

RITAMIX GLOBAL LIMITED

利特米有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1936

INTERIM REPORT 2024





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
Ms. Tee Pao Hwei (Appointed on 26 June 2024)
Mr. Lim Heng Choon (Retired on 26 June 2024)

COMPANY SECRETARY

Ms. Wong Po Lam, *CPA (HKICPA)*

AUTHORISED REPRESENTATIVES

Ms. Wong Po Lam, *CPA (HKICPA)*
Dato'Sri Lee Haw Yih

BOARD COMMITTEES

Audit Committee

Mr. Lim Chee Hoong (*Chairman*)
Ms. Ng Siok Hui
Ms. Tee Pao Hwei (Appointed on 26 June 2024)
Mr. Lim Heng Choon (Retired on 26 June 2024)

Remuneration Committee

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

Nomination Committee

Ms. Tee Pao Hwei (*Chairman*) (Appointed on 26 June 2024)
Ms. Ng Siok Hui
Dato'Sri Lee Haw Yih
Mr. Lim Heng Choon (*Chairman*) (Retired on 26 June 2024)

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

Room 1910, 19/F, C C Wu Building
302-308 Hennessy Road
Wan Chai
Hong Kong

AUDITOR

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

COMPANY'S WEBSITE

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, 21 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

STOCK CODE

1936



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

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RM'000 (Unaudited)	2023 RM'000 (Unaudited)
Revenue	4	59,634	59,123
Cost of sales		(47,243)	(46,330)
Gross profit		12,391	12,793
Other income	5	2,843	1,924
Selling and distribution costs		(1,228)	(1,194)
Administrative and other operating expenses		(7,557)	(5,530)
Interest expenses on lease liabilities		(52)	(18)
Impairment losses (net of reversals of impairment losses) on trade receivables		(241)	(160)
Profit before tax	6	6,156	7,815
Income tax expenses	7	(2,082)	(2,274)
Profit for the period		4,074	5,514
Other comprehensive income			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on consolidation		370	776
Total comprehensive income for the period		4,444	6,317
Profit for the period, attributable to:			
Equity holders of the Company		4,575	5,541
Non-controlling interest		(501)	—
Profit for the period		4,074	5,541
Total comprehensive income for the period, attributable to:			
Equity holders of the Company		4,945	6,317
Non-controlling interest		(501)	—
Total comprehensive income for the period		4,444	6,317
Earnings per share attributable to equity owners of the Company			
Basic and diluted	8	0.86 RM sen	1.17 RM sen

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	10	15,337	15,593
CURRENT ASSETS			
Inventories		34,942	33,638
Trade and other receivables	11	35,958	31,641
Other investments	12	33,191	31,769
Restricted bank balances		1,421	1,421
Bank balances and cash		56,314	56,449
		161,826	154,918
TOTAL ASSETS		177,163	170,511
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	2,614	2,614
Reserves	14	162,910	157,965
Total equity attributable to owners of the Company		165,524	160,579
Non-controlling interests		(920)	(419)
TOTAL EQUITY		164,604	160,160
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	15	791	1,071
Deferred tax liability		393	450
		1,184	1,521
CURRENT LIABILITIES			
Trade and other payables	16	10,083	7,703
Lease liabilities	15	692	808
Income tax payable		600	319
		11,375	8,830
TOTAL LIABILITIES		12,559	10,351
TOTAL EQUITY AND LIABILITIES		177,163	170,511
TOTAL ASSETS LESS CURRENT LIABILITIES		165,788	161,681

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Capital reserve RM'000	Exchange reserve RM'000	Retained profits RM'000	Total Equity attributable to equity owner of the Company RM'000	Non-Controlling interest RM'000	Total RM'000
<i>For the six months ended 30 June 2023</i>									
At 1 January 2023 (Audited)	2,614	35,339	155	14,344	(1,217)	97,368	148,603	—	148,603
Profit for the period	—	—	—	—	—	5,541	5,541	—	5,541
Other comprehensive income for the period	—	—	—	—	776	—	776	—	776
Total comprehensive income for the period	—	—	—	—	776	5,541	6,317	—	6,317
At 30 June 2023 (Unaudited)	2,614	35,339	155	14,344	(441)	102,909	154,920	—	154,920
<i>For the six months ended 30 June 2024</i>									
At 1 January 2024 (Audited)	2,614	35,339	155	14,344	(659)	108,786	160,579	(419)	160,160
Profit for the period	—	—	—	—	—	4,575	4,575	(501)	4,074
Other comprehensive income for the period	—	—	—	—	370	—	370	—	370
Total comprehensive income for the period	—	—	—	—	370	4,575	4,945	(501)	4,444
At 30 June 2024 (Unaudited)	2,614	35,339	155	14,344	(289)	113,361	165,524	(920)	164,604

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	For the six months ended	
	30 June	
	2024	2023
	RM'000	RM'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before tax	6,156	7,815
Adjustments for:		
Bank interest income	(908)	(572)
Depreciation on property, plant and equipment	931	906
Exchange differences	370	776
Net fair value (gains)/losses on other investments	(893)	(87)
Gain on disposal of property, plant and equipment	(4)	(62)
Interest expenses on lease liabilities	52	18
Investment income arising from other investments	(529)	(642)
Impairment losses (net of reversals of impairment losses) on trade receivables	241	160
Operating profit before changes in working capital:	5,416	8,312
Changes in inventories	(1,304)	6,556
Changes in receivables	(4,558)	1,050
Changes in payables	2,380	(410)
Cash generated from operations	1,934	15,508
Income tax paid	(1,858)	(1,805)
Net cash generated from operating activities	76	13,703
INVESTING ACTIVITIES		
Bank interest received	908	572
Investment income arising from other investments	529	642
Purchase of other investments	(529)	(642)
Purchase of property, plant and equipment	(676)	(549)
Proceeds from disposal of property, plant and equipment	5	62
Net cash generated from investing activities	237	85



For the six months ended
30 June

	2024 RM'000 (Unaudited)	2023 RM'000 (Unaudited)
FINANCING ACTIVITIES		
Repayment of lease liabilities, representing net cash used in financing activity	(448)	(430)
Net cash used in financing activities	(448)	(430)
NET CHANGES IN BANK BALANCES AND CASH	(135)	13,358
BANK BALANCES AND CASH AT THE BEGINNING OF THE REPORTING PERIOD	56,449	43,922
BANK BALANCES AND CASH AT THE END OF THE REPORTING PERIOD	56,314	57,280



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Ritamix Global Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 29 October 2018. The Company’s shares were 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, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company’s principal place of business in Hong Kong is situated at Room 1910, 19/F, C C Wu Building, 302–308 Hennessy Road, Wan Chai, 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 ingredient products; and (ii) manufacturing of animal feed additives premixes.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (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 Standards (“**IAS**”) 34 “*Interim Financial Reporting*” issued by International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements 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 2023, 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 2023 (the “**2023 Financial Statements**”) as set out in the Company’s annual report for the year ended 31 December 2023.

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 2023 Financial Statements.



2. PRINCIPAL ACCOUNTING POLICIES

The measurement basis used in the preparation of the Interim Financial Statements is historical cost basis, except for equity investment at fair value through other comprehensive income, and other investments, which are measured at fair values.

The accounting policies and methods of computation used in the Interim Financial Statements are consistent with those followed in the preparation of the 2023 Financial Statements.

The adoption of the new standards and amendments that have been issued by IASB which are relevant to the Group and effective for the 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 standards and amendments 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 standards and amendments 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 of the Company, 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 or services rendered. 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:

- (a) Animal feed additives products segment: manufacturing and distribution of animal feed additives products; and
- (b) 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 reversal of or provision for loss allowance of trade receivables incurred by each segment without allocation of other income, administrative and other operating expenses, interest expenses on lease liabilities and income tax expenses.

No analysis of the Group’s assets and liabilities by operating segments is presented as it (1) is not regularly provided to the CODM for review; and (2) substantially all of the Group’s assets of the operating segments were located in Malaysia. 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 are analysis of the Group's revenue and results by reportable and operating segments:

	Animal feed additives products RM'000	Human food ingredient products RM'000	Total RM'000
<i>For the six months ended 30 June 2024 (Unaudited)</i>			
Revenue from external customers			
– Distribution	32,792	14,445	47,237
– Manufacturing	12,397	—	12,397
	45,189	14,445	59,634
Gross profit			
– Distribution	6,482	2,615	9,097
– Manufacturing	3,294	—	3,294
	9,776	2,615	12,391
Selling and distribution costs	(931)	(297)	(1,228)
Impairment losses (net of reversals of impairment losses) on trade receivables	(241)	—	(241)
Segment results	8,604	2,318	10,922
<i>Unallocated income and expenses</i>			
Other income			2,843
Administrative and other operating expenses			(7,557)
Interest expenses on lease liabilities			(52)
Profit before tax			6,156
Income tax expenses			(2,082)
Profit for the period			4,074
<i>Other information:</i>			
Depreciation of property, plant and equipment (Note i)	72	—	72
Additions to property, plant and equipment (Note ii)	279	—	279



3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Animal feed additives products RM'000	Human food ingredient products RM'000	Total RM'000
<i>For the six months ended 30 June 2023 (Unaudited)</i>			
Revenue from external customers			
– Distribution	28,631	12,642	41,273
– Manufacturing	17,850	—	17,850
	46,481	12,642	59,123
Gross profit			
– Distribution	5,313	2,504	7,817
– Manufacturing	4,976	—	4,976
	10,289	2,504	12,793
Selling and distribution costs	(939)	(255)	(1,194)
Impairment losses (net of reversals of impairment losses) on trade receivables	(160)	—	(160)
Segment results	9,190	2,249	11,439
<i>Unallocated income and expenses</i>			
Other income			1,924
Administrative and other operating expenses			(5,530)
Interest expenses on lease liabilities			(18)
Profit before tax			7,815
Income tax expenses			(2,274)
Profit for the period			5,541
<i>Other information:</i>			
Depreciation of property, plant and equipment (Note i)	64	—	64
Additions to property, plant and equipment (Note ii)	—	—	—

Notes:

- (i) Depreciation not included in the measure of segment results during the six months ended 30 June 2024 amounted to approximately RM859,000 (Six months ended 30 June 2023: approximately RM842,000).
- (ii) Additions to property, plant and equipment not included in the measure of segment results during the six months ended 30 June 2024 amounted to approximately RM397,000 (Six months ended 30 June 2023: approximately RM1,283,000).

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 tangible assets is provided as substantially all of the Group's tangible assets were located in Malaysia.

Information about major customers

No single customer or group of customers under common control contributed 10.0% or more of the total revenue during the six months ended 30 June 2024 and 2023.

4. REVENUE

	For the six months ended 30 June	
	2024	2023
	RM'000 (Unaudited)	RM'000 (Unaudited)
Revenue from contracts with customers		
– Distribution income	47,237	41,273
– Manufacturing income	12,397	17,850
	59,634	59,123

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

	For the six months ended 30 June	
	2024	2023
	RM'000 (Unaudited)	RM'000 (Unaudited)
Timing of revenue recognition (at a point of):		
– Distribution income	47,237	41,273
– Manufacturing income	12,397	17,850
	59,634	59,123



5. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	RM'000 (Unaudited)	RM'000 (Unaudited)
Bank interest income	908	572
Exchange gain, net	428	364
Gain on disposal of property, plant and equipment	4	62
Net fair value gains on other investments	893	—
Investment income arising from other investments	529	642
Sundry income	81	284
	2,843	1,924

6. PROFIT BEFORE TAX

This is stated after charging/(crediting):

	For the six months ended 30 June	
	2024	2023
	RM'000 (Unaudited)	RM'000 (Unaudited)
Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits in kind	2,813	2,678
Contributions to defined contribution plans	333	317
Total staff costs (charged to "cost of sales", "selling and distribution costs" and "administrative and other operating expenses", as appropriate)	3,146	2,995
Other items		
Auditor's remuneration	148	159
Cost of inventories recognised as expense	47,243	46,330
Depreciation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	931	906
Fair value (gain)/loss on other investments	—	(87)
Impairment losses (net of reversals of impairment losses) on trade receivables	241	160

7. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2024 RM'000 (Unaudited)	2023 RM'000 (Unaudited)
Current tax		
Income tax	2,139	2,211
Deferred tax		
Changes in temporary differences	(57)	63
	2,082	2,274

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

Hong Kong Profits Tax has not been provided for as the Group incurred a loss for taxation purpose in Hong Kong for the six months ended 30 June 2024 and 2023.

The enterprise income tax of the People's Republic of China (the "PRC") has not been provided for as the Group incurred a loss for taxation purpose in the PRC for the six months ended 30 June 2024 and 2023.

Malaysia income tax is calculated at the rate of 24.0% of the Group's estimated assessable profits arising from Malaysia during the six months ended 30 June 2024 and 2023.

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2024 RM'000 (Unaudited)	2023 RM'000 (Unaudited)
Profit for the period attributable to the equity owners of the Company, used in basic and diluted earnings per share calculation	4,074	5,541
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	472,000,000	472,000,000

The diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 June 2024 and 2023.



9. DIVIDENDS

The Board does not declare an interim dividend for the six months ended 30 June 2024 (*Six months ended 30 June 2023: nil*).

10. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Freehold land	Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant and machineries	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Reconciliation of carrying amounts — year ended 31 December 2023 (Audited)								
At 1 January 2023	84	4,066	8,249	386	450	318	637	14,190
Additions	2,559	—	13	229	446	13	—	3,260
Modification	(12)	—	—	—	—	—	—	(12)
Depreciation	(827)	—	(201)	(175)	(239)	(128)	(275)	(1,845)
At 31 December 2023	1,804	4,066	8,061	440	657	203	362	15,593
Reconciliation of carrying amounts — six months ended 30 June 2024 (Unaudited)								
At 1 January 2024	1,804	4,066	8,061	440	657	203	362	15,593
Additions	—	—	—	—	68	279	329	676
Disposals	—	—	—	—	(1)	—	—	(1)
Depreciation	(409)	—	(100)	(80)	(137)	(72)	(133)	(931)
At 30 June 2024	1,395	4,066	7,961	360	587	410	558	15,337

11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
Trade receivables		20,471	21,946
Loss allowance		(543)	(302)
	11(a)	19,928	21,644
Other receivables, deposits and prepayments		16,030	9,997
		35,958	31,641

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

As at 30 June 2024 and 31 December 2023, 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 as at 30 June 2024 and 31 December 2023.

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

	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
Within 30 days	7,193	8,321
31 to 60 days	6,790	6,672
61 to 90 days	3,137	3,528
Over 90 days	3,351	3,425
	20,471	21,946
Loss allowance	(543)	(302)
	19,928	21,644



12. OTHER INVESTMENTS

	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
Unit trusts at fair value	33,191	31,769

The short term investments which are managed and invested into fixed income and money market instruments by fund management company. The short term investments can be redeemed from time to time. The fair values of the other investments are measured with reference to the market value of the instruments reported by the fund management company.

13. SHARE CAPITAL

	Number of shares	HK\$'000	Equivalent to approximately RM'000
Ordinary share of HK\$0.01 each			
Authorised:			
At 1 January 2023 (Audited), 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	20,000,000,000	200,000	110,426
Issued and fully paid up:			
At 1 January 2023 (Audited), 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	472,000,000	4,720	2,614



14. RESERVES

14(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 20 June 2022, it is distributable to the Shareholders provided that the Company's equity owners is able to pay its debts as they fall due in the ordinary course of business.

14(b) Capital redemption reserve

Capital redemption reserve represents the nominal amount of the shares repurchased.

14(c) Capital reserve

Capital reserve of the Group represents the aggregate amount of the paid-up share capital of the then entities now comprising the Group before completion of the reorganisation less consideration paid to acquire the relevant interests (if any) in relation to the reorganisation for the Listing.

14(d) Exchange reserve

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



15. LEASE LIABILITIES

	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
Current	692	808
Non-current liabilities	791	1,071
Total	1,483	1,879
	2024 RM'000 (Unaudited)	2023 RM'000 (Audited)
At 1 January	1,879	87
<i>Cash flows:</i>		
Repayment of lease liabilities	(448)	(886)
<i>Non-cash:</i>		
Interest expenses	52	131
Additions	—	2,559
Modification	—	(12)
	52	2,678
At 30 June/31 December	1,483	1,879

16. TRADE AND OTHER PAYABLES

	<i>Note</i>	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
Trade payables	16(a)	8,766	6,095
Accruals and other payables		1,249	1,502
Contract liabilities		68	106
		10,083	7,703

- (a) As at the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2024 RM'000 (Unaudited)	At 31 December 2023 RM'000 (Audited)
Within 30 days	6,084	3,935
31 to 60 days	1,467	1,067
61 to 90 days	1,037	1,093
Over 90 days	178	—
	8,766	6,095

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



17. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, The Group had the following related party transactions. during the six months ended 30 June 2024 and 2023.

- (a) Transactions between the group entities have been eliminated on consolidation and are not disclosed. During the six months ended 30 June 2024 and 2023, 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 30 June	
		2024	2023
		RM'000	RM'000
		(Unaudited)	(Unaudited)
Related party relationship	Nature of transaction		
Related company controlled by the Ultimate Controlling Parties	Utilities expenses (<i>Note</i>)	6	7
	Repayment of lease liabilities (<i>Note</i>)	420	408
		426	415

Note: During the six months ended 30 June 2024 and 2023, 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 30 June	
		2024	2023
		RM'000	RM'000
		(Unaudited)	(Unaudited)
Salaries, allowances and other benefits in kinds		1,361	1,255
Contributions to defined contribution plans		176	152
		1,537	1,407



18. FAIR VALUE MEASUREMENT

The following presents the assets measured at fair value or required to disclose their fair value 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.
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Assets measured at fair value

The fair value of the other investments are categories as Level 2 which are measured with reference to the market value of the investments reported on the fund management company.

During the six months ended 30 June 2024 and the financial year ended 31 December 2023, 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 Group reviews estimation of fair values of the unlisted investments in non-principal guaranteed funds and unit trusts 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 2024 and 31 December 2023.



19. 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 RM734,000 during the six months ended 30 June 2024 (*Six months ended 30 June 2023: approximately RM734,000*).

20. EVENTS AFTER THE REPORTING PERIOD

On 8 August 2024, the Board resolved to utilise the share repurchase mandate, which has been granted to the Directors pursuant to the resolutions of the shareholders of the Company (the “**Shareholders**”) passed 26 June 2024 by actively undertaking an on-market share repurchase programme (the “**Share Repurchase Programme**”) of the Shares in the open market from time to time. The total amount of funds to be used for the repurchase of Shares under the Share Repurchase Programme is no more than HK\$12 million. The period for the Share Repurchase Programme is from 12 August 2024 to 31 December 2024.

To maintain a public float of not less than 25% in accordance with Rule 8.08 of the Listing Rules, the maximum Shares which will be repurchased under the Share Repurchase Programme is 20 million Shares, representing approximately 4.24% of total the aggregate number of the issued Shares as at 26 June 2024.

For further information about the Share Repurchase Programme, please refer to the announcement of the Company dated 9 August 2024. Up to the date of this report, the Company did not repurchase Shares under the Share Repurchase Programme.

* *English names are for identification purpose only.*

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the Board on 28 August 2024.



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.

BUSINESS AND FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2024 was approximately RM59.6 million, representing a slight increase of approximately RM0.5 million, or approximately 0.8% from approximately RM59.1 million for the same period in 2023.

Revenue from the manufacturing business for the six months ended 30 June 2024 was approximately RM12.4 million, accounting for approximately 20.8% of our total revenue and representing a decrease of approximately RM5.5 million, or approximately 30.7%, from approximately RM17.9 million for the same period in 2023. The decrease was due to fierce competition amongst their competitors' selling prices of vitamin and minerals premix products during this interim period.

Revenue from the distribution business for the six months ended 30 June 2024 was approximately RM47.2 million, accounting for approximately 79.2% of our total revenue. It also represents an increase of approximately RM5.9 million, or approximately 14.3%, from approximately RM41.3 million for the same period in 2023.

The increase was mainly due to the group successfully secured some sales contract and also sales made to some of the returning old customers during the financial period. In addition, the increase also contributed by a specific group of customers' demand in our products in line with their business expansion plan during this interim period.



Gross profit and gross profit margin

Gross profit for the six months ended 30 June 2024 was approximately RM12.4 million (*Six months ended 30 June 2023: approximately RM12.8 million*), representing a gross profit margin of approximately 20.8% (*Six months ended 30 June 2023: approximately 21.6%*).

Gross profit for the manufacturing business for the six months ended 30 June 2024 was approximately RM3.3 million (*Six months ended 30 June 2023: approximately RM5.0 million*), representing a gross profit margin of approximately 26.6% (*Six months ended 30 June 2023: approximately 27.9%*). The decrease in gross profit margin for the manufacturing business was primarily contributed by fierce competition amongst the competitors' sales prices of vitamin and minerals premix products during this interim period.

Gross profit for the distribution business for the six months ended 30 June 2024 was approximately RM9.1 million (*Six months ended 30 June 2023: approximately RM7.8 million*), representing a gross profit margin of approximately 19.3% (*Six months ended 30 June 2023: approximately 18.9%*). The slight increase in gross profit margin was primarily due to higher margin recorded on certain products sold during this interim period as compared to the previous interim period.

Other income

Other income for the six months ended 30 June 2024 was approximately RM2.8 million, representing an increase of approximately RM0.9 million, or approximately 47.4%, from approximately RM1.9 million for the same period in 2023. The increase was primarily due to a higher bank interest income and fair value gain on other investments during this interim period.

Selling and distribution costs

Selling and distribution costs for the six months ended 30 June 2024 was approximately RM1.2 million which remain fairly consistent for the same period in 2023 at approximately RM1.2 million. This is in line with the revenue of the Group during this interim period which is fairly consistent as compared to last financial period.

Administrative and other operating expenses

Administrative and other operating expenses for the six months ended 30 June 2024 were approximately RM7.6 million, representing an increase of approximately RM2.1 million, or approximately 38.2%, from approximately RM5.5 million for the same period in 2023. The increase was due to the expenses incurred by the Company's indirect subsidiaries, Statesino Land & Shore (Hainan) Ltd, in relation to the investment in Matou Village, Dongjiao Town, Wenchang City, Hainan Province in the PRC (the "Investment") for the six months period ended 30 June 2024 as compared to 30 June 2023.

Interest expenses on lease liabilities

For the six months ended 30 June 2024 and 2023, the Group recorded interest expenses on lease liabilities of approximately RM52,000 and RM18,000, respectively.

Income tax expenses

Income tax expenses decreased to approximately RM2.1 million for the six months ended 30 June 2024 from approximately RM2.3 million for the same period in 2023, representing a decrease of approximately RM0.2 million or approximately 8.7% due to a decrease in profit before tax of the Group.

Profit attributable to equity holders of the Company

As a result of the foregoing, profit for the six months ended 30 June 2024 was approximately RM4.6 million, representing a decrease of approximately RM0.9 million, or approximately 16.4%, from approximately RM5.5 million for the same period in 2023 which was mainly due to higher administrative and other operating expenses incurred for the Investment as explained above.

Key financial ratios

	Notes	At 30 June 2024	At 31 December 2023
Current ratio (times)	1	14.2	17.5
Quick ratio (times)	2	11.2	13.7
Gearing ratio (%)	3	0.9	1.2

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 total debt which comprised of lease liabilities only divided by total equity.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At 30 June 2024,

- (a) the Company's issued capital was HK\$4.72 million (equivalent to approximately RM2.6 million) and the number of its issued ordinary shares was 472,000,000 shares of HK\$0.01 each. There has been no change in the Company's shares capital since 31 December 2023;
- (b) the Group's restricted bank balances was approximately RM1.4 million (31 December 2023: approximately RM1.4 million) and the Group's bank balances and cash was approximately RM56.3 million (31 December 2023: approximately RM56.4 million), most of which were denominated in United States Dollars, Hong Kong Dollars and RM;
- (c) the Group did not have any outstanding bank borrowings (31 December 2023: nil). The Group had lease liabilities of approximately RM1.5 million (31 December 2023: approximately RM1.9 million). All of the lease liabilities were denominated in RM; and
- (d) the Group's total equity attributable to equity owners of the Company was approximately RM165.6 million (31 December 2023: approximately RM160.6 million). The capital of the Company mainly comprises share capital and reserves.

During this interim 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 operation cash flows and administrative expenses. The Board closely monitors the Group's 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.

The Directors are of the view that the Group has sufficient working capital for its operation.

DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2024 (*Six months ended 30 June 2023: nil*).

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had no significant capital commitments, other than, the Group had contracted but not provided capital commitment RMB25.5 million (equivalent to approximately RM16.2 million) (*31 December 2023: RMB25.5 million (equivalent to approximately RM16.5 million)*) in respect of investment in Hainan Ritamix.

PLEDGE OF ASSETS

The Group's restricted bank balances are bank deposits denominated in RM which carried interest at prevailing market rates and are pledged to secure banking facilities granted to the Group. The total banking facilities granted to the Group amounted to approximately RM6,000,000 and RM6,000,000 as at 30 June 2024 and 31 December 2023, respectively. The Group had not utilised any banking facilities as at 30 June 2024 and 31 December 2023.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed below, the Group has no significant investments, material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2024.

Investments in financial assets measured at FVTPL

The following table sets forth the fair value of the significant investments in the Fund (as defined herein) of the Group as at 30 June 2024:

Financial assets measured at FVTPL	For the six months ended 30 June 2024		As at 30 June 2024	Approximate percentage to the total assets as at 30 June 2024	As at 31 December 2023
	Income Distribution RM'000	Fair value gain RM'000	Fair value RM'000		Fair value RM'000
Significant Investments					
Affin Hwang Select Bond Fund (the "Fund")	529	893	33,191	18.7%	31,209

All of the above significant investments were managed by AHAM Asset Management Berhad, an independently managed, institutionally-owned asset management firm in Malaysia that started its roots in 2001 and specialises in customised solutions and invests into equities, bonds, money market, structured products and other alternative investment instruments to generate returns for its clients. There is no redemption or addition to the Fund during the six months ended 30 June 2024.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 24 April 2020, the Group does not have any concrete plan for material investments or capital assets as at 30 June 2024 and up to the date of this announcement.

CONTINGENT LIABILITIES

As at 30 June 2024 and 31 December 2023, the Group did not have any significant contingent liabilities.

FOREIGN CURRENCY RISK

The Group operates mainly in Malaysia, fluctuations in the Malaysian ringgit's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into, of the Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group's ability to pay dividends or satisfy other foreign exchange requirements.

The management will monitor the foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating results. The Group had not used any derivative financial instrument during the six months ended 30 June 2024 and 2023.



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, the Group's 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

As at 30 June 2024, the Group had 53 employees (30 June 2023: 51 employees), all of whom were directly hired by the Group. The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. Remuneration package offered by the Group to its staff includes basic salary, discretionary bonuses, provident fund contributions and allowance. For the six months ended 30 June 2024, the Group's staff costs, including Directors' emoluments, were approximately RM3.1 million (Six months ended 30 June 2023: approximately RM3.0 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.

Change of independent non-executive Directors ("INED") and change in composition of Board committees

The retirement of Mr. Lim Heng Choon ("**Mr. Lim**") from the Board has become effective from the conclusion of the annual general meeting of the Company held on 26 June 2024 (the "**2024 AGM**"). Following the retirement as an INED, Mr. Lim has ceased to be a member of the audit committee (the "**Audit Committee**") and the chairman of the nomination committee (the "**Nomination Committee**") of the Company.

Immediately after the conclusion of the 2024 AGM, Ms. Tee Pao Hwei ("**Ms. Tee**") has been appointed as an INED, a member of the Audit Committee and the chairman of the Nomination Committee with effect from 26 June 2024.

For further information about the change of INED and change in composition of Board committees, please refer to the announcement of the Company dated 26 June 2024.

USE OF PROCEEDS

The net proceeds (the "**Net Proceeds**") received by the Company from successfully listed on the Main Board of Stock Exchange on 13 May 2020 (the "**Listing Date**") through the share offer amounted to approximately HK\$72.4 million, after deducting the underwriting fees, commissions and other listing expenses.

On 4 October 2021, the Board resolved to reallocate the use in its unutilised net proceeds (the "**Unutilised Net Proceeds**") in acquiring or partnering with a company selling animal feed additives products amounted to approximately HK\$13.4 million to invest in a company engaged in animal feed additives and/or veterinary related industry (the "**Change of Use in Net Proceeds**"), the Board considers that the Change of Use in Net Proceeds will broaden the choices available to the Group when shortlisting investment candidates and will be beneficial to the Company and the Shareholders as a whole. For more information about the Change of Use in Net Proceeds, please refer to the Company's announcement dated 4 October 2021.

During the period from the Listing Date and up to 30 June 2024 (the “Relevant Period”), the Net Proceeds had been applied as follows:

	Planned use of the Net Proceeds HK\$' million	Actual use of the Net Proceeds during the Relevant Period HK\$' million	Unutilised amount at 30 June 2024 HK\$' million	Expected timeline to use the Net Proceeds
Construct a new manufacturing plant ^(Note i)	42.1	—	42.1	31 December 2025
Funding potential investment in company which is engaged in animal feed additives and/or veterinary related industry ^(Note ii)	13.4	7.8	5.6	31 December 2025
Conduct sales and marketing activities ^(Note iii)	1.7	0.9	0.8	31 December 2024
Set up a new testing laboratory ^(Note iv)	3.5	—	3.5	31 December 2025
Set up a centralised Enterprise Resources Planning system ^(Note i)	3.7	—	3.7	31 December 2025
Hire additional workforce ^(Note i)	3.0	1.0	2.0	31 December 2025
Purchase trucks for logistics services and vehicle for sales personnel	1.4	1.4	—	Not applicable
General working capital	3.6	3.6	—	Not applicable
TOTAL	72.4	14.7	57.7	

Note i. Since 2020, the COVID-19 pandemic has adversely impacted the global economy. Several of the Group’s key customers have slowed down their planned business expansion activities, amongst others, including the acquisitions of poultry farms and increasing broiler production capacity. Consequently, the Group experienced delays in securing previously forecasted additional orders from these existing customers. Moreover, the disruption to supply chains caused by COVID-19 had led to shortages of shipping containers and negatively affected the Group’s overseas sales due to logistical challenges. Additionally, outbreaks of animal diseases such as avian influenza (H5N1) and African swine fever in several regions where the Group’s own brand of animal feed additives and premixes are sold have further exacerbated the situation.

Given the circumstances, the Group has opted for a cautious approach and is closely monitoring industry developments. The Group is actively engaging with both existing and potential customers to secure indicative orders. As of the date of this report, the Group is finalizing its product demand forecast to evaluate the need and timing for expanding production capacity in a new manufacturing plant. The Group intends to set up a centralised Enterprise Resources Planning system and hire additional workforce after constructing its new manufacturing plant.

Note ii. Despite the economic recovery from the COVID-19 pandemic, the Group has decided to remain cautious with its investments. However, the Group remains committed to actively seeking a suitable investment company. As of the date of this report, the Group has not identified any potential investments that meet its criteria.

Note iii. The travel restrictions imposed to combat the COVID-19 outbreak delayed the utilisation of the Net Proceeds in conduct sales and marketing activities. The Group has identified and planned to attend to several international trade events and exhibitions, scheduled visit to potential suppliers and customers, and will conduct training and product seminars in 2024.

Note iv. The Company is currently identifying a suitable location and updating the feasibility report for setting up the new testing laboratory and plans to utilise the Net Proceeds by 31 December 2025.



Looking ahead, the Group will also closely monitor the global economy and continuously assess the appropriate timing for utilizing the Unutilised Net Proceeds. Nonetheless, the Group has been actively exploring suitable business and investment opportunities in line with the planned use of the Net Proceeds as set out per above. Accordingly, it is anticipated that the Unutilised Net Proceeds will be fully utilized on or before 31 December 2025. For more information on the expected timeline for used of proceeds, please refer to the Company's announcements dated 27 July 2023 and 27 September 2023.

Further, as at 30 June 2024, part of the Unutilised Net Proceeds were invested in the US\$ Hedged-class Units of Affin Hwang Select Bond Fund for an aggregate amount of US\$3.0 million (equivalent to approximately HK\$23.7 million). The Company will redeem part of the investment in the fund as and when the Company utilise the Net Proceeds according to the abovementioned planned use. The Company will ensure that there is no adverse impact to the use of the Net Proceeds and no change in the planned use of the Net Proceeds. As at 30 June 2024, the remaining Unutilised Net Proceeds were deposited in licensed banks in Hong Kong and Malaysia.

Overall, the Company will ensure that there is no adverse impact to the use of the Net Proceeds and no change in the planned use of the Net Proceeds.

OTHER INFORMATION

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

As at 30 June 2024, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required 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) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Interests in the Company

Name of Directors	Capacity/Nature of Interest	Number of Shares (Note 1)	Percentage of Holding
Dato'Sri Lee Haw Yih (Note 2 and 3)	Interest in a controlled corporation/ interest held with others	337,500,000 (L)	71.5%
Mr. Lee Haw Shyang (Note 3)	Interest held jointly with others	337,500,000 (L)	71.5%
Datin Sri Yaw Sook Kean (Note 3)	Interest held jointly with others	337,500,000 (L)	71.5%

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- Garry-Worth Investment Limited ("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 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 71.5% of the entire issued share capital of the Company.

(ii) Interests in associated corporation of the Company

Name of Directors	Associate corporation	Capacity/Nature of interest	Number of Shares	Percentage of Holding
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 2024, none of the Directors or chief executives of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of 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' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Directors	Capacity	Number of Shares (Note 1)	Percentage of Holding
Garry-Worth (Note 2)	Beneficial owner	337,500,000 (L)	71.5%
Mr. Lee Haw Hann (Note 3)	Interest jointly with others	337,500,000 (L)	71.5%
Ms. Lim Ee Min (Note 4)	Interest of spouse	337,500,000 (L)	71.5%
Ms. Yee Mei Loon (Note 5)	Interest of spouse	337,500,000 (L)	71.5%
Warrants Capital Ltd ("Warrants Capital") (Note 6)	Beneficial owner	27,482,000 (L)	5.8%
Mr. Voon Sze Lin (Note 6)	Interest in controlled corporation	27,482,000 (L)	5.8%

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- 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 71.5% 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 27,482,000 Shares. Warrants Capital is owned 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 2024, 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 the 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.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Board to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the **"Eligible Persons"**) as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

(b) Grant of options

Subject to the provisions in the Share Option Scheme, the Directors may grant options at any time and from time to time within a period of 10 years commencing from the date of adoption of the Share Option Scheme at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK\$1.00 to grant option to the Eligible Persons.

(c) Maximum number of Shares

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 50,000,000 Shares, being 30% of the total number of Shares (assuming no options are granted under the Share Option Scheme) in issue on the Listing Date (the **"Scheme Limit"**) unless approved by its Shareholders pursuant to the paragraph below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.

The Company may seek separate approval of the Shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of Shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as refreshed.

(d) Maximum entitlement of each Eligible Person

The total number of Shares issued and which may fail to be issued upon exercise of the options under the Share Option Scheme and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

(e) Period for acceptance of an option

An offer under the Share Option Scheme may remain open for acceptance by the Eligible Persons (and by no other person) for a period of up to 21 days from the date, which must be a business day, on which the offer is made.



(f) Period within which the securities must be exercised under an option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

(g) Basis for determining the subscription price

The subscription price in respect of any option shall be at the discretion of the Directors, provided that it shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share.

(h) Remaining life

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

During this interim period, no share options had been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme. As at 30 June 2024, the total number of Shares available for issue under the Share Option Scheme was 50,000,000, representing approximately 10.6% of the entire issued share capital of the Company as at 30 June 2024 and 10.0% of the total number of Shares in issue at the time dealing the Shares first commence on the Stock Exchange.

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


The Shares have been listed on the Main Board of the Stock Exchange on 13 May 2020. No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the six months ended 30 June 2024.

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, all Directors confirmed that they have complied with the required standards under the Model Code during the six months ended 30 June 2024.

CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability and to protect and enhance the Shareholders' value. The Company has adopted the principles and all relevant code provisions as set out under the Corporate Governance Code, (the "CG Code") contained in Appendix C1 to the Listing Rules.



Code provision C.2.1 of the CG Code provides that the roles of the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**CEO**”) should be separated and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Dato’Sri Lee Haw Yih currently holds both positions. Since the inception of the Group, Dato’Sri Lee Haw Yih has been managing the Group’s business and overall strategic planning for over 20 years. Taking into account the continuous implementation of the business plans, the Board believes that vesting the roles of both the Chairman and the CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. Further, the Company has put in place an appropriate checks and balances mechanism through the Board and three independent non-executive Directors. Accordingly, the Company has not segregated the roles of the Chairman and the CEO as required by code provision C.2.1 of the CG Code. The Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Save for the deviation from code provision C.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 2024.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 16 of the Interim Financial Statements, there is no event subsequent to the end of 30 June 2024 and up to the date of this report which requires disclosure.

AUDIT COMMITTEE

The Audit Committee was established on 8 April 2020 with written terms of reference in compliance with Rule 3.22 of the Listing Rules. The terms of reference are of no less exacting terms than those set out in the code provision D.3.3 and D.3.7 of the CG Code. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Lim Chee Hoong, Ms. Ng Siok Hui and Ms. Tee Pao Hwei. The chairman of the Audit Committee is Mr. Lim Chee Hoong.

The role of the Audit Committee includes reviewing and monitoring the Group’s external auditor’s independence and objectivity and the effectiveness of the audit process, monitoring the integrity of the Group’s financial information and reviewing significant financial reporting judgement and overseeing the Group’s financial reporting system and risk management and internal control systems.

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 auditor.

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

Malaysia, 28 August 2024

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 Ms. Tee Pao Hwei.