Ritamix Global Limited
利 特 米 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1936)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021 AND PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The board (the "**Board**") of directors (the "**Directors**") of Ritamix Global Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021, together with the relevant comparative figures for the year ended 31 December 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 RM'000	2020 RM'000
Revenue	5	**120,138**	115,882
Cost of goods sold		**(92,229)**	(89,759)
Gross profit		**27,909**	26,123
Other income	6	**2,370**	2,756
Selling and distribution costs		**(2,546)**	(2,283)
Administrative and other operating expenses		**(11,406)**	(9,808)
Finance costs		**(31)**	(50)
(Provision for) Reversal of loss allowance of trade receivables		**(112)**	133
Listing expenses		**—**	(4,291)
Profit before tax	7	**16,184**	12,580
Income tax expenses	8	**(4,346)**	(4,129)
Profit for the year		**11,838**	8,451
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investment at fair value through other comprehensive income ("**FVTOCI**")		**174**	—
Exchange differences on translation of the Company's financial statements to presentation currency		**1,601**	(3,723)
Other comprehensive income (loss) for the year		**1,775**	(3,723)
Total comprehensive income for the year		**13,613**	4,728
Earnings per share attributable to equity holders of the Company			
Basic and diluted	10	**2.41 RM cents**	1.86 RM cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 RM'000	2020 RM'000
Non-current assets			
Property, plant and equipment		**14,576**	14,725
Equity investment at FVTOCI		**4,299**	—
		18,875	14,725
Current assets			
Inventories		**49,406**	34,912
Trade and other receivables	*11*	**28,920**	29,467
Other investments	*12*	**43,336**	53,074
Restricted bank balances		**1,677**	1,670
Bank balances and cash		**11,666**	15,171
		135,005	134,294
Current liabilities			
Trade and other payables	*13*	**12,153**	7,096
Lease liabilities		**94**	61
Income tax payables		**307**	513
		12,554	7,670
Net current assets		**122,451**	126,624
Total assets less current liabilities		**141,326**	141,349
Non-current liabilities			
Lease liabilities		**28**	—
Deferred tax liabilities		**614**	636
		642	636
NET ASSETS		**140,684**	140,713
Capital and reserves			
Share capital	*14*	**2,614**	2,769
Reserves		**138,070**	137,944
TOTAL EQUITY		**140,684**	140,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

Ritamix Global Limited (the "**Company**", together with its subsidiaries are collectively referred to as the "**Group**") was incorporated as an exempted company with limited liability in the Cayman Islands on 29 October 2018. The Company's shares were 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 Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business in Hong Kong is situated at Unit B, 13 Floor, Winsan Tower, 98 Thomson Road, Wanchai, 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.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("**IASs**") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements are presented in Malaysian Ringgit ("**RM**") and all amounts have been rounded to the nearest thousand ("**RM'000**"), unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 consolidated financial statements except for the adoption of the following new/revised IFRSs that are relevant to the Group and effective from the current year as set out below.

Adoption of new/revised IFRSs

The Group has applied, for the first time, the following new/revised IFRSs:

Amendments to IAS 39, IFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform — Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "**Reform**"). The amendments complement those issued in September 2019 and relate to:

- changes to contractual cash flows — a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. FUTURE CHANGES IN IFRSs

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new/revised IFRSs that are not yet effective for the current year, which the Group has not early adopted:

Amendments to IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to IAS 16	Proceeds before Intended Use[2]
Amendments to IAS 37	Cost of Fulfilling a Contract[2]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Annual Improvements to IFRSs	2018–2020 Cycle[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
IFRS 17	Insurance Contracts[3]
Amendment to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 April 2021
[2] Effective for annual periods beginning on or after 1 January 2022
[3] Effective for annual periods beginning on or after 1 January 2023
[4] The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. 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 the gross profit less selling and distribution costs and reversal of or provision for 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.

The followings are 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*
For the year ended 31 December 2021			
Revenue from external customers and reportable segment revenue within IFRS 15			
— Distribution	**58,603**	**24,763**	**83,366**
— Manufacturing	**36,772**	**—**	**36,772**
Total	**95,375**	**24,763**	**120,138**
Gross profit			
— Distribution	**10,196**	**6,617**	**16,813**
— Manufacturing	**11,096**	**—**	**11,096**
Total	**21,292**	**6,617**	**27,909**
Selling and distribution costs	**(2,000)**	**(546)**	**(2,546)**
Provision for loss allowance of trade receivables	**(112)**	**—**	**(112)**
Segment results	**19,180**	**6,071**	**25,251**
Unallocated income and expenses			
Other income			**2,370**
Administrative and other operating expenses			**(11,406)**
Finance costs			**(31)**
Profit before tax			**16,184**
Income tax expenses			**(4,346)**
Profit for the year			**11,838**
Other information:			
Depreciation *(Note i)*	**154**	**—**	**154**
Additions to property, plant and equipment *(Note ii)*	**180**	**—**	**180**

	Animal feed additives products *RM'000*	Human food ingredient products *RM'000*	Total *RM'000*
For the year ended 31 December 2020			
Revenue from external customers and reportable segment revenue within IFRS 15			
— Distribution	60,713	16,114	76,827
— Manufacturing	39,055	—	39,055
Total	99,768	16,114	115,882
Gross profit			
— Distribution	10,750	3,163	13,913
— Manufacturing	12,210	—	12,210
Total	22,960	3,163	26,123
Selling and distribution costs	(1,937)	(346)	(2,283)
Reversal of loss allowance of trade receivables	133	—	133
Segment results	21,156	2,817	23,973
Unallocated income and expenses			
Other income			2,756
Administrative and other operating expenses			(9,808)
Finance costs			(50)
Listing expenses			(4,291)
Profit before tax			12,580
Income tax expenses			(4,129)
Profit for the year			8,451
Other information:			
Depreciation *(Note i)*	108	—	108
Additions to property, plant and equipment *(Note ii)*	213	—	213

Notes:

(i) Depreciation not included in the measure of segment results during the year ended 31 December 2021 amounted to approximately RM1,433,000 *(2020: approximately RM1,235,000)*.

(ii) Additions to property, plant and equipment not included in the measure of segment results during the year ended 31 December 2021 amounted to approximately RM1,259,000 *(2020: approximately RM1,687,000)*.

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 tangible assets is provided as substantially all of the Group's tangible assets were located at Malaysia.

Information about major customers

No single customer or group of customers under common control contributed 10% or more of the total revenue during the years ended 31 December 2021 and 2020.

5. REVENUE

	2021	2020
	RM'000	*RM'000*
Revenue from contracts with customers within IFRS 15		
Distribution income	**83,366**	76,827
Manufacturing income	**36,772**	39,055
	120,138	115,882

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

	2021	2020
	RM'000	*RM'000*
Timing of revenue recognition:		
— at a point of time		
Distribution income	**83,366**	76,827
Manufacturing income	**36,772**	39,055
	120,138	115,882

6. OTHER INCOME

	2021 *RM'000*	2020 *RM'000*
Bank interest income	**152**	238
Exchange gain, net	**—**	1,408
Gain on disposal of property, plant and equipment	**27**	83
Fair value gain on other investments	**165**	—
Investment income arising from other investments	**1,413**	581
Sundry income	**613**	446
	2,370	2,756

7. PROFIT BEFORE TAX

This is stated after charging (crediting):

	2021 *RM'000*	2020 *RM'000*
Finance costs		
Interest expenses on interest-bearing borrowings	**10**	30
Interest expenses on lease liabilities	**21**	20
	31	50
Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits in kinds	**5,581**	4,916
Contributions to defined contribution plans	**571**	562
Total staff costs (charged to "cost of goods sold", "selling and distribution costs" and "administrative and other operating expenses", as appropriate)	**6,152**	5,478
Other items		
Auditors' remuneration	**530**	606
Cost of goods sold	**92,229**	89,759
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	**1,587**	1,343
Exchange loss (gain), net	**450**	(1,408)
Fair value (gain) loss on other investments	**(165)**	300
Gain on disposal of property, plant and equipment	**(27)**	(83)
Provision for (Reversal of) loss allowance of trade receivables	**112**	(133)

The Group does not recognise right-of-use assets and corresponding liabilities under short term lease and lease of low-value assets.

As at 31 December 2021 and 2020, the Group had no forfeited contributions available to reduce its contribution to the retirement schemes in future years.

8. INCOME TAX EXPENSES

	2021	2020
	RM'000	*RM'000*
Current tax		
Malaysia corporate income tax ("**CIT**")	**4,368**	4,119
Deferred tax		
Changes in temporary differences	**(22)**	10
	4,346	4,129

The group entities established in the Cayman Islands and the BVI are exempted from CIT of those jurisdictions.

Hong Kong Profits Tax has not been provided for as the Group incurred a loss for taxation purpose in Hong Kong for the year ended 31 December 2021.

The enterprise income tax of the People's Republic of China (the "**PRC**") has not been provided for as the Group incurred a loss for taxation purpose in the PRC for the year ended 31 December 2021.

Malaysia CIT is calculated at the rate of 24% of the Group's estimated assessable profits arising from Malaysia during the years ended 31 December 2021 and 2020.

Reconciliation of income tax expenses

	2021	2020
	RM'000	*RM'000*
Profit before tax	**16,184**	12,580
Income tax at applicable tax rate	**3,885**	3,019
Non-deductible expenses	**778**	1,128
Tax exempt revenue	**(281)**	(52)
Others	**(36)**	34
Income tax expenses	**4,346**	4,129

9. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2021 *(2020: Nil)*. The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2021 *(2020: Nil)*.

10. 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:

	2021	2020
	RM'000	*RM'000*
Profit for the year attributable to the equity holders of the Company, used in basic and diluted earnings per share calculation	**11,838**	8,451

	Number of shares	
	2021	2020
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	**490,845,638**	454,576,503

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 at incorporation of the Company, from the reorganisation of the Group and from the Capitalisation Issue (as defined in Note 14 below) to the shareholders had occurred on 1 January 2020 and the effect of shares repurchased as mentioned in Note 14(iv).

Diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the years ended 31 December 2021 and 2020.

11. TRADE AND OTHER RECEIVABLES

	Notes	**2021**	2020
		RM'000	*RM'000*
Trade receivables			
From third parties		**26,909**	27,073
Less: Loss allowance	*11(b)*	**(1,788)**	(1,676)
	11(a)	**25,121**	25,397
Other receivables			
Deposits and prepayments		**3,799**	4,070
		28,920	29,467

11(a) Trade receivables

The Group grants credit period up to 90 days to its customers upon the delivery of goods.

As at 31 December 2021 and 2020, trade receivables of approximately RM949,000 and RM949,000, respectively, were secured by the property pledged by a trade debtor and the remaining balances were unsecured. The management of the Group considers the fair value of the pledged property is sufficient to cover the respective trade receivables balance as at 31 December 2021 and 2020.

The ageing of trade receivables (net of loss allowance) based on invoice date at the end of each reporting period is as follows:

	2021	2020
	RM'000	*RM'000*
Within 30 days	**7,310**	9,328
31 to 60 days	**8,444**	7,201
61 to 90 days	**4,253**	3,874
Over 90 days	**6,902**	6,670
	26,909	27,073
Less: Loss allowance	**(1,788)**	(1,676)
	25,121	25,397

11(b) Loss allowance

The Group determines the loss allowance by grouping together trade receivables with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic conditions. For trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance.

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables and the movement is as follows:

	2021	2020
	RM'000	*RM'000*
At the beginning of the reporting period	**1,676**	1,809
Provision for (Reversal of) loss allowance of trade receivables	**112**	(133)
At the end of the reporting period	**1,788**	1,676

At 31 December 2021, increase in trade receivable balances with days past due over 90 days resulted in an addition in loss allowance.

At 31 December 2020, a decrease in overdue trade receivable balances resulted in a reversal of provision for loss allowance.

For the purposes of estimating the ECL, the trade receivables are grouped according to whether they are secured by collateral. The Group applies a provision matrix to those groups which is based on the historical observed loss rates over the expected life of the trade receivables which is adjusted for forward-looking estimates. At the end of each reporting period, the grouping and the historical observed loss rates are updated in light of the latest information that is relevant for the credit risk assessment and changes in the forward-looking estimates are analysed.

The following table details the risk profile of trade receivables, based on the Group's provision matrix. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL also incorporate forward looking information. The loss allowance is analysed as follows:

At 31 December 2021	**Expected credit loss rate**	**Gross carrying amount** *RM'000*	**Loss allowance** *RM'000*	**Net carrying amount** *RM'000*	**Credit-impaired**
Trade receivables with shared credit risk characteristics					
Current	**0.98%**	**11,182**	**110**	**11,072**	**No**
Within 30 days	**2.70%**	**5,373**	**145**	**5,228**	**No**
31 to 60 days	**3.59%**	**4,469**	**160**	**4,309**	**No**
61 to 90 days	**12.10%**	**1,826**	**221**	**1,605**	**No**
Over 90 days	**37.04%**	**3,110**	**1,152**	**1,958**	**Yes**
Trade receivables secured by the property pledged by a trade debtor	**0%**	**949**	**—**	**949**	**No**
		26,909	**1,788**	**25,121**	

At 31 December 2020	Expected credit loss rate	Gross carrying amount *RM'000*	Loss allowance *RM'000*	Net carrying amount *RM'000*	Credit-impaired
Trade receivables with shared credit risk characteristics					
Current	0.65%	10,492	68	10,424	No
Within 30 days	2.18%	6,848	149	6,699	No
31 to 60 days	4.25%	4,825	205	4,620	No
61 to 90 days	13.03%	1,220	159	1,061	No
Over 90 days	39.98%	2,739	1,095	1,644	Yes
Trade receivables secured by the property pledged by a trade debtor	0%	949	—	949	No
		27,073	1,676	25,397	

12. OTHER INVESTMENTS

	Note	**2021** **RM'000**	2020 *RM'000*
Financial assets mandatorily measured at FVTPL			
Unlisted investments — unit trust	*12(a)*	**43,336**	53,074

12(a) The unit trust represented unlisted investments managed by a bank in Malaysia, which mainly invested in Islamic money market instruments, including cash funds, bond funds and money market funds, etc.. It can be redeemed from time to time and bear interest at floating rate ranging from 1.58% to 2.36% per annum. The fair values of the investments are reported by the bank with reference to the fair value of the underlying instruments at the end of each reporting period.

The movements of the other investments are analysed as follows:

	Year ended 31 December 2021 **Unit trust** ***RM'000***
At the beginning of the reporting period	**53,074**
Additions	**40,158**
Redemption	**(50,061)**
Fair value gain recognised in profit or loss	**165**
At the end of the reporting period	**43,336**

	Year ended 31 December 2020 *Unit trust* RM'000
At the beginning of the reporting period	3,325
Additions	58,716
Redemption	(8,667)
Fair value loss recognised in profit or loss	(300)
At the end of the reporting period	53,074

13. TRADE AND OTHER PAYABLES

	Note	2021 RM'000	2020 RM'000
Trade payables			
To third parties	*13(a)*	**9,985**	5,581
Other payables			
Accruals and other payables		**1,987**	1,515
Contract liabilities	*13(b)*	**181**	—
		2,168	1,515
		12,153	7,096

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:

	2021 RM'000	2020 RM'000
Within 30 days	**3,297**	2,665
31 to 60 days	**5,090**	2,361
61 to 90 days	**1,597**	487
Over 90 days	**1**	68
	9,985	5,581

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

13(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same reporting period) of contract liabilities from contracts with customers within IFRS 15 during the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
	RM'000	*RM'000*
At the beginning of the reporting period	**—**	—
Receipt of advanced payments	**181**	—
At the end of the reporting period	**181**	—

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

14. SHARE CAPITAL

	Notes	**Number of shares**	***HK$***	***Equivalent to RM***
Ordinary share of HK$0.01 each				
Authorised:				
At 1 January 2020		38,000,000	380,000	200,000
Increase	*(i)*	19,962,000,000	199,620,000	110,226,394
At 31 December 2020 and 2021		**20,000,000,000**	**200,000,000**	**110,426,394**
Issued and fully paid:				
At 1 January 2020		100	1	—*
Capitalisation Issue	*(ii)*	374,999,900	3,749,999	2,078,713
Issue of shares pursuant to the Share Offer	*(iii)*	125,000,000	1,250,000	690,417
At 31 December 2020		500,000,000	5,000,000	2,769,130
Cancellation of shares during the year	*(iv)*	(28,000,000)	(280,000)	(155,071)
At 31 December 2021		**472,000,000**	**4,720,000**	**2,614,059**

* *Represents amount less than RM1.*

Notes:

(i) 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.

(ii) 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.

(iii) 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.

(iv) During the year ended 31 December 2021, the Company repurchased 28,000,000 ordinary shares (the "**Buy-back Shares**") on the Stock Exchange as follows:

Month/Year	**Number of shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
		HK$	*HK$*	*HK$*
July 2021	11,180,000	0.99	0.84	10,418,320
September 2021	9,502,000	1.00	0.76	9,133,500
October 2021	7,318,000	0.78	0.60	5,151,680
	28,000,000			24,703,500

The total amount paid on the repurchased shares of HK$24,703,500 (equivalent to approximately RM13,642,000) was paid with funded from internal resources of the Company.

Up to 31 December 2021, all the Buy-back Shares were cancelled.

Pursuant to section 37(3) of the Companies Law of the Cayman Islands, 28,000,000 shares were repurchased during year ended 31 December 2021 and the repurchased shares were cancelled. Accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. Pursuant to section 37(4) of the Companies Law of the Cayman Islands, an amount equivalent to the par value of the shares cancelled of approximately RM155,000 was transferred from share premium to the capital redemption reserve during year ended 31 December 2021. The premium paid on the repurchase of the shares of approximately HK$24,423,000 (equivalent to approximately RM13,487,000) were charged to share premium for the year ended 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 following table sets forth the breakdown of the revenue by nature of works for the years ended 31 December 2021 (the "**Financial Year**") and 2020:

	2021		2020	
	RM'000	***Approximately %***	*RM'000*	*Approximately %*
Manufacturing	**36,772**	**30.6**	39,055	33.7
Distribution	**83,366**	**69.4**	76,827	66.3

The Group's revenue increased by approximately 3.7% from approximately RM115.9 million for the year ended 31 December 2020 to approximately RM120.1 million for the Financial Year.

Manufacturing

Revenue from manufacturing business decreased from approximately RM39.1 million for the year ended 31 December 2020 to approximately RM36.8 million for the Financial Year, representing a decrease of approximately 5.8%, or approximately RM2.3 million. Such decrease was mainly due to increasing market competition and supply chain issues due to the novel coronavirus 2019 ("**COVID-19**") pandemic.

Distribution

Revenue from distribution business increased from approximately RM76.8 million for the year ended 31 December 2020 to approximately RM83.4 million for the Financial Year, representing an increase of approximately 8.5%. The increase was mainly attributable to the increase in sales of decoction tea by approximately RM4.4 million.

Cost of sales

The Group's cost of sales mainly comprises cost of inventories, freight cost, direct labour cost, manufacturing overheads and others. The following table sets out the breakdown of the Group's direct costs during the years ended 31 December 2021 and 2020:

	2021		2020	
	RM'000	***Approximately %***	*RM'000*	*Approximately %*
Cost of inventories	**90,392**	**98.0**	87,835	97.9
Freight cost, direct labour cost, manufacturing overheads and others	**1,837**	**2.0**	1,924	2.1

Gross profit and gross profit margin

In line with the increase in revenue, the Group's gross profit increased from approximately RM26.1 million to approximately RM27.9 million for the year ended 31 December 2020 and 2021, respectively, representing an increase of approximately 6.8%. The increase was mainly due to increase in the sales from distribution segment after emerging with the change in business norm. With combined effects of revenue and cost of sales, the Group's gross profit margin improved slightly from approximately 22.5% to approximately 23.2% for the year ended 31 December 2020 and 2021, respectively.

Administrative and other operating expenses

The Group's administrative and other operating expenses increased from approximately RM9.8 million for the year ended 31 December 2020 to approximately RM11.4 million for the Financial Year. Such increase was mainly attributable to the net effect of the increase in the product registration fees, staff costs as well as professional and consultation fees incurred by the Group. The administrative and other operating expenses of the Group primarily consist of depreciation, repair and maintenance and office expenses and loss on exchange.

Finance costs

Finance costs represented interest on bank borrowings and lease liabilities. For the year ended 31 December 2021 and 2020, the Group recorded finance costs of approximately RM31,000 and approximately RM50,000, respectively.

Income tax expenses

The Group's income tax expenses were approximately RM4.3 million and approximately RM4.1 million for the year ended 31 December 2021 and 2020, respectively. The effective tax rate for the year ended 31 December 2021 and 2020 (after adjusting for the listing expenses) were approximately 26.9% and approximately 24.5%, respectively.

Profit for the year and earnings per Share

As a result of the foregoing, the Group's profit was approximately RM11.8 million and approximately RM8.5 million for the year ended 31 December 2021 and 2020, respectively. Earnings per Share was approximately RM2.41 cents and RM1.86 cents for the year ended 31 December 2021 and 2020, respectively.

Key Financial Ratio

		As at/for the year ended 31 December	
	Note	**2021**	2020
Current ratio (times)	*1*	**10.8**	17.5
Quick ratio (times)	*2*	**6.8**	13.0
Gearing ratio (%)	*3*	*****	*
Return on equity (%)	*4*	**8.4**	6.0
Return on total assets (%)	*5*	**7.7**	5.7

* *Negligible*

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 total debt which comprised of lease liabilities only divided by total equity.

4. Return on equity is profit for the year divided by total equity.

5. Return on assets is profit for the year divided by total assets.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2021,

1. the Company's issued capital was HK$4.72 million (equivalent to approximately RM2.6 million) (2020: HK$5.0 million (equivalent to approximately RM2.8 million)) and the number of its issued ordinary Shares was 472,000,000 Shares of HK$0.01 each (2020: 500,000,000 Shares of HK$0.01 each);

2. the Group had total pledged time deposits and bank balances as well as cash and cash equivalents of approximately RM1.7 million (2020: approximately RM1.7 million) and approximately RM11.7 million (2020: approximately RM15.2 million) respectively, most of which were denominated in USD, HKD and RM;

3. the Group had lease liabilities and bank borrowings of approximately RM122,000 (2020: approximately RM61,000) and nil (2020: Nil), respectively. All of the lease liabilities were denominated in RM; and

4. the Group's total equity attributable to owners of the Company was approximately RM140.7 million (2020: approximately RM140.7 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 commitment when they fall due; and (iii) maintain adequate liquidity to cover the Group's operation cash flows and administrative expenses. The Board closely monitors the Group's 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.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed below, the Group has no significant investments, material acquisitions or disposals of subsidiaries and associated companies during the Financial Year.

Investments in financial assets measured at fair value through profit or loss

The following table sets forth the fair value of the significant investments of the Group for the Financial Year:

	For the year ended 31 December 2021	As at 31 December 2021		Approximate percentage to the total assets as at 31 December 2021	As at 31 December 2020
Financial assets measured at fair value through profit or loss	**Income distribution**	**Fair value gain/(loss)***	**Fair value**		**Fair value**
	RM'000	*RM'000*	*RM'000*		*RM'000*
Significant investments					
Affin Hwang Aiiman Money Market Fund	77	609	2,014	1%	19,210
Affin Hwang USD Cash Fund	—	4	—	0%	13,645
Affin Hwang Select Bond Fund	1,336	(448)	41,322	27%	20,219
	1,413	165	43,336		53,074

* The fair value loss was mainly due to unrealised exchange losses as US$ weakened against RM during the Financial Year.

All of the above significant investments were managed by Affin Hwang Asset Management Berhad, an independently managed, bank-backed asset management firm in Malaysia that started its roots in 2001 and specialises in customized solutions and invests into equities, bonds, money market, structured products and other alternative investment instruments to generate returns for its clients.

Investment in financial asset measured at FVTOCI

On 6 October 2021, a wholly-owned subsidiary of the Company, Ritamix (HK) Limited has entered into a Share Subscription Agreement with Wincathel Group Limited for subscribing 667 shares of VetCell International Limited ("**VetCell**") at USD 1.0 million (equivalent to approximately HKD7.8 million), representing 6.67% equity interest of VetCell, a private entity incorporated in Hong Kong, which is principally engaged in manufacturing and distribution of comprehensive pet care products. At the date of initial recognition, the Group irrevocably designated the unlisted equity investment as FVTOCI (non-recycling) as the Group intends to hold for long-term for strategic purpose.

The investment in VetCell is not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

CAPITAL COMMITMENTS

Save as the Group had contracted but not provided capital commitment of RMB25,500,000 (equivalent to approximately RM16,641,000) in respect of investment in Hainan Ritamix Biological Science Co., Ltd.* (海南利特米生物科學有限公司) in 2021 (the "**Investment**"), the Group has no other significant commitments as at 31 December 2021 and 2020.

For details of the Investment, please refer to the announcement of the Company titled "Discloseable transaction in relation to the Cooperation Agreement with Shifengfu (Hainan)" dated 7 January 2021.

* *For identification purpose only*

CHARGES ON THE GROUP'S ASSETS

There was no charge on the Group's assets as at 31 December 2021.

As at 31 December 2020, the total banking facilities granted to the Group amounted to approximately RM12.3 million. During the year ended 31 December 2020, the Ultimate Controlling Parties and/or their close family member have issued personal guarantees in favour of the banks amounting to approximately RM20,318,000 as at 31 December 2020, to secure banking facilities granted to the Group.

Subsequent to the year end 31 December 2020, the Group completed the release of the collaterals and guarantees provided by the Ultimate Controlling Parties by replacement of corporate guarantees provided by the Company in favour of the banks.

CONTINGENT LIABILITIES

As at 31 December 2021 and 2020, the Group did not have any contingent liabilities.

FOREIGN CURRENCY RISK

The Group operates mainly in Malaysia, fluctuations in the Malaysian ringgit's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into USD or HKD, of the Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group's ability to pay dividends or satisfy other foreign exchange requirements.

The management will monitor foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating results. The Group had not used any derivative financial instrument during the Financial Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2021, the Group had 53 (2020: 57) employees, all of whom were directly hired by the Group. The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. The Directors believe that continuous staff training and development will not only improve the Group's staff's performance, but will also enhance loyalty and staff morale. For its new recruits, the Group offers induction training courses which cover practical and technical aspects of their works, together with its corporate culture and core value. Remuneration package offered by the Group to its staff includes basic salary, discretionary bonuses and allowance. For the year ended 31 December 2021, the Group's employee costs, including Directors' emoluments, were approximately RM6.1 million (2020: approximately RM5.5 million). The Directors review the performance of the Group's employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive.

The Group has participated in the Employees Provident Fund Scheme (the "**EPF Scheme**") under the Employees Provident Fund Act 1991 for qualifying employees of the Group in Malaysia. The Group has contributed 13% of relevant monthly salaries for the employees who render monthly salaries of RM5,000 or below; and 12% of relevant monthly salaries for the employees who render monthly salaries of more than RM5,000 to the EPF Scheme. The Group's contributions to the EPF Scheme vest fully and immediately with the employees. Accordingly, there were no forfeited contributions which arose upon employees leaving the EPF Scheme before their interests in the Group's contribution became fully vested and thus there were no such forfeited contributions which were available to reduce the Group's existing level of contributions to the EPF Scheme as at 31 December 2021 and 2020.

USE OF PROCEEDS

The net proceeds (the "**Net Proceeds**") received by the Company from successfully listed on the Main Board of Stock Exchange on 13 May 2020 (the "**Listing Date**") through the share offer amounted to approximately HK$72.4 million, after deducting the underwriting fees, commissions and other listing expenses.

On 4 October 2021, the Board resolved to reallocate the use in its unutilised net proceeds (the "**Unutilised Net Proceeds**") in acquiring or partnering with a company selling animal feed additives products amounted to approximately HK$13.4 million to invest in a company engaged in animal feed additives and/or veterinary related industry (the "**Change of Use in Net Proceeds**"), the Board considers that the Change of Use in Net Proceeds will broaden the choices available to the Group when shortlisting investment candidates and will be beneficial to the Company and the Shareholders as a whole. For more information about the change of use in the Change of Use in Net Proceeds, please refer to the Company's announcement dated 4 October 2021.

During the period from the Listing Date and up to 31 December 2021 (the "**Relevant Period**"), the Net Proceeds had been applied as follows:

	Planned use of the Net Proceeds per Prospectus *HK$ million*	**Actual use of the Net Proceeds during the Relevant Period** *HK$ million*	**Unutilised amount as at 31 December 2021** *HK$ million*	**Expected deadline to use the Net Proceeds from 31 December 2021**
Construct a new manufacturing plant	42.1	—	42.1	30 June 2023
Funding potential investment in company which is engaged in animal feed additives and/or veterinary related industry	13.4	7.8	5.6	31 December 2023
Conduct sales and marketing activities	1.7	—	1.7	30 June 2022
Set up a new testing laboratory	3.5	—	3.5	30 June 2022
Set up a centralised Enterprise Resources Planning system	3.7	—	3.7	31 December 2022
Hire additional workforce	3.0	1.0	2.0	31 December 2022
Purchase trucks for logistics services and vehicle for sales personnel	1.4	1.4	—	Not applicable
General working capital	3.6	3.6	—	Not applicable
Total	72.4	13.8	58.6	

Further, part of the unutilised Net Proceeds were invested in the US$ Hedged-class Units of Affin Hwang Select Bond Fund for an aggregate amount of US$4.6 million (equivalent to approximately HKD35.5 million) during the Financial Year. The full details of the investment were set out in the Company's announcement dated 28 August 2020. The Company has redeemed part of the investment in the fund as and when the Company utilised the Net Proceeds according to the abovementioned planned use. The Company will ensure that there is no adverse impact to the use of the Net Proceeds and no change in the planned use of the Net Proceeds. As at 31 December 2021, the remaining unused proceeds were deposited in licensed banks in Hong Kong and Malaysia.

With the slowdown in the progress of the use of Net Proceeds due to the COVID-19 impacts, the Group will actively keep up with the plan in utilising the Net Proceeds following the revival of economy in the coming year.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to fulfilling its responsibilities to the Company's shareholders (the "**Shareholders**") and protecting and enhancing Shareholders' value through good corporate governance.

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted the principles and all relevant code provisions as set out under the Corporate Governance Code (the "**CG code**") contained in Appendix 14 to the Listing Rules.

Save for the deviation from code provision A.2.1 of the CG Code as disclosed below, the Board is satisfied that the Company has complied with the CG Code during the Financial Year and up to the date of this announcement. The Board will periodically review the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

According to the code provision A.2.1 of the CG Code, the roles of the chairman (the "**Chairman**") and the chief executive officer ("**CEO**") should be separated and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Dato'Sri Lee Haw Yih currently holds both positions. Since the inception of the Group, Dato'Sri Lee Haw Yih has been managing the Group's business and overall strategic planning for over 20 years. Taking into account the continuous implementation of the business plans, the Board believes that vesting the roles of both Chairman and the CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board will continue to review and consider splitting the roles of the Chairman and the CEO at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code during the Financial Year.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Financial Year (2020: Nil).

SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 8 April 2020, the Company adopted the share option scheme of the Company (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Board to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the "**Eligible Persons**") as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Financial Year, the Company repurchased and cancelled 28,000,000 of Shares. Details are disclosed in Note 14 to the consolidated financial statements in this announcement.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2021 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float for its shares as required under the Listing Rules since the Listing Date up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting (the "**2022 AGM**") is scheduled to be held on Tuesday, 28 June 2022. A notice convening the 2022 AGM will be issued and dispatched to the Shareholders according to the applicable law, the Listing Rules and the articles of association of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 23 June 2022 to Tuesday, 28 June 2022 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to attend and vote at the 2022 AGM which will be held on Tuesday, 28 June 2022. In order to qualify for attending and voting at the 2022 AGM, Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited for registration no later than 4:30 p.m. on Wednesday, 22 June 2022. The address of Boardroom Share Registrars (HK) Limited is 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.

AUDIT COMMITTEE

The Audit Committee was established on 8 April 2020 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee comprises three INEDs, namely Ms. Ng Siok Hui, Mr. Lim Chee Hoong and Mr. Lim Heng Choon. The chairman of the Audit Committee is Mr. Lim Chee Hoong.

The role of the Audit Committee includes reviewing and monitoring the Group's external auditor's independence and objectivity and the effectiveness of the audit process, monitoring the integrity of the Group's financial information and reviewing significant financial reporting judgement and overseeing the Group's financial reporting system and risk management and internal control systems.

The Audit Committee has reviewed the consolidated financial statements and the Group's annual results for the Financial Year. The Audit Committee is of the view that the financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The consolidated financial results of the Group for the Financial Year have been reviewed by the Audit Committee and the figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and the related notes thereto for the Financial Year as set out in this announcement have been agreed by our independent joint auditors, Mazars CPA Limited, *Certified Public Accountants, Hong Kong*, and Mazars PLT, *Chartered Accountants, Malaysia*, to the amounts as set out in the Group's audited consolidated financial statements. The Audit Committee is of the opinion that the preparation of such results has complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made. The work performed by the joint auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the joint auditors on the annual results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ritamix-global.com). The annual report of the Company for the year ended 31 December 2021 containing all the relevant information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course in the manner required by the Listing Rules.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Board proposes to amend the existing articles of association of the Company ("**Articles**") in order to bring the Articles in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022.

The proposed amendments to the Articles ("**Proposed Amendments**") are summarised below:

1. to specify that the Company shall hold an annual general meeting within six months after the end of the Company's financial year;

2. to provide that all Shareholders shall have the right to (i) speak at a general meeting of the Company; and (ii) vote at a general meeting of the Company, except where a Shareholder is required, by the Listing Rules, or the rules, codes or regulations of any competent regulatory authority, to abstain from voting to approve the matter under consideration;

3. to provide that in addition to the right to convene an extraordinary general meeting on the requisition of one or more Shareholders holding not less than one tenth (1/10th) of the paid up capital of the Company having the right of voting at general meetings, such Shareholder(s) shall also have the right to add resolutions to the meeting agenda of a general meeting;

4. to provide that the branch register of Shareholders in Hong Kong may be closed on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws in Hong Kong); and

5. to make other necessary amendments for updating the Articles and better aligning with the wording in the applicable laws of Cayman Islands and the Listing Rules.

The Proposed Amendments are subject to consideration and approval by the Shareholders by way of a special resolution at the 2022 AGM. A circular containing, among other things, particulars relating to Proposed Amendments together with a notice convening the 2022 AGM will be despatched to the shareholders of the Company according to the applicable law, the Articles and the Listing Rules.

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

Malaysia, 29 March 2022

As at the date of this announcement, 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.