

nova pharma solutions

Designing for Healthier Future

NOVA PHARMA SOLUTIONS BERHAD

Registration No. 197701003731 (34608-K)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	UNAUDITED INDIVIDUAL		UNAUDITED CUMULATIVE	
	6 months ended		Financial year ended	
	31 December		31 December	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue	7,484	4,994	12,603	10,379
Cost of sales	(2,183)	(1,962)	(3,866)	(3,907)
Gross profit	5,301	3,032	8,737	6,472
Other operating income	204	(202)	261	49
Operating expenses	(1,523)	(535)	(2,623)	(1,517)
Profit from operating activities	3,982	2,295	6,375	5,004
Finance costs	-	-	-	-
Profit before tax	3,982	2,295	6,375	5,004
Tax expenses	(724)	(461)	(1,193)	(1,063)
Profit for the financial year	3,258	1,834	5,182	3,941
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial year	3,258	1,834	5,182	3,941
Profit for the financial year attributable to:				
Owners of the Company	3,258	1,834	5,182	3,941
Non-controlling interest	-	-	-	-
	3,258	1,834	5,182	3,941
Total comprehensive income for the financial year attributable to:				
Owners of the Company	3,258	1,834	5,182	3,941
Non-controlling interest	-	-	-	-
	3,258	1,834	5,182	3,941
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Basic (Sen)	2.19	1.23	3.48	2.64
Diluted (Sen)	N/A	N/A	N/A	N/A

Note:

The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

Nova Pharma Solutions Berhad
Registration No. 197701003731 (34608–K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Unaudited as at 31.12.2024 RM'000	Audited as at 31.12.2023 RM'000
NON-CURRENT ASSETS		
Right-of-use Asset	38	95
Property, plant, and equipment	175	177
	<u>213</u>	<u>-</u>
		<u>272</u>
CURRENT ASSETS		
Trade receivables	93	1,022
Other receivables, deposits, and prepayments	330	179
Contract assets	4,220	1,263
Current tax assets	2,424	498
Short-term funds	3,426	9,782
Fixed deposit with licensed bank	12,478	582
Cash and bank balances	683	3,739
	<u>23,654</u>	<u>17,065</u>
TOTAL ASSETS	23,867	17,337
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	7,985	7,985
Retained earnings	10,553	6,267
Non-controlling interest	-	-
	<u>18,538</u>	<u>14,252</u>
CURRENT LIABILITIES		
Trade payables	265	226
Other payables and accruals	4,139	1,908
Lease liabilities	-	58
Contract liabilities	874	842
	<u>5,278</u>	<u>3,034</u>
NON-CURRENT LIABILITIES		
Lease liabilities	41	41
Deferred Tax liabilities	10	10
	<u>51</u>	<u>51</u>
TOTAL LIABILITIES	5,329	3,085
TOTAL EQUITY AND LIABILITIES	23,867	17,337
NET ASSETS PER SHARE (RM)⁽¹⁾	0.124	0.096

Notes:

The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

(1) Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period.

Nova Pharma Solutions Berhad
Registration No. 197701003731 (34608–K)
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share Capital RM'000	Retained Earnings RM'000	Non- controlling Interest RM'000	Total Equity RM'000
Opening balance at 1 January 2024	7,985	6,267	-	14,252
Total comprehensive income for the year	-	5,182	-	5,182
Dividend paid		(896)	-	(896)
Closing balance at 31 December 2024	<u>7,985</u>	<u>10,553</u>	<u>-</u>	<u>18,538</u>
Opening balance at 1 January 2023	7,985	3,174	-	11,159
Total comprehensive income for the year	-	3,838	-	3,838
Dividend paid	-	(745)	-	(745)
Closing balance at 31 December 2023	<u>7,985</u>	<u>6,267</u>	<u>-</u>	<u>14,252</u>

Note:

The basis of preparation of the Unaudited Condensed Statement of Changes in Equity are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Unaudited	
	Financial year ended 31 December	
	2024	2023
	RM'000	RM'000
Operating activities		
Profit before tax	6,375	4,901
Adjustments for:		
Depreciation	77	75
Amortisation	57	57
Interest Income	(193)	(21)
Fair Value Adjustment	(175)	(244)
Unit Trust Dividend	(51)	(44)
Unrealized loss on foreign exchange	274	(106)
Interest expenses	34	15
Impairment Loss on receivables	-	-
Reversal of Impairment losses on receivables	-	(728)
Operating profit before working capital changes	6,398	3,905
Change in trade and other receivables	788	2,498
Change in contract assets/liabilities	(2,805)	1,028
Change in trade and other payables	86	(379)
Cash generated from operations	4,467	7,052
Tax paid	(1,068)	(1,100)
Tax refund	-	667
Interest expenses	(34)	(15)
Net Cash flows generated from operating activities	3,365	6,604
Investing activities		
Investment measured at fair value through profit or loss:		
Unit Trust Dividend	51	44
Fair Value Adjustment	175	244
Interest Income	193	21
Purchase of property, plant, and equipment	(74)	(82)
Net cash from investing activities	345	227
Financing activities		
Dividend paid	(894)	(745)
Repayment of lease liabilities	(58)	(55)
Fixed Deposit pledged as securities		(21)
Net cash used in financing activities	(952)	(821)
Net increase/(decrease) in cash and cash equivalents	2,758	6,010
Effect of foreign exchange rate changes	(274)	151
Cash and cash equivalents at beginning of financial year	14,103	7,360
Cash and cash equivalents at the end of financial year	16,587	13,521

Analysis of cash and cash equivalents:

Deposit with licensed banks	12,478	9,782
Cash and bank balances	4,109	3,739
Cash and cash equivalents at the end of financial year	16,587	13,521

Note:

The basis of preparation of the Unaudited Condensed Statement of Cash Flows are detailed in Note A1 and the accompanying explanatory notes to this interim financial report.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

A1 COMPLIANCE WITH FINANCIAL REPORTING STANDARD AND LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The Group and the Company have applied the following accounting standards and amendments of the MFRSs for the financial year beginning on 1 January 2023: -

MFRSs and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies – Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112, Income Taxes – International Tax Reform – Pillar Two Model Rules

The initial application of the amendments does not have any material financial impacts to the current period and prior period financial statements of the Group and of the Company upon their first adoption.

The following are accounting standards and amendments of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company: -

MFRSs and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements
- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to MFRS 107, Statement of Cash Flows – Supplier Finance Arrangements

MFRSs and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effect of Changes in Foreign Exchange Rates – Lack of Exchangeability.

MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed.

- Amendments to MFRS 10, Consolidated Financial Statements and Amendments to MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned amendments in the respective financial year when the above amendments become effective, if applicable.

A2 SEASONAL OR CYCLICAL FACTORS

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A3 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income, and cash flow of the Group for the financial year ended 31 December 2024.

A4 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates for the financial year ended 31 December 2024.

A5 DEBTS AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the financial year ended 31 December 2024.

A6 SEGMENTAL INFORMATION

The Group's revenue by its business activities is presented as follows:

	INDIVIDUAL		CUMULATIVE	
	6 months ended 31 December		financial year ended 31 December	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Design	346	3,114	2,164	7,113
Post Design	2,400	18	4,202	79
Other Support ⁽¹⁾	2,332	1,862	3,831	3,187
EPCC	2,406	-	2,406	-
Total	7,484	4,994	12,603	10,379

Notes:

- 1- Other support mainly comprises of Good Manufacturing Practice documents review, maintenance, and other related engineering services.

The Group's revenue by its industry is presented as follows:

	INDIVIDUAL		CUMULATIVE	
	6 months ended 31 December		financial year ended 31 December	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Pharmaceutical	2,627	1,874	5,583	3,770
Biotechnology	4,236	2,791	6,062	5,953
Others ⁽¹⁾	621	329	958	656
Total	7,484	4,994	12,603	10,379

Note:

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

The Group's revenue by geographical location is presented as follows:

	INDIVIDUAL		CUMULATIVE	
	6 months ended 31 December		financial year ended 31 December	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	7,080	2,204	10,380	4,432
Taiwan	404	2,790	2,223	4,940
Thailand	-	-	-	1,007
Indonesia	-	-	-	-
Total	7,484	4,994	12,603	10,379

For the financial year ended 31 December 2024 ("FY24"), the Group experienced a notable increase in revenue, demonstrating growth in both the half-year period (2H24) and on an annual basis.

- Half-Year Revenue (2H24): RM7.48 million
- Increase: 49.85% compared to 2H23
- Full-Year Revenue (FY24): RM12.60 million
- Increase: 21.43% compared to FY23

This performance highlights significant growth in the Group's revenue, driven largely by the Malaysia market, which has become the primary source of the revenue increase.

Malaysia Market Contribution

The substantial revenue growth during 2H24 and FY24 was mainly attributed to the Malaysia market, which showed a strong upward trajectory. Key factors for this growth include:

1. **Newly Secured Biotechnology Project:** The Group successfully secured a new biotechnology project focused on the design, equipment procurement, and construction for a biotech excipients manufacturing facility in Malaysia. This project was pivotal in driving revenue growth due to its scale and complexity.
2. **Higher Work Completion Rate:** In addition to the new project, the Group benefitted from a higher work completion rate on existing local projects, particularly in the biotechnology sector. This indicates strong operational efficiency and the timely execution of key deliverables.
3. **Pharmaceutical and Biotechnology Projects:** The increase in revenue was also supported by strong demand for pharmaceutical and biotechnology services, reflecting the growing market for these sectors in Malaysia. The Group's specialized services, including design and post-design support, have positioned it well within these industries.

A7 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events after the date of this interim financial report.

A8 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

A9 CAPITAL COMMITMENTS

There were no material capital commitments in respect of property, plant, and equipment as at the date of this interim financial report.

A10 CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group as at the end of this interim financial report.

B ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES

B1 REVIEW OF PERFORMANCE

2H24 compared with 2H23

For the half-year period ending 31 December 2024 ("2H24"), the Group demonstrated robust growth across key financial metrics. The revenue increase, higher gross profit, and improved profit before tax (PBT) highlight the positive trajectory driven by strong performance in the Malaysian market, particularly within biotechnology and pharmaceutical sectors.

Revenue Performance

- 2H24 Revenue: RM7.48 million
- 2H23 Revenue: RM4.99 million
- Increase: RM2.49 million (+49.85%)

The Group's revenue in 2H24 increased significantly by 49.85% compared to 2H23, with the primary driver being higher contributions from local biotechnology and pharmaceutical projects. The increase highlights the growth in demand for biotechnology services, underpinned by both existing and newly secured contracts in the local market.

Gross Profit and Margin

- 2H24 Gross Profit: RM5.30 million
- 2H23 Gross Profit: RM3.03 million
- Increase: RM2.27 million (+74.91%)

The gross profit for 2H24 showed a strong increase of 74.91%, largely attributed to higher revenue and an improvement in the gross profit margin from local biotechnology projects. This increase reflects the Group's ability to not only grow revenue but also to enhance its profitability through better project execution, cost management, and operational efficiency.

Profit Before Tax (PBT)

- 2H24 PBT: RM3.98 million
- 2H23 PBT: RM2.30 million
- Increase: RM1.68 million (+73.04%)

The profit before tax (PBT) saw a significant improvement of 73.04%, increasing from RM2.30 million in 2H23 to RM3.98 million in 2H24. This growth was driven by higher project activities in Malaysia, combined with better profit margin contributions from a newly secured biotechnology project.

FY24 compared with FY23

The Group delivered solid financial results for the year ended 31 December 2024 ("FY24"), reflecting growth in both revenue and profit before tax (PBT). The increase in revenue was primarily driven by the successful execution of key projects, with notable contributions from biotechnology projects in Malaysia and enhanced project completions across multiple regions.

Revenue Performance

- FY24 Revenue: RM12.60 million
- FY23 Revenue: RM10.38 million
- Increase: RM2.22 million (+21.43%)

The Group's FY24 revenue increased by 21.43% year-on-year, driven primarily by a higher contribution from the newly secured biotechnology project in Malaysia. This project contributed significantly to the growth in revenue, reflecting the Group's strength in securing high-value contracts within the biotechnology sector.

Profit Before Tax (PBT)

- FY24 PBT: RM6.38 million
- FY23 PBT: RM5.00 million
- Increase: RM1.38 million (+27.60%)

The profit before tax (PBT) for FY24 increased by 27.60% compared to FY23, rising from RM5.00 million to RM6.38 million. This growth was largely driven by higher revenue recognition and the completion of projects in both Malaysia and Taiwan.

B2 PROSPECTS

As of the end of the fiscal year, the Group has shown strong growth with a 20% increase in revenue compared to the previous year, a significant achievement that highlights the Group's ability to scale and adapt to market demands.

Moving into 2025, the outlook remains cautiously optimistic, with the Group focusing on sustaining this positive trajectory while addressing market challenges and seizing new opportunities.

The market demand for the Group's services is expected to gradually improve as industries continue to recover and grow. While uncertainty persists in some sectors, the biotechnology, pharmaceutical, and advanced technology sectors are expected to see continued growth, providing a solid foundation for the Group's service offerings.

The Group remains confident that its current strategic approach emphasizing project delivery, operational excellence, and market diversification will continue to drive sustainable growth over the next several years. By adhering to this strategy, the Group expects to enhance shareholder value and solidify its position as a leading provider of specialized services in its core sectors.

As of 31 December 2024, the Group's order book stood at approximately RM70.97 million, representing a strong pipeline of future work. This robust order book reflects continued demand for the Group's services and indicates a solid foundation for revenue in the upcoming periods.

B3 PROFIT FORECAST, PROFIT GUARANTEE AND INTERNAL TARGETS

The Group did not provide any profit forecast, profit guarantee or made any internal targets as at the date of this interim financial report.

C OTHER INFORMATION

C1 STATUS OF CORPORATE PROPOSALS

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

C2 BORROWINGS AND DEBT SECURITIES

As at the date of this interim financial report, there were no borrowings, and the Group has not issued any debt securities.

C3 MATERIAL LITIGATION

There was no pending material litigation as at the date of this interim financial report.

C4 DIVIDENDS

On 28 November 2024, the Company declared an interim single tier dividend of 0.6 sen per ordinary share in respect of FY24 which was paid on 27 December 2024.

The directors do not recommend any final dividend for the financial year ended 31 December 2024.

C5 TAXATION

	INDIVIDUAL 6 months ended 31 December		CUMULATIVE Financial year ended 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current taxation				
Current income tax charge	724	461	1,193	1,063
Under / (over) prior years	-	-	-	-
Deferred taxation	-	-	-	-
	724	461	1,193	1,063

The effective tax rate of the Group for the half yearly ended 31 December 2024 is lower than the statutory income tax rate mainly due to sufficient capital allowances and other deductible expenses to offset.

C6 EARNINGS/(LOSS) PER SHARE

	INDIVIDUAL 6 months ended 31 December		CUMULATIVE financial year ended 31 December	
	2024	2023	2024	2023
Profit attributable to owners of the Company (RM'000)	3,258	1,834	5,182	3,941
Weighted average number of shares at end of period (‘000)	149,010	149,010	149,010	149,010
Earnings per ordinary share (Sen)	2.19	1.23	3.48	2.64

Diluted earnings per share is not computed as the Company did not have any convertible financial instruments as at the date of this interim financial report.