CASH TRANSACTIONS

In addition to the information disclosed elsewhere in the Interim Financial Statements, the Group had the following major non-cash transactions:

The Group entered into lease arrangements in respect of right-of-use assets with a total capital value at the inception of the leases of approximately RM502,000 (unaudited) and approximately RM592,000 (unaudited) during the six months ended 30 June 2021 and 2020, respectively.

## 21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the Board on 30 August 2021.



# MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a Malaysia-based company principally engaging in (i) distribution of animal feed additives and, to a lesser extent, human food ingredients; and (ii) manufacturing of animal feed additives premixes. The shares of the Company (the “Shares”) were successfully listed on the Main Board of the Stock Exchange on 13 May 2020 (the “Listing Date”). The Listing was a milestone for strengthening our corporate profile, which has not only allowed the Group to access the capital market for fund raising but also enhanced the credibility of the Group with suppliers and customers and other business partners, as well as the Group’s ability to recruit, motivate and retain key management personnel. We believe that the net proceeds from the Listing will assist the implementation of the Group’s future development and business strategies as set out in the Company’s prospectus dated 24 April 2020 (the “Prospectus”).

## BUSINESS REVIEW AND OUTLOOK

The COVID-19 pandemic (the “Pandemic”) that has been sweeping across the globe since early 2020 has been negatively impacting Malaysia’s macro-economy as well as the economic welfare of its population. The main sources of the economic damage in Malaysia are the knock-on effect from the impacts of the Pandemic abroad and the various types of movement control measures imposed by the Malaysian government since March 2020. With Malaysia experiencing a resurgence of COVID-19 active cases, the government of Malaysia imposed various lockdown measures which among others, confined the operation of business activities to only essential businesses. The Group was allowed to carry out its business activities with strict standard operating procedures to adhere to. With the vaccination rate increasing in recent months, the majority of Malaysian adults are expected to be fully vaccinated by the end of the year which will then allow economic activities to run smoothly.

The Group believes that the Pandemic will soon come to a better control and has been actively exploring new business opportunities for continuous growth and expansion locally and internationally. On 7 January 2021, Ritamix (HK) Limited, a wholly-owned subsidiary of the Company, entered into the cooperation agreement with Shifengfu (Hainan) Health Biotechnology Co., Ltd.<sup>#</sup> (世豐福(海南)健康生物科技有限公司). Pursuant to the cooperation agreement, Hainan Ritamix Biological Science Co., Ltd.<sup>#</sup> (海南利特米生物科學有限公司), an indirect non-wholly owned subsidiary of the Company, was established. For details, please refer to the announcement of the Company titled “Discloseable transaction in relation to the Cooperation Agreement with Shifengfu (Hainan)” dated 7 January 2021.

<sup>#</sup> For identification purpose only

## FINANCIAL REVIEW

### Revenue

Revenue for the six months ended 30 June 2021 was approximately RM56.8 million, representing a decrease of approximately RM1.8 million, or approximately 3.1%, from approximately RM58.6 million for the same period in 2020.

Revenue from the manufacturing business for the six months ended 30 June 2021 was approximately RM16.5 million, accounting for approximately 29.1% of our total revenue and representing a decrease of approximately RM5.0 million, or approximately 23.3%, from approximately RM21.5 million for the same period in 2020. This decrease was primarily due to a decrease in the sales of vitamin premix to an overseas customer during the Period by approximately RM3.7 million. The Directors believe that due to the continued high shipping costs and uncertainty in shipping schedules caused by the Pandemic, imports from Malaysia might have become relatively less competitive as compared with local supplies.



Revenue from the distribution business for the six months ended 30 June 2021 was approximately RM40.3 million, accounting for approximately 70.9% of our total revenue and representing an increase of approximately RM3.3 million, or approximately 8.7%, from approximately RM37.0 million for the same period in 2020. This increase in revenue was primarily due to an increase of approximately RM3.0 million in the sales of decoction tea, a health supplement product that was launched in December 2020, as more people are purchasing health supplements during the Pandemic period.

## Gross profit

Gross profit for the six months ended 30 June 2021 was approximately RM13.4 million (*six months ended 30 June 2020: approximately RM13.3 million*), representing a gross profit margin of approximately 23.6% (*six months ended 30 June 2020: approximately 22.6%*). With the combined effect from increased gross profit from distribution business and reduced gross profit from manufacturing business, the Group's gross profit increased slightly by approximately RM0.1 million, or approximately 1.0%.

Gross profit for the manufacturing business for the six months ended 30 June 2021 was approximately RM4.2 million (*six months ended 30 June 2020: approximately RM5.8 million*), representing a gross profit margin of approximately 25.4% (*six months ended 30 June 2020: approximately 26.7%*). The gross profit from manufacturing business decreased slightly due to lower sales to an overseas customer as the Group's pricing might have become relatively less competitive.

Gross profit for the distribution business for the six months ended 30 June 2021 was approximately RM9.2 million (*six months ended 30 June 2020: approximately RM7.5 million*), representing a gross profit margin of approximately 22.8% (*six months ended 30 June 2020: approximately 20.3%*). The increase in gross profit margin was primarily contributed by the higher gross profit margin achieved from the sale of decoction tea.

## Other income

Other income for the six months ended 30 June 2021 was approximately RM1.2 million, representing a decrease of approximately RM0.2 million, or approximately 13.0%, from approximately RM1.4 million for the same period in 2020. The decrease was primarily due to unfavourable foreign currency movement, which resulted in no net exchange gain during the Period.

## Selling and distribution costs

Selling and distribution costs for the six months ended 30 June 2021 was approximately RM1.2 million, representing an increase of approximately RM0.1 million, or approximately 10.0%, from approximately RM1.1 million for the same period in 2020. The increase was primarily due to the marketing efforts for the newly launched decoction tea.

## Administrative and other operating expenses

Administrative and other operating expenses for the six months ended 30 June 2021 were approximately RM5.0 million, representing an increase of approximately RM1.1 million, or approximately 30.6%, from approximately RM3.9 million for the same period in 2020. The increase was primarily due to the increase in professional fees for compliance purposes after the Listing as well as foreign exchange loss during the Period.

## Finance costs

Finance costs for the six months ended 30 June 2021 were approximately RM24,000, which represented a decrease of approximately RM19,000, or approximately 44.2%, from approximately RM43,000 for the same period in 2020. The decrease was primarily due to the repayment of most of the interest-bearing borrowings during the six months ended 30 June 2021 by the Group.

## Income tax expenses

Income tax expenses remained relatively stable at approximately RM2.3 million for the six months ended 30 June 2021 and for the same period in 2020.



## Profit attributable to equity holders of the Company

As a result of the foregoing, profit for the six months ended 30 June 2021 was approximately RM5.8 million, representing an increase of approximately RM3.0 million, or approximately 106.1%, from approximately RM2.8 million for the same period in 2020 which was mainly because listing expenses were fully recognised during the year ended 31 December 2020 and no Listing expenses were recognised during the Period.

## Key financial ratios

|                       | Notes | At<br>30 June<br>2021 | At<br>31 December<br>2020 |
|-----------------------|-------|-----------------------|---------------------------|
| Current ratio (times) | 1     | 11.5                  | 17.5                      |
| Quick ratio (times)   | 2     | 8.5                   | 13.0                      |
| Gearing ratio (%)     | 3     | 0.12%                 | less than 0.01%           |

### Notes:

1. Current ratio is total current assets divided by total current liabilities.
2. Quick ratio is total current assets less inventories divided by total current liabilities.
3. Gearing ratio is interest-bearing borrowings divided by total equity and multiplied by 100%.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At 30 June 2021,

- (a) The issued share capital of the Company was HK\$5 million (equivalent to approximately RM2.8 million) and the number of its issued Shares was 500,000,000 Shares of HK\$0.01 each.
- (b) The Group had pledged time deposits and bank balances as well as cash and cash equivalents of approximately RM1.7 million (*31 December 2020: approximately RM1.7 million*) and approximately RM28.8 million (*31 December 2020: approximately RM15.2 million*) respectively, most of which were denominated in United States Dollars, Hong Kong Dollars and RM.
- (c) The Group had lease liabilities of approximately RM0.3 million (*31 December 2020: approximately RM61,000*).
- (d) The Company's total equity attributable to owners of the Group was approximately RM147.5 million (*31 December 2020: approximately RM140.7 million*). The capital of the Company mainly comprises share capital and reserves. The Directors are of the view that the Group has sufficient working capital for its operation.

During the Period, there was no change in the capital structure of the Company.



## TREASURY POLICY

The Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash, which may interrupt the Group's daily business obligations; (ii) maintain sufficient level of funds to settle the Group's capital commitments when they fall due; and (iii) maintain adequate liquidity to cover the Group's cash flows and administrative expenses. The Group closely monitors its liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

## DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2021 (*six months ended 30 June 2020: nil*).

## CAPITAL COMMITMENTS

At 30 June 2021, the Group had no significant capital commitments.

## CHARGE ON/PLEDGE OF THE GROUP'S ASSETS

As at 30 June 2021, the Group's interest-bearing borrowings are secured by the restricted bank deposits placed with the banks in Malaysia of approximately RM1.7 million (*31 December 2020: approximately RM1.7 million*). Other than the above, no charge or pledge was made or subsisting on the assets of the Group as at 30 June 2021.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

### Cooperation Agreement with Shifengfu (Hainan)

On 7 January 2021, Ritamix (HK) Limited ("**Ritamix (HK)**"), a wholly-owned subsidiary of the Company, entered into the cooperation agreement (the "**Cooperation Agreement**") with Shifengfu (Hainan) Health Biotechnology Co., Ltd.<sup>#</sup> (世豐福(海南)健康生物科技有限公司) ("**Shifengfu (Hainan)**"). Pursuant to the Cooperation Agreement, Hainan Ritamix Biological Science Co., Ltd.<sup>#</sup> (海南利特米生物科學有限公司) ("**Hainan Ritamix**"), the equity interest of which will be held as to 51% by Ritamix (HK) and 49% by Shifengfu (Hainan), was established in the PRC. According to the Cooperation Agreement, the total registered capital of Hainan Ritamix is RMB50 million, which will be contributed by Ritamix (HK) and Shifengfu (Hainan) as to RMB25.5 million and RMB24.5 million, respectively. Hainan Ritamix will principally engage in manufacturing and processing animal feeds and animal feed additives by establishing and operating the Plant in Hainan Province, the PRC, mainly for the PRC market, with the aim of diversifying the revenue sources of the Group and maximising Shareholders' values. Upon the establishment of Hainan Ritamix, Hainan Ritamix would become a non-wholly owned subsidiary of the Company and its financial results would be consolidated into the financial results of the Group. For details, please refer to the announcement of the Company titled "Discloseable transaction in relation to the Cooperation Agreement with Shifengfu (Hainan)" dated 7 January 2021.

<sup>#</sup> For identification purpose only



## Major Transactions in relation to Investments in Funds

During the period from 1 June 2020 to 1 March 2021, the Company and Gladron Chemicals Sdn. Bhd. (“**Gladron Chemicals**”), an indirect wholly-owned subsidiary of the Company, made several subscriptions for and redemptions of units of the Affin Hwang USD Cash Fund, with an aggregate subscription amount of US\$3,399,920 (equivalent to RM13,910,749) and an aggregate redemption amount of US\$3,403,163 (equivalent to RM13,965,399). During the period from 16 June 2020 to 6 April 2021, Ritamix Sdn. Bhd. (“**Ritamix**”), Gladron Chemicals and Kevon Sdn. Bhd. (“**Kevon**”), indirect wholly-owned subsidiaries of the Company, made several subscriptions for and redemptions of units of the Affin Hwang Aiiman Money Market Fund, with an aggregate subscription amount of RM18,000,000 and an aggregate redemption amount of RM27,277,234. During the period from 28 August 2020 to 7 April 2021, the Company, Gladron Chemicals, Ritamix and Kevon made several subscriptions for units of USD Hedged-class of the Affin Hwang Select Bond Fund (together with the Affin Hwang USD Cash Fund and the Affin Hwang Aiiman Money Market Fund, the “**Funds**”), with an aggregate subscription amount of US\$6,847,043 (equivalent to RM27,418,793), and units of RM Class of the Affin Hwang Select Bond Fund, with an aggregate subscription amount of RM25,199,587, and a redemption of units of RM Class of the Affin Hwang Select Bond Fund with a redemption amount of RM2 million.

As the subscriptions for units of the Funds (the “**Subscriptions**”) were made by the Group within a 12-month period and were all entered into with Affin Hwang Asset Management Berhad, pursuant to Rule 14.22 of the Listing Rules, the Subscriptions would be aggregated as a series of transactions. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the Subscriptions exceeds 25% but is less than 100%, the Subscriptions (on an aggregate basis) constituted major transactions of the Company which are subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As the redemptions of units of the Funds (the “**Redemptions**”) were made by the Group within a 12-month period and were all entered into with Affin Hwang Asset Management Berhad, pursuant to Rule 14.22 of the Listing Rules, the Redemptions would be aggregated as a series of transactions. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in relation to the Redemptions exceeds 25% but is less than 75%, the Redemptions (on an aggregate basis) constituted major transactions of the Company which are subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder nor any of their close associates has any material interest in the Funds, the Subscriptions and the Redemptions. As such, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for approving the Subscriptions and the Redemptions. Pursuant to Rule 14.44 of the Listing Rules, a written approval for the Subscriptions and the Redemptions has been obtained from a closely allied group of the Shareholders holding 67.5% of the total issued share capital of the Company, namely Garry-Worth, Dato’ Sri Lee Haw Yih, Mr. Lee Haw Hann, Mr. Lee Haw Shyang and Datin Sri Yaw Sook Kean, in lieu of approval from the Shareholders at the general meeting. Accordingly, no general meeting was convened for the purpose of considering, ratifying and approving the Subscriptions and the Redemptions pursuant to Rule 14.44 of the Listing Rules. A circular containing, among other things, further details of the Subscriptions, the Redemptions and other information as required by the Listing Rules was despatched to the Shareholders for information purpose on 18 May 2021.

Details of the Subscriptions and the Redemptions have been set out in the announcement of the Company dated 9 April 2021 and the circular of the Company dated 18 May 2021.

The following table sets forth the fair value of the significant investments in the Funds of the Group as at 30 June 2021:

| Financial assets measure<br>at fair value through profit or loss | For the<br>six months<br>ended | As at 30 June 2021 |            | Approximate<br>percentage<br>to the total<br>assets as at<br>30 June 2021 | As at                |
|--|--------------------------------|--------------------|------------|---|----------------------|
|  | 30 June 2021                   | Fair value         | Fair value |   | 31 December          |
|  | Income<br>Distribution         | gain/(loss)        | Fair value |   | 2020                 |
|  | RM'000                         | RM'000             | RM'000     |   | Fair value<br>RM'000 |
| <b>Significant Investments</b>                                   |                                |                    |            |   |                      |
| Affin Hwang Aiiman Money<br>Market Fund                          | 50                             | 28                 | —          | —   | 19,210               |
| Affin Hwang USD Cash Fund  | —                              | 299                | —          | —   | 13,645               |
| Affin Hwang Select Bond Fund                                     | 383                            | (17)               | 49,913     | 31.0%   | 20,219               |

The investment objective and strategy and asset allocation of the Funds are as follows:

|                               | Investment objective and strategy  | Asset allocation  |
|-------------------------------|--|---|
| Affin Hwang Money Market Fund | To provide investors with short-term liquidity and income, whilst maintaining capital stability in a diversified portfolio of Islamic money market instruments | 90% to 100% in Islamic money market instruments with maturity of less than 365 days and up to 10% in Sukuk and Islamic money market instruments with maturity of more than 365 days but less than 732 days  |
| Affin Hwang USD Cash Fund     | To provide investors with regular income stream and liquid access to their investments   | Minimum of 70% in debt securities, money market instruments and fixed deposits with maturity period of not more than one year and maximum of 30% in debt securities and fixed deposits with maturity period of greater than one year, but not more than two years |
| Affin Hwang Select Bond Fund  | To provide investors with a steady income over the medium to long-term period through investments primarily in bonds and other fixed income securities         | Minimum of 70% in bonds and maximum of 30% in money market instruments and/or deposits  |

The Board has reviewed the investment objective and strategy and asset allocation of each of the Fund and was of the view that the investment in the Funds was made for treasury management purpose with a view to increasing the return on the idle funds of the Group and generating better investment return to the Company and its Shareholders as a whole after taking into account, among others, the level of risk and return on investment.

Except for the above, the Group had no other significant investments, material acquisitions or disposals of subsidiaries, associates and joint venture companies during the six months ended 30 June 2021.



## FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report and the Prospectus, the Group did not have any concrete plan for material investments or capital assets at 30 June 2021.

## CONTINGENT LIABILITIES

At 30 June 2021 and 31 December 2020, the Group had no significant contingent liabilities.

## FOREIGN CURRENCY RISK

The majority of our purchases are primarily denominated in United States Dollars while our sales are primarily denominated in RM. Hence, we are exposed to foreign currency fluctuation risk. Any unfavourable fluctuations in foreign exchange rates may have an adverse impact on our financial performance and profitability. During the six months ended 30 June 2021, the Group had approximately RM15.4 million of purchases denominated in currencies other than RM.

Although the Group does not enter into any financial instruments to hedge against any foreign currency fluctuations, the Group will continuously monitor the risk of foreign currency fluctuations and take actions as appropriate if necessary.

## MARKET RISK

As the Group's products are a critical part of a livestock farm's operations in ensuring proper nutrition, health and hygiene of the livestock industry, our business operations are significantly reliant on the performance of the livestock industry, especially on the demand for poultry and swine. Any unfavourable general economic activities, such as recession, may reduce the general demand for food, which in turn affects the demand for poultry and swine.

We may also be affected by any changes in war, terrorist activities and changes in political, economic and regulatory environment which would affect our business and profitability.

## EMPLOYEES AND REMUNERATION POLICY

At 30 June 2021, the Group had 55 employees (*30 June 2020: 59 employees*). The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. Remuneration package offered by the Group includes basic salary, discretionary bonuses, provident fund contributions and allowance. For the six months ended 30 June 2021, the Group's staff costs, including Directors' emoluments, were approximately RM2.8 million (*six months ended 30 June 2020: approximately RM2.8 million*). Trainings relevant to the employee's post would be given to the employees from time to time. The Directors review the performance of the Group's employees on a periodic basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive.

## USE OF PROCEEDS

The net proceeds of the Group raised from the Listing (the “**Net Proceeds**”) were approximately HK\$72.4 million, after deducting the underwriting fees, commissions and other Listing expenses. At 30 June 2021, approximately HK\$6.0 million of the Net Proceeds had been utilised. At 30 June 2021, all of the unused proceeds were deposited in licensed banks in Hong Kong and Malaysia, except for an amount of approximately US\$5 million temporarily invested in units of USD Hedged-class of the Affin Hwang Select Bond Fund in order to better utilise the idle unutilised Net Proceeds, with details set out in the Company’s announcement titled “Discloseable Transaction in relation to Investment in Bond Fund and Update on Use of Proceeds” dated 28 August 2020. The Company will redeem part or all of the investments in the Funds when the Company utilises the Net Proceeds according to the disclosure made in the Prospectus. The Company will ensure that there will be no adverse impact to the utilisation of the Net Proceeds and there will be no change in the final use of the Net Proceeds as planned. During the six months ended 30 June 2021, the Net Proceeds had been applied as follows:

|   | Planned use<br>of the<br>Net Proceeds<br>in total<br>HK\$' million | Actual<br>use of the<br>Net Proceeds<br>during the six<br>months ended<br>30 June 2021<br>HK\$' million | Actual<br>use of the Net<br>Proceeds from<br>the Listing<br>Date and up to<br>30 June 2021<br>HK\$' million | Unutilised<br>amount at<br>30 June 2021<br>HK\$' million | Expected<br>timeline to use<br>the Net Proceeds |
|---|--|---|---|--|---|
| Construct a new manufacturing plant                                       | 42.1   | —   | —   | 42.1   | 30 June 2023                                    |
| Acquire/partner with company selling<br>animal feed additives products    | 13.4   | —   | —   | 13.4   | 31 December 2023                                |
| Conduct sales and marketing activities                                    | 1.7  | —   | —   | 1.7  | 30 June 2022                                    |
| Set up a new testing laboratory   | 3.5  | —   | —   | 3.5  | 30 June 2022                                    |
| Set up a centralised enterprise resource<br>planning system               | 3.7  | —   | —   | 3.7  | 31 December 2022                                |
| Hire additional workforce   | 3.0  | 0.3   | 1.0   | 2.0  | 31 December 2022                                |
| Purchase trucks for logistics services<br>and vehicle for sales personnel | 1.4  | —   | 1.4   | —  |   |
| General working capital   | 3.6  | —   | 3.6   | —  |   |
| <b>TOTAL</b>  | <b>72.4</b>  | <b>0.3</b>  | <b>6.0</b>  | <b>66.4</b>  |   |

There has been a delay in the utilisation of the Net Proceeds than the planned schedule of utilisation as disclosed in the Prospectus. The delay in utilisation of the Net Proceeds was mainly due to the outbreak of the Pandemic and the prolonged movement control order (“**MCO**”) imposed by the Malaysian government. Nevertheless, the Group intends to continue to apply the unutilised Net Proceeds of approximately HK\$66.4 million at 30 June 2021 in accordance with the section headed “Future Plans and Use of Proceeds” in the Prospectus, subject to the Malaysian government’s policies on MCO.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At 30 June 2021, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

#### (a) Long positions in the Shares

| Name of Director/chief executive         | Capacity/<br>Nature of interest  | Number of<br>Shares held | Percentage of the<br>Company's issued<br>share capital |
|--|--|--------------------------|--|
| Dato' Sri Lee Haw Yih<br>(Notes 1 and 2) | Interest in a controlled corporation/interest held jointly with others | 337,500,000              | 67.5%  |
| Mr. Lee Haw Shyang<br>(Note 2)           | Interest held jointly with others                                      | 337,500,000              | 67.5%  |
| Datin Sri Yaw Sook Kean<br>(Note 2)      | Interest held jointly with others                                      | 337,500,000              | 67.5%  |

Notes:

- Garry-Worth is the beneficial owner of 337,500,000 Shares. Garry-Worth is owned as to 53.37% by Dato' Sri Lee Haw Yih, the chairman of the Board (the "Chairman") and an executive Director. Under the SFO, Dato' Sri Lee Haw Yih is deemed to be interested in the same number of the Shares held by Garry-Worth.
- Dato' Sri Lee Haw Yih, Mr. Lee Haw Hann, Mr. Lee Haw Shyang and Datin Sri Yaw Sook Kean are parties acting in concert (the "Parties") (having the meaning as ascribed thereto in The Codes on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code")) pursuant to the confirmation and undertaking dated 26 January 2019 and entered into among the Parties. As such, the Parties together control 337,500,000 Shares, representing 67.5% of the entire issued share capital of the Company.

#### (b) Long position in the shares of the associated corporation of the Company

| Name of Director/<br>chief executive | Associated<br>corporation | Capacity/Nature<br>of interest | Number of<br>shares held | Percentage of<br>shareholding |
|--------------------------------------|---------------------------|--------------------------------|--------------------------|-------------------------------|
| Dato' Sri Lee Haw Yih                | Garry-Worth               | Beneficial owner               | 5,337                    | 53.37%                        |
| Mr. Lee Haw Shyang                   | Garry-Worth               | Beneficial owner               | 2,017                    | 20.17%                        |
| Datin Sri Yaw Sook Kean              | Garry-Worth               | Beneficial owner               | 629                      | 6.29%                         |

Save as disclosed above, as at 30 June 2021, so far as is known to the Directors, none of the Directors and the chief executive of the Company had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered in the Register; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors and the chief executive of the Company, as at 30 June 2021, the corporations or persons (other than the Directors or the chief executive of the Company) who had or were deemed to have any interests or short positions in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept under section 336 of the SFO were as follows:

| Name   | Capacity                           | Number of Shares held | Percentage of the Company's issued share capital |
|--|------------------------------------|-----------------------|--|
| Garry-Worth ( <i>Note 1</i> )  | Beneficial owner                   | 337,500,000           | 67.5%  |
| Mr. Lee Haw Hann ( <i>Note 2</i> )                                   | Interest held jointly with others  | 337,500,000           | 67.5%  |
| Ms. Lim Ee Min ( <i>Note 3</i> )                                     | Interest of spouse                 | 337,500,000           | 67.5%  |
| Ms. Yee Mei Loon ( <i>Note 4</i> )                                   | Interest of spouse                 | 337,500,000           | 67.5%  |
| Warrants Capital Ltd (" <b>Warrants Capital</b> ") ( <i>Note 5</i> ) | Beneficial owner                   | 27,532,000            | 5.5%   |
| Mr. Voon Sze Lin ( <i>Note 5</i> )                                   | Interest in controlled corporation | 27,532,000            | 5.5%   |

### Notes:

- Garry-Worth is owned as to 53.37% by Dato' Sri Lee Haw Yih, 20.17% by Mr. Lee Haw Shyang, 20.17% by Mr. Lee Haw Hann and 6.29% by Datin Sri Yaw Sook Kean. Under the SFO, Dato' Sri Lee Haw Yih is deemed to be interested in the same number of the Shares held by Garry-Worth.
- The Parties are parties acting in concert (having the meaning as ascribed thereto in the Takeovers Code) pursuant to the confirmation and undertaking dated 26 January 2019 and entered into among the Parties, together control 337,500,000 Shares, representing 67.5% of the entire issued share capital of the Company.
- Ms. Lim Ee Min, the spouse of Mr. Lee Haw Shyang, is deemed under the SFO to be interested in the same number of the Shares in which Mr. Lee Haw Shyang is interested in.
- Ms. Yee Mei Loon, the spouse of Mr. Lee Haw Hann, is deemed under the SFO to be interested in the same number of the Shares in which Mr. Lee Haw Hann is interested in.
- Warrants Capital is the beneficial owner of 27,532,000 Shares. Warrants Capital is owned as to 100% by Mr. Voon Sze Lin. By virtue of the SFO, Mr. Voon Sze Lin is deemed to be interested in the same number of Shares held by Warrants Capital.

Save as disclosed above, as at 30 June 2021, the Company has not been notified of any other persons (other than the Directors or the chief executive of the Company) who or entities which had or deemed or taken to have an interest or a short position in the Shares or underlying Shares of the Company, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.



## SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 8 April 2020, the Company adopted a share option scheme (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules, which became effective on the Listing Date. No share option has been granted since the Listing Date and therefore, there were no outstanding share options as at 30 June 2021 and no share option was exercised, expired or cancelled or lapsed under the Share Option Scheme from the Listing Date up to the date of this report.

## PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

The Shares were initially listed on the Main Board of the Stock Exchange on the Listing Date. The Company did not redeem any Share, nor did the Company or any of its subsidiaries purchase or sell any Share during the six months ended 30 June 2021.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Upon making specific enquiries by the Company to the Directors, all the Directors have confirmed that they had complied with the required standards under the Model Code during the six months ended 30 June 2021.

## CORPORATE GOVERNANCE

The Group is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders’ value through good corporate governance. The Company has adopted the code principles of the Corporate Governance Code (“**CG Code**”) in Appendix 14 of the Listing Rules as its own code of corporate governance. The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Code provision A.2.1 of the CG Code provides that the role of the chairman and the chief executive officer of the Company (the “**CEO**”) should be performed by separate individuals. Dato’ Sri Lee Haw Yih has been managing the Group’s business and overall strategic planning for over 20 years. The Directors believe that the vesting of the roles of the Chairman and CEO of the Company in Dato’ Sri Lee Haw Yih is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Company has not segregated the roles of the Chairman and the CEO as required by code provision A.2.1 of the CG Code. The Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances. Save for the deviation from code provision A.2.1 of the CG Code as stipulated above, the Group has complied with the applicable code provisions under the CG Code during the six months ended 30 June 2021.

## INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, the Company has appointed Messis Capital Limited (“**Messis**”) to be the compliance adviser of the Company. As at 30 June 2021, as notified by Messis, except for the compliance adviser agreement entered into between the Company and Messis dated 21 April 2020, neither Messis nor any of its directors or employees or associates, has or may have, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities).



## EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group has repurchased a total of 11,180,000 Shares on the Stock Exchange on 5, 6, 8, 12, 13, 15, 16, 19, 20 and 21 July 2021 with a total consideration (before transaction costs) of approximately HK\$10.4 million. The Shares repurchased were subsequently cancelled on 29 July 2021. For further information in relation to the repurchase, please refer to the announcement of the Company titled “Inside Information — Share Repurchase Programme” dated 24 June 2021.

On 1 July 2021, the Government of Malaysia has announced implementation of the Enhanced Movement Control Order in most parts of Selangor and several localities in Kuala Lumpur for a period of two weeks which was subsequently being replaced by the National Recovery Plan. The Group will be closely monitoring the development of government policies and the COVID-19 Pandemic and respond actively to its impact, if any, on the financial position and operating results of the Group.

Save as disclosed above, there is no event subsequent to the end of 30 June 2021 and up to the date of this report which requires disclosure.

## AUDIT COMMITTEE

The Company established an audit committee of the Board (the “**Audit Committee**”) on 8 April 2020 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and paragraph C.3.3 of the CG Code. The Audit Committee consists of three members, all of whom are independent non-executive Directors, being Mr. Lim Chee Hoong, Mr. Lim Heng Choon and Ms. Ng Siok Hui. The Audit Committee is chaired by Mr. Lim Chee Hoong. The primary duties of the Audit Committee are, among others, to make recommendations to the Board on the appointment, reappointment and removal of external auditors, review the financial statements and provide material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company and perform other duties and responsibilities assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the Interim Financial Statements. The Interim Financial Statements were not audited and reviewed by the Company’s auditors.

By order of the Board  
**Ritamix Global Limited**  
**Dato’ Sri Lee Haw Yih**  
*Chairman and Executive Director*

Malaysia, 30 August 2021

*As at the date of this report, the executive Directors are Dato’ Sri Lee Haw Yih and Datin Sri Yaw Sook Kean; the non-executive Director is Mr. Lee Haw Shyang; and the independent non-executive Directors are Ms. Ng Siok Hui, Mr. Lim Chee Hoong and Mr. Lim Heng Choon.*