

Nova Pharma Solutions Berhad

(Incorporated in Malaysia, Registration No. 197701003731 (34608 – K))

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 2022**

(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	
	31.12.2022	31.12.2021
	RM'000	RM'000
Design	5,621	4,148
Post Design	431	489
EPCC ⁽¹⁾	-	321
Other Support ⁽²⁾	1,193	1,322
Total	7,245	6,280

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	
	31.12.2022	31.12.2021
	RM'000	RM'000
Pharmaceutical	2,204	1,020
Biotechnology	4,937	4,637
Others ⁽¹⁾	104	623
Total	7,245	6,280

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

	AUDITED FOR THE FYE	
	Group	
	31.12.2022	31.12.2021
	RM'000	RM'000
Malaysia	2,354	2,194
Taiwan	1,939	1,648
Thailand	2,530	2,438
Indonesia	422	-
Total	7,245	6,280

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 2022 ("FY22"), the Group revenue has increased by RM0.96 million or 15.38% compared to the previous financial year ended 31 December 2021 ("FY21"). The higher revenue mainly contributed by the local markets.

The increase of revenue for Malaysia market was mainly due to a newly secured local pharmaceutical project that involving in design and setting up of a pharma excipients facility by a Multi-National Company from United States of America.

The higher revenue contributed by Thailand market of approximately RM2.53 million was mainly due to the higher work completion rate for one of the biotechnology project in Thailand.

The Group also recorded a slightly higher from Taiwan market in FY22 mainly due to relaxation of COVID-19 prevention measurements, which directly contributed to high project activities for most of the biotechnology projects.

The Group also secured a new biotechnology project in Indonesia for a GMP Biopharmaceutical facility, which directly attributed to the higher revenue contribution from the Indonesia market.

The lower revenue contributed by EPCC was mainly due to the maintenance works and other related engineering services carried out by the Company's subsidiary, Nova HiTech Solutions Sdn Bhd ("NHS") for advanced technology facilities.

The Group recorded a profit before tax of approximately RM1.46 million for FY22 as compared to the profit before tax for FY21 of RM0.54 million. This was mainly due to higher revenue recognised during FY22.

2. STATUS OF CORPORATE PROPOSALS

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

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3. PROSPECTS

According to the Budget 2023 tabled on 24th February 2023, the Malaysian Gross Domestic Product (“GDP”) is estimated to grow by 4.5% as the nation is transiting into endemic phase with stronger domestic demand and effective government administration.. While the economy is supported by the recovery of the service sector in 2022, the 2023 outlook seems less certain primarily due to the prolonged Russian Ukrainian conflict and US-China trade tensions.

Despite the uncertainties, the Group remained cautiously optimistic to sustain its business performance as the market demand for the Group’s services continues to remain firm.

4. TAXATION

	AUDITED FOR THE FYE	
	Group	
	31.12.2022	31.12.2021
	RM'000	RM'000
Current taxation		
Current income tax charge	330	64
Under / (over) prior years	(64)	-
Deferred taxation	10	-
	<u>276</u>	<u>64</u>

Reference is made to the announcement dated 26 November 2019 in relation to the Company’s Pioneer (Tax Incentive) status. During the financial period under review, Company received notification from Malaysia Digital Economy Corporation Sdn Bhd (“MDEC”) that the Pioneer Status extension of Tax Incentives was approved, and Malaysian Investment Development Authority (“MIDA”) has issued the Pioneer Status Approval Letter (“Approval Letter”) to the Company up to 30 June 2021.

The Company responded to MDEC and accepted the Approval Letter from MIDA on 19 July 2022.

The effective tax rate for FY22 was lower than the statutory income tax rate mainly due to lower non tax-deductible expenses.