

RITAMIX GLOBAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1936

INTERIM REPORT 2020





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

Sir Kwok Siu Man KR

AUTHORISED REPRESENTATIVES

Sir Kwok Siu Man KR
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

P.O. Box 1350
Clifton House
75 Fort Street
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



INDEPENDENT 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

PRINCIPAL SHARE REGISTRAR

Ocorian Trust (Cayman) Limited
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Clifton House
75 Fort Street
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 of directors of Ritamix Global Limited (the “Board”, the “Directors” and the “Company”, respectively) 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 2020, together with the relevant comparative figures for the corresponding period in 2019 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 2020

	Notes	For the six months ended 30 June	
		2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Revenue	4	58,573	59,192
Cost of goods sold		(45,317)	(44,627)
Gross profit		13,256	14,565
Other income	5	1,357	718
Selling and distribution costs		(1,079)	(1,145)
Administrative and other operating expenses		(3,860)	(3,903)
Finance costs	6	(43)	(105)
Loss allowance of trade receivables	11	(202)	(70)
Listing expenses		(4,291)	(1,147)
Profit before tax	6	5,138	8,913
Income tax expenses	7	(2,310)	(2,520)
Profit for the period, attributable to equity holders of the Company		2,828	6,393
Other comprehensive loss			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		(1,087)	—
Total comprehensive income for the period, attributable to equity holders of the Company		1,741	6,393
Earnings per share attributable to equity holders of the Company			
Basic and diluted	8	0.69 RM sen	1.70 RM sen

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Notes	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Non-current assets			
Property, plant and equipment	10	14,190	14,168
Current assets			
Inventories		37,613	31,611
Trade and other receivables	11	30,623	38,528
Other investments	12	25,561	3,325
Restricted bank balances		1,670	1,670
Bank balances and cash		36,864	6,482
		132,331	81,616
Current liabilities			
Trade and other payables	13	7,395	8,979
Interest-bearing borrowings	14	—	1,509
Income tax payables		384	404
Lease liabilities	15	317	17
		8,096	10,909
Net current assets		124,235	70,707
Total assets less current liabilities		138,425	84,875
Non-current liabilities			
Lease liabilities	15	30	14
Deferred tax liabilities		669	626
		699	640
Net assets		137,726	84,235
Capital and reserves			
Share capital	16	2,769	—*
Reserves		134,957	84,235
Total equity		137,726	84,235

* Represent amount less than RM1,000.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Attributable to equity holders of the Company					
	Share capital RM'000 (Note 16)	Share premium RM'000 (Note 17(a))	Capital reserve RM'000 (Note 17(b))	Exchange reserve RM'000 (Note 17(c))	Accumulated profits RM'000	Total RM'000
<i>For the six months ended 30 June 2019</i>						
At 1 January 2019 (Audited)	—*	—	14,344	—	56,173	70,517
Profit for the period and total comprehensive income for the period	—	—	—	—	6,393	6,393
At 30 June 2019 (Unaudited)	—*	—	14,344	—	62,566	76,910
<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
Other comprehensive loss <i>Item that may be reclassified subsequently to profit or loss</i> Exchange differences on consolidation	—	—	—	(1,087)	—	(1,087)
Total comprehensive income for the period	—	—	—	(1,087)	2,828	1,741
Transactions with owners <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)
	2,769	48,981	—	—	—	51,750
At 30 June 2020 (Unaudited)	2,769	48,981	14,344	(1,087)	72,719	137,726

* Represent amount less than RM1,000.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before tax	5,138	8,913
Adjustments for:		
Depreciation	632	739
Gain on disposal of property, plant and equipment	—	(47)
Fair value loss (gain) on other investments	10	(50)
Loss allowance of trade receivables	202	70
Interest income	(187)	(111)
Interest expenses	43	105
Investment income arising from other investments	(104)	(49)
Exchange differences	(1,087)	—
Cash flows from operations before movements in working capital	4,647	9,570
Inventories	(6,002)	3,885
Trade and other receivables	7,703	(4,890)
Trade and other payables	(1,584)	(6,984)
Cash generated from operations	4,764	1,581
Income tax paid	(2,287)	(3,279)
Net cash from (used in) operating activities	2,477	(1,698)
INVESTING ACTIVITIES		
Increase in restricted bank balances	—	(278)
Interest received	187	111
Investment income arising from other investments	104	49
Purchases of property, plant and equipment	(62)	(458)
Purchases of other investments	(29,913)	(49)
Redemption of other investments	7,667	2,049
Proceeds from disposal of property, plant and equipment	—	47
Net cash (used in) from investing activities	(22,017)	1,471



For the six months ended
30 June

2020	2019
RM'000	RM'000
(Unaudited)	(Unaudited)

	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
FINANCING ACTIVITIES		
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	4,443	8,942
Repayment of interest-bearing borrowings	(5,952)	(9,782)
Interest paid	(28)	(92)
Repayment of lease liabilities	(291)	(288)
Net cash from (used in) financing activities	49,922	(1,220)
Net increase (decrease) in cash and cash equivalents	30,382	(1,447)
Cash and cash equivalents at the beginning of the reporting period	6,482	6,222
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	36,864	4,775



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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 P.O. Box 1350, Clifton House, 75 Fort Street, 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 2020 (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 2019, 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 2019 (the "**2019 Financial Statements**") as set out in the Company's prospectus dated 24 April 2020 (the "**Prospectus**").

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 2019 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 2019 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 purposes 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 additives products RM'000	Human food ingredient products RM'000	Total RM'000
<i>For the six months ended 30 June 2020 (Unaudited)</i>			
Revenue from external customers and reportable segment revenue			
– Distribution	29,867	7,179	37,046
– Manufacturing	21,527	—	21,527
Total	51,394	7,179	58,573
Gross profit			
– Distribution	6,182	1,322	7,504
– Manufacturing	5,752	—	5,752
Total	11,934	1,322	13,256
Selling and distribution costs	(951)	(128)	(1,079)
Loss allowance of trade receivables	(202)	—	(202)
Segment results	10,781	1,194	11,975
<i>Unallocated income and expenses</i>			
Other income			1,357
Administrative and other operating expenses			(3,860)
Finance costs			(43)
Listing expenses			(4,291)
Profit before tax			5,138
Income tax expenses			(2,310)
Profit for the period			2,828
<i>Other information:</i>			
Depreciation (Note)	47	—	47



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 2019 (Unaudited)</i>			
Revenue from external customers and reportable segment revenue			
— Distribution	27,910	8,018	35,928
— Manufacturing	23,264	—	23,264
Total	51,174	8,018	59,192
Gross profit			
— Distribution	5,379	1,436	6,815
— Manufacturing	7,750	—	7,750
Total	13,129	1,436	14,565
Selling and distribution costs	(1,031)	(114)	(1,145)
(Loss allowance) Reversal of loss allowance of trade receivables	(76)	6	(70)
Segment results	12,022	1,328	13,350
<i>Unallocated income and expenses</i>			
Other income			718
Administrative and other operating expenses			(3,903)
Finance costs			(105)
Listing expenses			(1,147)
Profit before tax			8,913
Income tax expenses			(2,520)
Profit for the period			6,393
<i>Other information:</i>			
Depreciation (Note)	32	—	32

Note: Depreciation not included in the measure of segment results during the six months ended 30 June 2020 and 2019, which amounted to approximately RM585,000 (unaudited) and approximately RM707,000 (unaudited), respectively.

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 2020 and 2019.

4. REVENUE

	For the six months ended 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Revenue from contracts with customers within IFRS 15		
Distribution income	37,046	35,928
Manufacturing income	21,527	23,264
	58,573	59,192

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 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<i>Timing of revenue recognition:</i>		
— at a point in time		
Distribution income	37,046	35,928
Manufacturing income	21,527	23,264
	58,573	59,192



5. OTHER INCOME

	For the six months ended 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Bank interest income	187	111
Exchange gain, net	773	286
Fair value gain on other investments	—	50
Gain on disposal of property, plant and equipment	—	47
Investment income arising from other investments	104	49
Sundry income	293	175
	1,357	718

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	For the six months ended 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Finance costs		
Interest expenses on interest-bearing borrowings	28	92
Interest expenses on lease liabilities	15	13
	43	105
Staff costs (including Directors' emoluments)		
Salaries, allowances and other benefits in kinds	2,522	2,568
Contributions to defined contribution plans	300	306
Total staff costs (charged to "cost of goods sold", "selling and distribution costs" and "administrative and other operating expenses", as appropriate)	2,822	2,874
Other items		
Auditor's remuneration	58	32
Cost of inventories	45,317	44,627
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	632	739
Exchange gain, net	(773)	(286)
Gain on disposal of property, plant and equipment	—	(47)
Loss allowance of trade receivables	202	70
Fair value loss (gain) on other investments	10	(50)

7. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Current tax		
Malaysia corporate income tax ("Malaysia CIT")	2,267	2,491
Deferred tax		
Changes in temporary differences	43	29
Total income tax expenses	2,310	2,520

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 2020 and 2019.

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 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
<i>Profit:</i>		
Profit for the period attributable to equity holders of the Company, used in basic and diluted earnings per share calculation	2,828	6,393
<i>Number of shares:</i>		
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	408,653,846	375,000,000

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 2020 and 2019.



9. DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2020 (*Six months ended 30 June 2019: nil*).

10. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets RM'000	Freehold land RM'000	Buildings RM'000	Leasehold improvements RM'000	Furniture, fixtures and office equipment RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Total RM'000
	<i>(Note 15)</i>							
Reconciliation of carrying amounts – year ended 31 December 2019 (Audited)								
At 1 January 2019	—	4,066	8,865	258	399	197	535	14,320
Adjustment on transition to IFRS 16	589	—	—	—	—	—	—	589
Additions	—	—	—	70	70	215	335	690
Depreciation	(559)	—	(197)	(65)	(171)	(87)	(352)	(1,431)
At 31 December 2019	30	4,066	8,668	263	298	325	518	14,168
Reconciliation of carrying amounts – six months ended 30 June 2020 (Unaudited)								
At 1 January 2020	30	4,066	8,668	263	298	325	518	14,168
Additions	592	—	—	40	22	—	—	654
Depreciation	(282)	—	(98)	(31)	(76)	(47)	(98)	(632)
At 30 June 2020	340	4,066	8,570	272	244	278	420	14,190

11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Trade receivables			
From third parties		29,070	36,883
Loss allowance		(2,011)	(1,809)
	11(a)	27,059	35,074
Other receivables			
Deposits and prepayments (<i>Note</i>)		3,564	3,454
		30,623	38,528

Note: The amount included prepaid initial Listing expenses of approximately RM50,000 at 31 December 2019.

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.

Trade receivables of approximately RM949,000 (unaudited) and approximately RM949,000 (audited) at 30 June 2020 and 31 December 2019, 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 2020 and 31 December 2019, 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 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Within 30 days	9,218	13,272
31 to 60 days	7,222	9,467
61 to 90 days	3,960	4,619
Over 90 days	8,670	9,525
	29,070	36,883
Less: Loss allowance	(2,011)	(1,809)
	27,059	35,074

12. OTHER INVESTMENTS

	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted investments — unit trust	25,561	3,325

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 (*31 December 2019: Islamic money market instruments*). It can be redeemed from time to time and bears interest at floating rates ranging from 0.50% to 2.00% per annum (*31 December 2019: ranging from 1.58% to 2.50% 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 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Trade payables			
To third parties	13(a)	6,450	7,317
Other payables			
Accruals and other payables (Note)		945	1,662
		7,395	8,979

Note: The amount included accrued initial Listing expenses of approximately RM807,000 at 31 December 2019.

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 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Within 30 days	3,725	3,259
31 to 60 days	1,314	2,056
61 to 90 days	1,086	1,402
Over 90 days	325	600
	6,450	7,317

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



14. INTEREST-BEARING BORROWINGS

	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Interest-bearing borrowings — secured	—	1,509

The interest-bearing borrowings are wholly repayable within one year since their inception. At 30 June 2020 and 31 December 2019, the weighted average annual effective interest rate of the interest-bearing borrowings was approximately 4.80% and approximately 4.98%, respectively.

The interest-bearing borrowings were secured by guarantees provided by the Ultimate Controlling Parties and the restricted bank deposits placed with the banks in Malaysia.

The Group is in the progress of releasing the collaterals and guarantees provided by the Ultimate Controlling Parties by replacement of corporate guarantees provided by the Company in favour of the banks.

15. LEASE LIABILITIES

	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Right-of-use assets (Note 10)		
Leased properties	340	30
Lease liabilities		
Current	317	17
Non-current	30	14
	347	31

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 2020 and 2019:

	For the six months ended 30 June	
	2020 RM'000 (Unaudited)	2019 RM'000 (Unaudited)
Depreciation charge of right-of-use assets		
Leased properties	282	279

15. LEASE LIABILITIES (Continued)

The total cash outflows for leases were approximately RM291,000 (unaudited) and approximately RM288,000 (unaudited) for the six months ended 30 June 2020 and 2019, respectively.

Commitments and present value of lease liabilities are as follows:

	Lease payments		Present value of lease payments	
	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)	At 30 June 2020 RM'000 (Unaudited)	At 31 December 2019 RM'000 (Audited)
Amounts payable:				
Within one year	324	18	317	17
In the second to fifth years inclusive	30	15	30	14
	354	33	347	31
Less: Future finance charges	(7)	(2)		
Total lease liabilities	347	31		
Less: Amounts due for settlement within 12 months			(317)	(17)
Amounts due for settlement after 12 months			30	14

16. SHARE CAPITAL

	Notes	Number of shares	HK\$	Equivalent to RM
<i>Ordinary share of HK\$0.01 each</i>				
Authorised:				
At 1 January 2019 (Audited) and				
		38,000,000	380,000	200,000
at 31 December 2019 (Audited)				
Increase	16(a)	19,962,000,000	199,620,000	110,226,394
At 30 June 2020 (Unaudited)		20,000,000,000	200,000,000	110,426,394
Issued and fully paid:				
At 1 January 2019 (Audited) and				
		100	1	—*
at 31 December 2019 (Audited)				
Issue of shares pursuant to 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
At 30 June 2020 (Unaudited)		500,000,000	5,000,000	2,769,130

* Represent amount less than RM1.

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 2020 and 2019:

- (a) Transactions between the group entities have been eliminated on consolidation and are not disclosed. During the six months ended 30 June 2020 and 2019, the Group had the following significant transactions with a related company. In the opinion of the Management, it is under normal commercial terms that are fair and reasonable and in the best interests of the Group.

		For the six months ended	
		2020	2019
		RM'000	RM'000
		(Unaudited)	(Unaudited)
Related party relationship	Nature of transaction		
Related company controlled by the Ultimate Controlling Parties	Utilities expenses (Note)	10	9
	Repayment of lease liabilities (Note)	282	279
		292	288

Note: During the six months ended 30 June 2020 and 2019, 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.



18. RELATED PARTY TRANSACTIONS (Continued)

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

	For the six months ended	
	30 June	
	2020	2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits in kinds	834	829
Contributions to defined contribution plans	99	101
	933	930

(c) **Guarantees issued as securities for banking facilities granted to the Group**

During the six months ended 30 June 2020 and 2019, the Ultimate Controlling Parties and/or their close family member had issued personal guarantees in favour of the banks amounting to RM20,318,000 (unaudited) at 30 June 2020 and 2019 to secure banking facilities granted to the Group.

The Group is in the progress of releasing the collaterals and guarantees provided by the Ultimate Controlling Parties by replacement of corporate guarantees provided by the Company in favour of the banks.

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.

19. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets measured at fair value

	Level 2	
	At	At
	30 June	31 December
	2020	2019
	RM'000	RM'000
	(Unaudited)	(Audited)
Other investments		
— Unlisted investments — unit trust (Note 12)	25,561	3,325

During the six months ended 30 June 2020 and the year ended 31 December 2019, 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 2020 and 31 December 2019.

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 RM592,000 (unaudited) during the six months ended 30 June 2020.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the Board on 21 August 2020.



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 Prospectus.

BUSINESS REVIEW AND OUTLOOK

In order to continuously improve our operation efficiency, the Group has been striving to identify new business opportunities for continuous growth and expansion by consistently looking for potential acquisition targets of the same business nature.

The novel coronavirus disease 2019 pandemic (the “Pandemic”) that has been sweeping across the globe recently has been anticipated to have negative impacts on Malaysia’s macro-economy as well as on 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 movement control measures imposed by the Malaysian government from March 2020. Despite the negative impact on Malaysia’s macro-economy, the Group is actively involved in the animal health and human food market and is cautiously optimistic as the Group is of the view that the Pandemic will have minimal impacts on our operations as well as our performance provided that the Malaysian government does not extend the Movement Control Order (the “MCO”).


FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2020 was approximately RM58.6 million, representing a decrease of approximately RM0.6 million, or approximately 1.0%, from approximately RM59.2 million for the same period in 2019.

Revenue from the manufacturing business for the six months ended 30 June 2020 was approximately RM21.5 million, accounting for approximately 36.8% of our total revenue and representing a decrease of approximately RM1.8 million, or approximately 7.5%, from approximately RM23.3 million for the same period in 2019. This decrease was primarily due to a decrease in the sales of complex mixing during the period.

Revenue from the distribution business for the six months ended 30 June 2020 was approximately RM37.1 million, accounting for approximately 63.2% of our total revenue and representing an increase of approximately RM1.2 million, or approximately 3.1%, from approximately RM35.9 million for the same period in 2019. This increase was primarily due to an increase in the sales of amino acid during the period.



Gross profit

Gross profit for the six months ended 30 June 2020 was approximately RM13.3 million (six months ended 30 June 2019: approximately RM14.6 million), representing a gross profit margin of 22.6% (six months ended 30 June 2019: 24.6%).

Gross profit for the manufacturing business for the six months ended 30 June 2020 was approximately RM5.8 million (six months ended 30 June 2019: approximately RM7.8 million), representing a gross profit margin of 26.7% (six months ended 30 June 2019: 33.3%). The decrease in gross profit margin was primarily contributed by the increase in the Group's key raw material prices for the manufacturing business during the period.

Gross profit for the distribution business for the six months ended 30 June 2020 was approximately RM7.5 million (six months ended 30 June 2019: approximately RM6.8 million), representing a relatively stable gross profit margin of 20.3% (six months ended 30 June 2019: 19.0%).

Other income

Other income for the six months ended 30 June 2020 was approximately RM1.4 million, representing an increase of approximately RM0.7 million, or approximately 89.0%, from approximately RM0.7 million for the same period in 2019. The increase was primarily due to, amongst others, increased foreign exchange gain during the period.

Selling and distribution costs

Selling and distribution costs remained stable at approximately RM1.1 million for the six months ended 30 June 2020 and for the same period in 2019.

Administrative and other operating expenses

Administrative and other operating expenses remained stable at approximately RM3.9 million for the six months ended 30 June 2020 and for the same period in 2019.

Finance costs

Finance costs for the six months ended 30 June 2020 were approximately RM43,000, which represented a decrease of approximately RM62,000, or approximately 59.0%, from approximately RM105,000 for the same period in 2019. The decrease was primarily because the Group repaid all interest-bearing borrowings during the six months ended 30 June 2020.

Listing expenses

The Group's Listing expenses primarily consist of professional fees and underwriting commission in relation to the Listing. The Listing expenses were estimated to be approximately HK\$55.2 million, of which approximately HK\$31.9 million (equivalent to approximately RM17.3 million) was directly attributable to the issue of new Shares and deducted from equity in accordance with the relevant accounting standards. The remaining amount of approximately HK\$7.9 million (equivalent to approximately RM4.3 million) were charged to the unaudited condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2020.

Income tax expenses

Income tax expenses for the six months ended 30 June 2020 were approximately RM2.3 million, representing a decrease of approximately RM0.2 million, or approximately 8.3%, from approximately RM2.5 million for the same period in 2019. Such decrease was primarily due to a significant decrease in profit before tax for the six months ended 30 June 2020.



Profit attributable to equity holders of the Company

As a result of the foregoing, profit for the six months ended 30 June 2020 was approximately RM2.8 million, representing a decrease of approximately RM3.6 million, or approximately 55.8%, from approximately RM6.4 million for the same period in 2019 which was mainly attributable to the Listing expenses recorded for the six months ended 30 June 2020.

Key financial ratios

	Notes	At 30 June 2020	At 31 December 2019
Current ratio (times)	1	16.3	7.5
Quick ratio (times)	2	11.7	4.6
Gearing ratio (%)	3	—	1.8%

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 2020,

- (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 lease liabilities of approximately RM0.3 million (31 December 2019: approximately RM31,000).
- (c) The Company's total equity attributable to owners of the Group was approximately RM137.7 million (31 December 2019: approximately RM84.2 million). The capital of the Company mainly comprises share capital and reserves.

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 for payment of an interim dividend for the six months ended 30 June 2020.

CAPITAL COMMITMENTS

At 30 June 2020, the Group had no significant capital commitments.

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

Except for the item as disclosed in Note 12 to the Interim Financial Statements, 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 2020.

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 2020.

CONTINGENT LIABILITIES

At 30 June 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 2020, the Group had approximately RM41.1 million of purchases denominated in foreign currency.

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

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 2020, the Group had 59 employees (30 June 2019: 58 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 2020, the Group's staff costs, including Directors' emoluments, were approximately RM2.8 million (six months ended 30 June 2019: approximately RM2.9 million). 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 2020, approximately HK\$3.6 million of the Net Proceeds had been utilised. At 30 June 2020, the unutilised Net Proceeds of approximately HK\$68.8 million, representing approximately HK\$50.2 million and approximately HK\$18.6 million placed in licensed banks in Hong Kong and a bank in Malaysia, respectively, are intended to be used for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Set out below is a summary of the utilisation of the Net Proceeds:

	Planned use of the Net Proceeds in total HK\$' million	Planned use of the Net Proceeds from the Listing Date up to 30 June 2020 HK\$' million	Actual use of the Net Proceeds from the Listing Date up to 30 June 2020 HK\$' million	Expected Unutilised amount at 30 June 2020 HK\$' million	Expected timeline to use the Net Proceeds
Construct a new manufacturing plant	42.1	11.2	—	42.1	30 June 2021
Acquire/partner with company selling animal feed additives products	13.4	—	—	13.4	31 December 2020
Conduct sales and marketing activities	1.7	—	—	1.7	30 June 2021
Set up a new testing laboratory	3.5	—	—	3.5	30 June 2021
Set up a centralised enterprise resource planning system	3.7	—	—	3.7	31 December 2021
Hire additional workforce	3.0	0.2	—	3.0	31 December 2021
Purchase trucks for logistics services and vehicle for sales personnel	1.4	—	—	1.4	31 December 2020
General working capital (Note)	3.6	N/A	3.6	—	
TOTAL	72.4	11.4	3.6	68.8	

Note: Net Proceeds to be applied to working capital depend on the actual requirement in operation of the Group.

The delay in utilisation of the Net Proceeds was mainly due to the MCO imposed by the Malaysian government. Nevertheless, the Group intends to continue to apply the unutilised Net Proceeds of approximately HK\$68.8 million at 30 June 2020 in accordance with the section headed "Future Plans and Use of Proceeds" in the Prospectus, subject to the Malaysian government's policy 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 2020, 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/ Nature of interest	Number of Shares held	Percentage of the Company's issued share capital
Dato' Sri Lee Haw Yih (Notes 1 and 2)	Interest in a controlled corporation/interest held jointly with others	337,500,000	67.5%
Mr. Lee Haw Shyang (Note 2)	Interest held jointly with others	337,500,000	67.5%
Datin Sri Yaw Sook Kean (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 of Hong Kong issued by the Securities and Futures Commission in Hong Kong (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/ chief executive	Associated corporation	Capacity/Nature of interest	Number of shares held	Percentage of 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 2020, 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 2020, 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 (Note 1)	Beneficial owner	337,500,000	67.5%
Mr. Lee Haw Hann (Note 2)	Interest held jointly with others	337,500,000	67.5%
Ms. Lim Ee Min (Note 3)	Interest of spouse	337,500,000	67.5%
Ms. Yee Mei Loon (Note 4)	Interest of spouse	337,500,000	67.5%
Warrants Capital Ltd (" Warrants Capital ") (Note 5)	Beneficial owner	37,500,000	7.5%
Mr. Lee Soo Kai (Note 5)	Interest in controlled corporation	37,500,000	7.5%
Mr. Voon Sze Lin (Note 5)	Interest in controlled corporation	37,500,000	7.5%
Ms. Wong Ching Ying (Note 6)	Interest of spouse	37,500,000	7.5%

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.

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3. 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.
 4. 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.
 5. Warrants Capital is the beneficial owner of 37,500,000 Shares. Warrants Capital is owned as to 50% and 50% by Mr. Lee Soo Kai and Mr. Voon Sze Lin, respectively. By virtue of the SFO, each of Mr. Lee Soo Kai and Mr. Voon Sze Lin are deemed to be interested in the same number of Shares held by Warrants Capital.
 6. Ms. Wong Ching Ying, the spouse of Mr. Lee Soo Kai, is deemed under the SFO to be interested in the same number of the Shares in which Mr. Lee Soo Kai is interested in.

Save as disclosed above, as at 30 June 2020, 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 2020 and no share option was exercised, expired or cancelled or lapsed under the Share Option Scheme for the period from the Listing Date to 30 June 2020 (the “**Relevant Period**”) and 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 Relevant Period.

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 Relevant Period.



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. The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. 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 chief executive officer of the Company (the "**CEO**") 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 Relevant Period.

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 2020, 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

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2020 up to the date of this report.

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 of the Board 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.



DISCLOSURE OF INFORMATION

This interim report is published on the websites of the Company (www.ritamix-global.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2020 will be despatched to the Shareholders and available on the same websites in due course in the manner as required by the Listing Rules.

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

Hong Kong, 21 August 2020

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.