

nova pharma solutions

Designing for Healthier Future

NOVA PHARMA SOLUTIONS BERHAD

Registration No. 197701003731 (34608-K)

(Incorporated in Malaysia)

ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 DECEMBER 2021

(APPENDIX 6A, PART B OF THE LEAP MARKET LISTING REQUIREMENTS)

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY NOVA PHARMA SOLUTIONS BERHAD (“NPS” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

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1. ANALYSIS OF FINANCIAL PERFORMANCE

A. The revenue by its business activities are presented as follows:

	AUDITED FOR THE FYE	
	Group	
	31.12.2021	31.12.2020
	RM'000	RM'000
Design fee	4,148	599
Post design fee	489	558
Other Support ⁽¹⁾	1,322	2,104
EPCC ⁽²⁾	321	974
Total	6,280	4,235

Notes:

- (1) Other support mainly comprise of Good Manufacturing Practice documents review, maintenance and other related services.
- (2) EPCC comprise of works and services pertaining to engineering and/or procurement and/or construction and/or commissioning.

B. The revenue by its industry is presented as follows:

	AUDITED FOR THE FYE	
	Group	
	31.12.2021	31.12.2020
	RM'000	RM'000
Pharmaceutical	1,020	1,869
Biotechnology	4,637	2,052
EPCC ⁽¹⁾	623	314
Total	6,280	4,235

Note:

- (1) Mainly comprise of advanced technology facilities in various industries other than pharmaceutical and biotechnology.

C. The revenue by geographical location is presented as follows:

	AUDITED FOR THE FYE	
	Group	
	31.12.2021	31.12.2020
	RM'000	RM'000
Malaysia	2,194	2,587
Taiwan	1,648	1,461
Thailand	2,438	19
Vietnam	-	168
Total	6,280	4,235

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1. ANALYSIS OF FINANCIAL PERFORMANCE (Cont'd)

The Group's revenue was generated from design, post design, other support services from pharmaceutical and biotechnology project as well as projects for the advanced technology facilities in various industries.

During the financial year ended 31 December 2021 ("FY21"), the Group recorded a revenue of RM6.28 million, an increase of approximately RM2.04 million or 48.29% as compared to the financial year ended 31 December 2020 ("FY20"). The higher revenue mainly contributed by the oversea markets.

The higher revenue contributed by Thailand market of approximately RM2.42 million during FY21 was mainly attributed by a newly secured biotechnology project that involving in design and setting up of an oncology plant.

The Group also recorded a slightly higher revenue from Taiwan market in FY21 due to higher work completion rate for the biotechnology projects as the Taiwan government relaxed the COVID-19 precautions measures in July 2021.

However, Malaysia market recorded a lower revenue in FY21 of approximately RM0.39 million as certain pharmaceutical projects have reached the tail end stages of their contractual works. This was mitigated by the higher revenue contributed by EPCC and other support projects carried out by the Company's subsidiary, Nova HiTech Solutions Sdn Bhd ("NHS") for advanced technology facilities, which mainly focusing on the maintenance works and other related engineering services.

The Group recorded a profit before tax of approximately RM0.55 million for FY21 as compared to the loss before tax for FY20 of approximately RM0.72 million. This was mainly due to higher revenue recognised during FY21, offset by:

- (1) higher recognition of provision of bad debts in FY21; and
- (2) lower unit trust dividend from Group's cash management fund during FY21.

2. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this financial report.

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3. PROSPECTS

Outlook for 2022 will continue to be cautious as Malaysia is transitioning from pandemic phase to endemic phase but leans towards optimism due to positive economic signals including high vaccination rates, positive trend of economic data and reopening of international borders.

Barring unforeseen circumstances, the Group is cautiously optimistic to achieve a more sustainable performance as the market demand for the Group's services is gradually improving, particularly revenue contribution from biotechnology industry in Taiwan. Taiwan's economy is underpinned by stable demand for exports with upward revisions for 2022 growth forecast.

The Group will continue to focus on delivering and completing all unfulfilled orders in hand within the agreed timeline with its customers. Market confidence in 2022 will continue to be heavily influenced by positive or negative developments of containing COVID-19 as well as rising inflationary pressure.

As of 25 April 2022, our order book stood at approximately RM4.5 million.

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