



9MFY2021 Results Update

26 March 2021



Contents Financial Highlights 9MFY2021

Review by Segment

9MFY2021 vs. 9MFY2020

For the nine months ended 31 January 2021, the Group recorded higher revenue of RM 204.6 million, an increase of 1.6% as compared to the previous year corresponding period of RM 201.5 million.

The increase in revenue was mainly attributed to higher sales contribution from the Multi-level marketing (“MLM”) division.

Net operating profit margin improved to 19.8% as compared to the previous year’s corresponding period of 15.0%, mainly due to the on-going cost optimisation initiatives and a favourable change of sales mix.

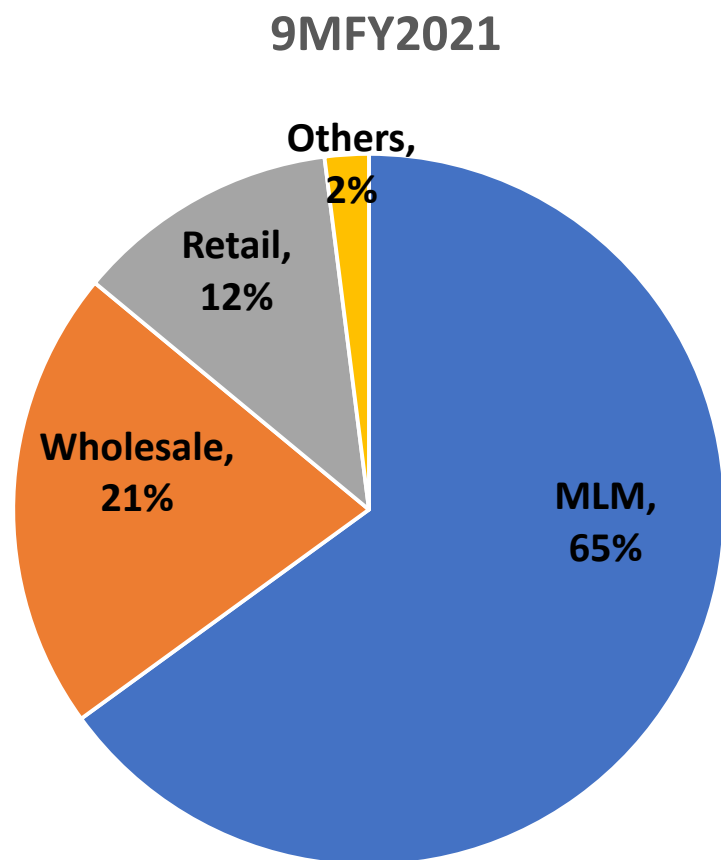
9MFY2021 vs. 9MFY2020

	9MFY2021 31 Jan 2021	9MFY2020 31 Jan 2020	Variance +/-
	(RM'mil)	(RM'mil)	
Revenue	204.61	201.47	1.6%
Pre-tax Profit	40.90	30.73	33.1%
Profit After Tax	30.88	22.72	35.9%
Net Margin (%)	15.09%	11.28%	3.81%
EPS (sen)	10.65	7.80	2.85 sen

Statement of Financial Position

	9MFY2021 31 Jan 2021 (RM'mil)	FYE2020 30 April 2020 (audited) (RM'mil)
Net cash + Short term investment	110.84	95.88
Total assets	371.08	361.72
Total liabilities	54.26	51.53
Shareholders' equity	306.58	299.59
Net assets per share (RM)	1.06	1.03

Segment Revenue



Segment	9MFY2021 31 Jan 2021		9MFY2020 31 Jan 2020	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	133.00	65%	121.45	60%
Wholesale	42.45	21%	46.66	23%
Retail	25.64	12%	30.22	15%
Others	3.52	2%	3.14	2%
Total	204.61	100%	201.47	100%



Review by
Segment

Multi Level Marketing (“MLM”)

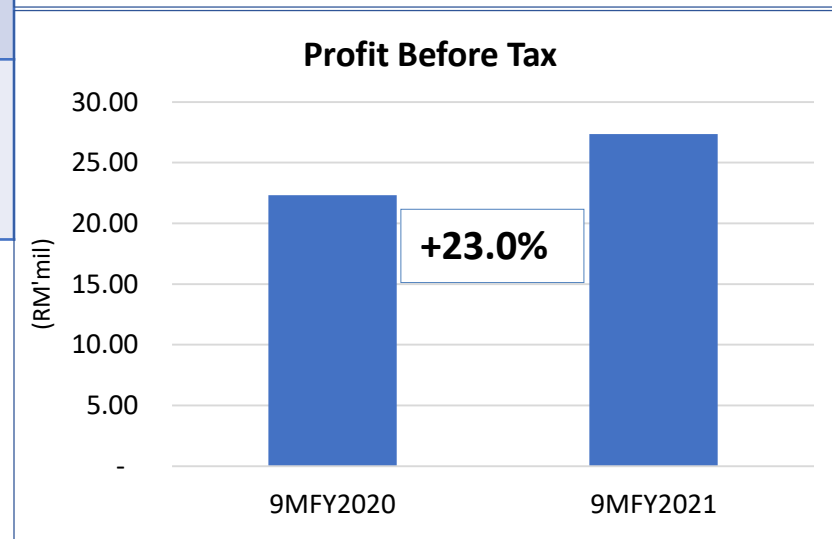
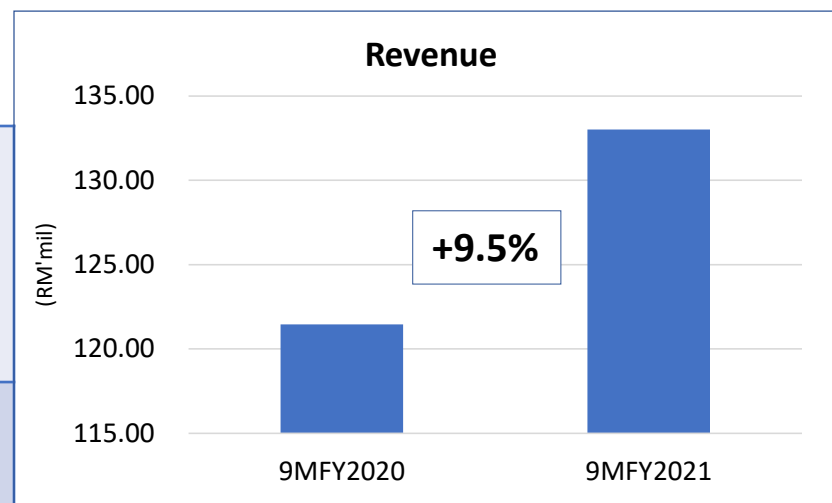
Wholesale

Retail

Others

MLM

MLM Segment	9MFY2021 31 Jan 2021 (RM'mil)	9MFY2020 31 Jan 2020 (RM'mil)	Changes (%)
External Revenue	133.00	121.45	+9.5%
Profit Before Tax	27.37	22.33	+23.0%



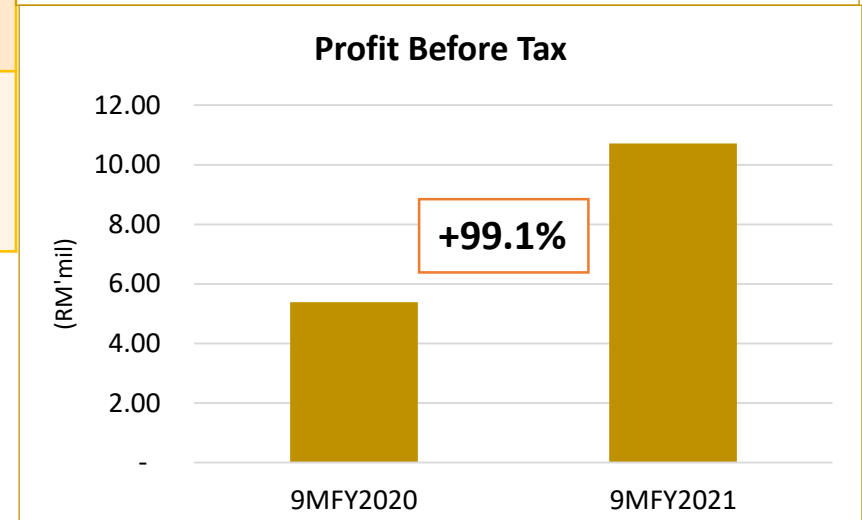
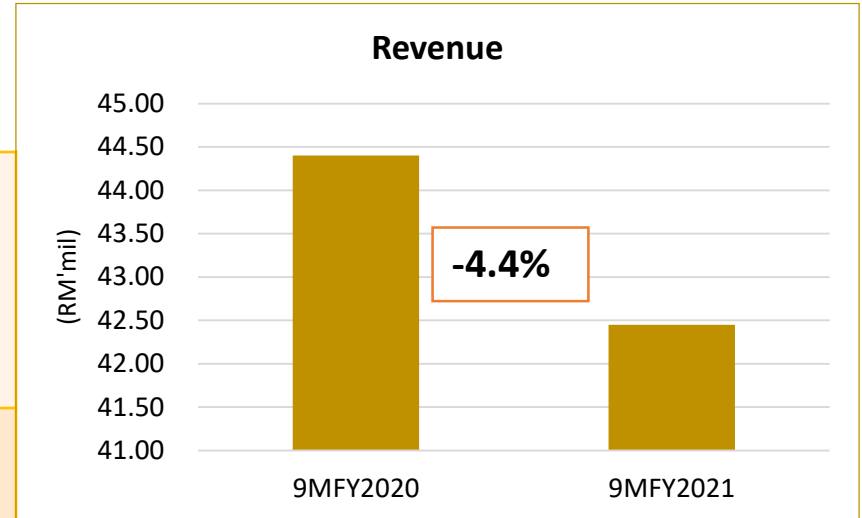
MLM

The MLM division recorded higher revenue and pre-tax profit of RM 133.0 million and RM 27.4 million for the period under review, which was 9.5% and 23.0% higher than RM 121.5 million and RM 22.3 million respectively in the preceding year's corresponding period.

The division continues to actively strategize product launches and devise various sales campaigns with different themes to excite distributors and boost overall sales. The overwhelming response for one of its newly launched lady wear series had boosted sales during the period under review. The division was also able to leverage on e-commerce and social media platforms to widen its reach and recruit higher number of new members.

Wholesale

Wholesale Segment	9MFY2021 31 Jan 2021 (RM'mil)	9MFY2020 31 Jan 2020 (RM'mil)	Changes (%)
External Revenue	42.45	44.40	-4.4%
Profit Before Tax	10.71	5.38	+99.1%



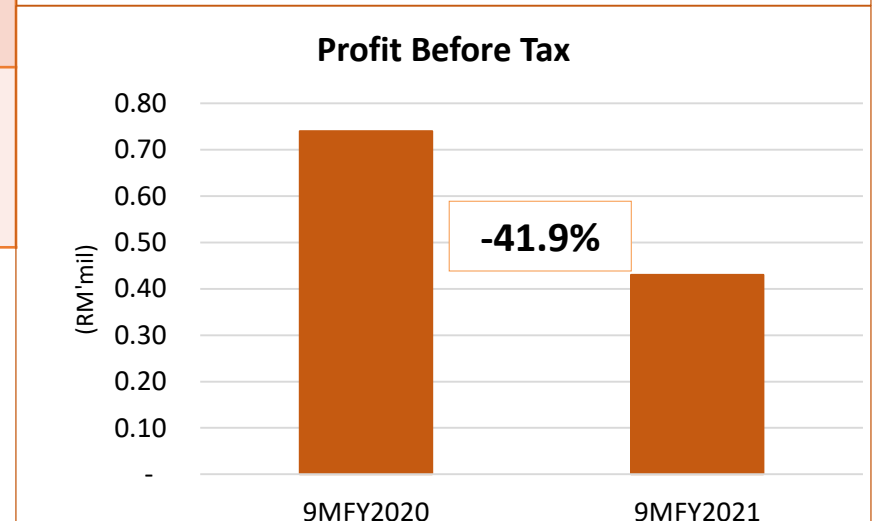
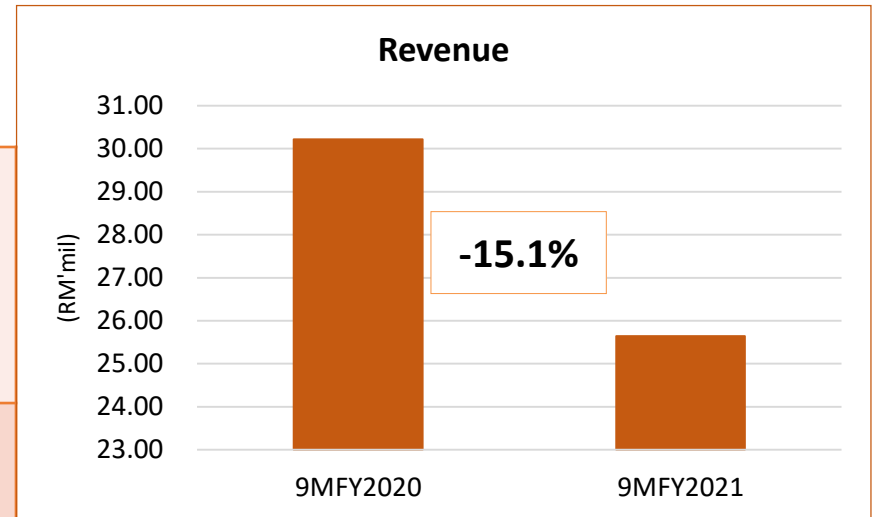
Wholesale

Wholesale revenue declined by 4.4% to RM 42.5 million as compared to the preceding year's corresponding period of RM 44.4 million due mainly to depressed sales in the duty-free market as tourist traffic almost ground to a halt amid the prolonged movement restrictions imposed during the COVID-19 pandemic.

However, pre-tax profit doubled to RM 10.7 million on the back of on-going cost optimization initiatives, higher sales for Chinese medicated tonic and premium cooking wine which carry higher margin, as well as a one-off gain from the disposal of vintage tea amounting to RM 0.9 million.

Retail

Retail Segment	9MFY2021 31 Jan 2021 (RM'mil)	9MFY2020 31 Jan 2020 (RM'mil)	Changes (%)
External Revenue	25.64	30.22	-15.1%
Profit Before Tax	0.43	0.74	-41.9%



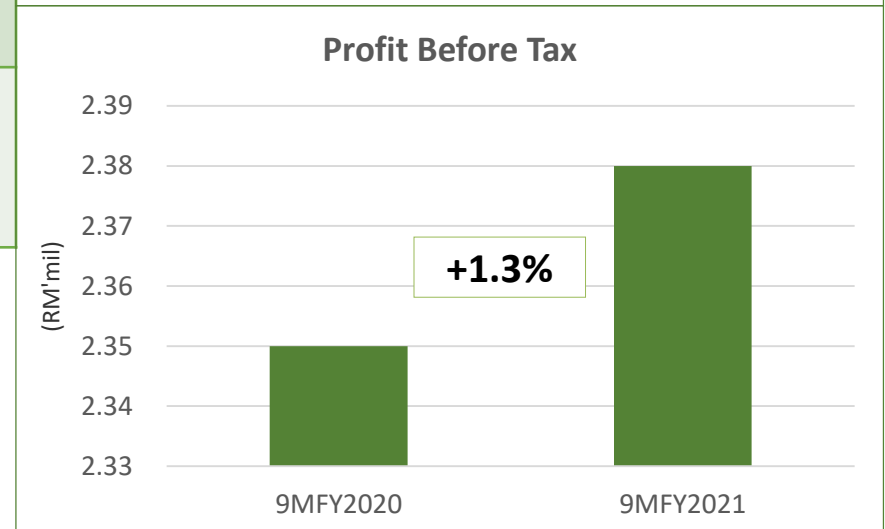
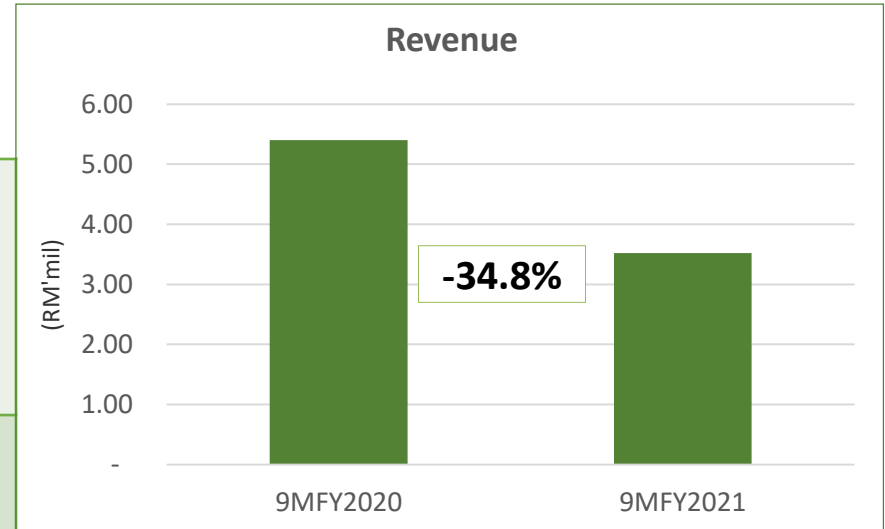
Retail

Retail revenue and pre-tax profit fell by 15.1% and 41.9% to RM 25.7 million and RM 0.4 million respectively in the financial period under review. The latest period did not fully capture the impact of CNY sales, while already sluggish consumer sentiment was further affected after the re-implementation of MCO 2.0.

Despite aggressive members' sales campaigns carried out during the period, buying sentiment remained subdued especially for premium health supplement products. The efforts to tap online sales was hence necessary and timely. The division has made encouraging progress to begin tapping sales from various online platforms during the current financial period.

"Others" segment

"Others" Segment	9MFY2021 31 Jan 2021 (RM'mil)	9MFY2020 31 Jan 2020 (RM'mil)	Changes (%)
External Revenue	3.52	5.40	-34.8%
Profit Before Tax	2.38	2.35	+1.3%



“Others” segment

Revenue comprises mainly rental income from investment properties, health food supplement manufacturing activities and credit & leasing business.

During the period under review, despite with lower revenue at RM 3.5 million, the pre-tax profit improved marginally by 1.3% to RM 2.4 million due to lower expenses incurred.



Thank You

Wisma Hai-O, Lot 11995

Batu 2, Jalan Kapar

41400 Klang, Selangor D.E.

T : 03-33423322 F : 03-33434257

www.hai-o.com.my