

B E S H O M

THE BEST STARTS FROM HOME

Beshom Holdings Berhad

(Registration No. 202101001114 (1401412-A))

(Incorporated in Malaysia)

Unaudited Interim Financial Report

31 July 2024

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

Quarterly report on consolidated results for the financial period ended 31 July 2024

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31 JULY 2024

	INDIVIDUAL PERIOD (1st Quarter)		CUMULATIVE PERIOD (1st Quarter)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/07/2024	31/07/2023	31/07/2024	31/07/2023
	RM'000	RM'000	RM'000	RM'000
Revenue	33,460	35,195	33,460	35,195
Cost of sales	(19,565)	(20,186)	(19,565)	(20,186)
Gross Profit	13,895	15,009	13,895	15,009
Other income	1,119	1,012	1,119	1,012
Depreciation	(1,359)	(1,369)	(1,359)	(1,369)
Administrative expenses	(4,217)	(4,452)	(4,217)	(4,452)
Selling & distribution expenses	(6,477)	(6,728)	(6,477)	(6,728)
Other expenses	(296)	(134)	(296)	(134)
Operating Profit	2,665	3,338	2,665	3,338
Finance income	145	142	145	142
Finance costs	(81)	(55)	(81)	(55)
Share of profit/(loss) of equity-accounted investee, net of tax	(24)	(15)	(24)	(15)
Profit before tax	2,705	3,410	2,705	3,410
Tax expenses	(655)	(934)	(655)	(934)
Profit after tax	2,050	2,476	2,050	2,476
Profit attributable to:				
Owners of the Company	2,166	2,457	2,166	2,457
Non-controlling interests	(116)	19	(116)	19
	2,050	2,476	2,050	2,476
Earnings Per Share attributable to owners of the Company				
- Basic (sen)	0.72	0.82	0.72	0.82

The Condensed Consolidated Statement of Profit And Loss should be read in conjunction with the audited financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the interim financial statements.

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

Quarterly report on consolidated results for the financial period ended 31 July 2024

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JULY 2024**

	INDIVIDUAL PERIOD (1st Quarter)		CUMULATIVE PERIOD (1st Quarter)	
	CURRENT YEAR QUARTER 31/07/2024	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2023	CURRENT YEAR TO DATE 31/07/2024	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2023
	RM'000	RM'000	RM'000	RM'000
Profit for the year	2,050	2,476	2,050	2,476
Other comprehensive income				
- Net change in fair value of equity investments designated at fair value through other comprehensive income	2,850	-	2,850	-
- Foreign currency translation differences for foreign operations	(19)	(38)	(19)	(38)
Total comprehensive Income for the period	4,881	2,438	4,881	2,438
Total comprehensive income attributable to:				
Owners of the Company	4,997	2,419	4,997	2,419
Non-controlling Interests	(116)	19	(116)	19
	4,881	2,438	4,881	2,438

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the interim financial statements.

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(Registration No. 202101001114 (1401412-A))

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	AS AT CURRENT FINANCIAL QUARTER ENDED 31/07/2024 (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 30/04/2024 (RM'000) (Audited)
ASSETS		
Non-current assets		
<i>Property, Plant and Equipment</i>	72,409	73,468
<i>Investment properties</i>	54,072	48,844
<i>Right-of-use assets</i>	10,758	11,005
<i>Investment in jointly control entity</i>	1,705	1,729
<i>Other Investments</i>	10,423	7,572
<i>Goodwill arising from consolidation</i>	85	85
<i>Trade receivables - non current</i>	1,937	1,584
<i>Deferred tax assets</i>	2,049	1,970
	153,438	146,257
Current Assets		
<i>Inventories</i>	74,648	76,899
<i>Trade and other receivables</i>	22,181	22,827
<i>Other Investments</i>		
<i>Financial assets at fair value through profit or loss</i>	71,745	69,157
<i>Cash and Cash Equivalents</i>	34,653	34,511
	203,227	203,394
TOTAL ASSETS	356,665	349,651
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
<i>Share capital</i>	312,978	312,978
<i>Treasury Shares</i>	(127)	(120)
<i>Other reserves</i>	(152,036)	(154,867)
<i>Retained earnings</i>	154,253	152,087
	315,068	310,078
Non-controlling interests	11,728	11,844
Total Equity	326,796	321,922
Non-current Liabilities		
<i>Contract Liabilities</i>	175	204
<i>Borrowings</i>	3,237	-
<i>Lease Liabilities</i>	3,083	3,028
<i>Deferred tax</i>	235	319
	6,730	3,551
Current Liabilities		
<i>Trade & other payables</i>	20,844	22,040
<i>Short-term provisions</i>	485	253
<i>Borrowings</i>	283	-
<i>Lease Liabilities</i>	1,157	1,418
<i>Contract Liabilities</i>	358	384
<i>Current tax payables</i>	12	83
	23,139	24,178
Total Liabilities	29,869	27,729
TOTAL EQUITY AND LIABILITIES	356,665	349,651
Net assets per share attributable to owners of the Company (RM)	1.05	1.03

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 JULY 2024

	Attributable to owners of the Company							Non-controlling interests	Total Equity	
	Share Capital	Treasury shares	Reorganisation reserve	Non distributable Exchange fluctuation reserve	Capital reserve	Fair value reserve	Distributable Retained Earnings			
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
3-month ended 31 July 2024										
Balance as at 1 May 2024	312,978	(120)	(155,823)	423	657	(124)	152,087	310,078	11,844	321,922
Profit for the period	-	-	-	-	-	-	2,166	2,166	(116)	2,050
Other comprehensive (loss)/profit for the period	-	-	-	(19)	-	2,850	-	2,831	-	2,831
Total comprehensive (loss)/income for the period	-	-	-	(19)	-	2,850	2,166	4,997	(116)	4,881
Purchase of treasury shares	-	(7)	-	-	-	-	-	(7)	-	(7)
Balance at end of financial period	312,978	(127)	(155,823)	404	657	2,726	154,253	315,068	11,728	326,796

	Attributable to owners of the Company							Non-controlling interests	Total Equity
	Share Capital	Treasury shares	Reorganisation reserve	Non distributable Exchange fluctuation reserve	Capital reserve	Fair value reserve	Distributable Retained Earnings		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
3-month ended 31 July 2023									
Balance as at 1 May 2023	312,978	-	(155,823)	727	657	151,122	309,661	12,111	321,772
Profit for the period	-	-	-	-	-	2,457	2,457	19	2,476
Other comprehensive income for the period	-	-	-	(38)	-	-	(38)	-	(38)
Total comprehensive income for the period	-	-	-	(38)	-	2,457	2,419	19	2,438
Acquisition of additional interest in a subsidiary by non-controlling interest	-	-	-	-	-	19	19	(29)	(10)
Balance at end of financial period	312,978	-	(155,823)	689	657	153,598	312,099	12,101	324,200

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED 31 JULY 2024

	2025 3-month ended 31/07/2024 (RM '000)	2024 3-month ended 31/07/2023 (RM '000)
Profit before tax	2,705	3,410
Adjustment for :-		
Depreciation on property, plant and equipment & IP	944	967
Depreciation on right-of-use assets	415	402
Dividend income	(304)	(216)
Fair value gain on other investments	(284)	(322)
Finance costs	81	55
Finance income	(145)	(142)
Gain on disposal of other investment	-	(2)
Gain on disposal of property, plant and equipment	(47)	(11)
Net loss on impairment of trade and other receivables	38	-
Property, plant and equipment written off	2	5
Share of profit of equity-accounted investee, net of tax	24	15
Provision for sales campaign	228	252
Unrealised foreign exchange differences	178	2
Operating profit before changes in working capital	3,835	4,415
Changes in working capital		
<i>Inventories</i>	2,251	2,257
<i>Receipts from customers</i>	1,514	842
<i>Net Change in other receivables</i>	(400)	(488)
<i>Payment to suppliers, contractors and employees</i>	(2,705)	(7,806)
<i>Net Change in other payables</i>	1,474	4,834
	2,134	(361)
Cash generated from operations		
<i>Payment of income taxes</i>	(1,749)	(898)
<i>Finance cost</i>	(61)	(55)
Net cash flows from operating activities	4,159	3,101
Investing Activities		
<i>Accretion of equity interests in subsidiary</i>	-	(10)
<i>Acquisition of other investments</i>	(2,000)	(7,500)
<i>Purchase of property, plant and equipment</i>	(5,123)	(97)
<i>Proceeds from disposal of other investment</i>	-	6,560
<i>Proceeds from disposal of property, plant and equipment</i>	55	11
<i>Interest received</i>	145	142
Net cash used in investing activities	(6,923)	(894)
Financing Activities		
<i>Drawdown of term loan</i>	3,500	-
<i>Purchase of Company's own share</i>	(7)	-
<i>Payment of lease liabilities</i>	(374)	(369)
Net cash from/(used in) financing activities	3,119	(369)
Net Changes in Cash & Cash Equivalents	355	1,838
Effect of exchange rate & fluctuations on cash held	(213)	(45)
Cash & Cash Equivalents at beginning of financial period	34,511	35,153
Cash & Cash Equivalents at end of the financial period	34,653	36,946

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2024 and the accompanying explanatory notes attached to the interim financial statements.

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PART A -- Notes To The Interim Financial Report

A1 Basis of preparation

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). This interim financial statement also complies with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The interim financial report should be read in conjunction with the most recent annual financial statements of the Group for the year ended 30 April 2024.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2024.

Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 April 2024 except for the adoption of new standards, amendments and interpretation that have been issued by the Malaysian Accounting Standards Board (“MASB”) which are effective for annual periods beginning on or after 1 January 2024 as stated below:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- 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 and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates- Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures- Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosures in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

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The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A2 Seasonal or cyclical factors of interim operations

The Group's interim business operations are not significantly affected by seasonal or cyclical factors for the quarter under review except for some seasonal consumer products, which are affected by major festive seasons.

A3 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows because of their nature, size or incidence.

A4 Changes in estimates of amounts reported previously

There were no material changes in estimates of amounts reported in prior interim period of the current or previous financial years.

A5 Issues, repurchase and repayments of debts and equity securities

There have been no other issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the quarter under review except for the following:

	Number of Treasury shares	Total Cost Consideration RM
Balance as at 1 May 2024	133,300	119,936
Repurchased during the quarter	7,000	6,628
Balance as at 31 July 2024	140,300	126,564

The repurchase transactions were financed by internally generated funds.

Subsequent to the first quarter ended 31 July 2024, there was no repurchase of treasury shares.

A6 Dividend paid

No dividend has been paid during the quarter under review.

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A7 Segment information

Details of segmental analysis for the period ended 31 July 2024 are as follows:

	Wholesale	Multi-Level Marketing	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE						
Revenue from external customers	11,366	12,881	7,576	1,637	-	33,460
Inter-segment revenue	7,839	17	-	2,005	(9,861)	-
Total revenue	19,205	12,898	7,576	3,642	(9,861)	33,460
RESULT						
Segment profit/(loss)	368	1,342	(254)	1,345	(136)	2,665
Finance costs						(81)
Interest income						145
Share of loss of equity-accounted investee, net of tax						(24)
Profit before taxation						2,705
Income tax expenses						(655)
Net profit for the year						2,050

	Wholesale	Multi-Level Marketing	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Segment assets	181,861	83,070	41,124	50,610	-	356,665
Segment liabilities	10,004	9,149	9,671	1,045	-	29,869

A8 Property, plant and equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

A9 Events after the interim period that have not been reflected in the financial statements for the interim period

There were no material events subsequent to the period ended 31 July 2024.

A10 Changes in the composition of the Group

There was no change in the composition of the Group during the interim period ended 31 July 2024.

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A11 Contingent liabilities

The changes in contingent liabilities of the Group since the last annual Statement of Financial Position date are as follows: -

<u>Group</u>	As at 20/09/2024	As at 31/07/2024	As at 30/04/2024
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Group	3,394	2,894	2,894

A12 Capital commitment

The capital commitment of the Group for the period ended 31 July 2024 is as follows:

	Approved, contracted but not provided for RM'000
Property, plant and equipment	939
Total	939

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PART B -- Explanatory Notes Pursuant To Appendix 9B of The Bursa Securities Listing Requirement

B1 A detailed analysis of the performance of key operating segments of the Group, setting out material factors affecting the earnings and/or revenue of each segment for the current quarter and financial period-to-date:

Financial review for current quarter and financial year to date

	Quarter and Year-to-date ended		Changes
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31/07/2024 (RM '000)	31/07/2023 (RM '000)	
Revenue	33,460	35,195	(4.9%)
Gross Profit	13,895	15,009	(7.4%)
Operating Profit	2,665	3,338	(20.2%)
Profit Before Tax	2,705	3,410	(20.7%)
Profit After Tax	2,050	2,476	(17.2%)
Profit/(Loss) Attributable to owners of the Company	2,166	2,457	(11.8%)

Statement of Profit & Loss and Other Comprehensive Income

For the period ended 31 July 2024, the Group recorded revenue and pre-tax profit of RM 33.5 million and RM 2.7 million, decreased by 4.9% and 20.7% as compared to the previous year's corresponding period of RM 35.2 million and RM 3.4 million respectively. The decrease in revenue was mainly dragged by weaker performance in the Wholesale division. Higher product import costs due to unfavourable exchange rate coupled with the increased in logistic costs have eroded the Group's gross profit margin.

Statement of Financial Position

The equity attributable to owners of the Company as at 31 July 2024 amounted to RM 315.1 million (FYE 30.4.2024: RM 310.1 million), representing an increase of RM 5.0 million.

Total assets of the Group stood at RM 356.7 million (FYE 30.4.2024: RM 349.7 million) mainly due to increase in other investment and cash and cash equivalents. Total liabilities of the Group increased by RM 2.1 million to RM 29.9 million (FYE 30.4.2024: RM 27.7 million). A borrowing amounting to RM 3.5 million was recorded in the period under review to part finance the purchase of an investment property.

Net assets per share was recorded at RM 1.05 as at 31 July 2024, against previous financial year ended 30 April 2024 of RM 1.03.

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Statement of Cash Flow

The cash holding of the Group comprising financial assets, cash and cash equivalents amounted to RM 106.4 million as at 31 July 2024.

Net cash flow from operating activities amounted to RM 3.8 million, primarily generated from the Group operating profits, as the MLM and Retail divisions' sales are mainly transacted in cash. Net cash used in investing activities included net investment outflows of RM 6.9 million for other investment and purchase of property, plant and equipment. Net cash from financing activities of RM 3.1 million was after drawdown of term loan obtained to partly finance the purchase of an investment property. As a result, the Group's cash and cash equivalents maintained at RM 34.7 million as at financial period ended 31 July 2024.

Segmental Analysis

Current quarter compared to the preceding year's corresponding quarter

(i) MLM division

The MLM division is constantly reviewing and adjusting its marketing strategies to boost productivity of its members. The division has carried out aggressive sales driven activities for the PB Thera series range of products and has scaled back on offering more rebates, opting instead for targeted product promotions. Furthermore, the division has implemented several cost saving disciplines including enhancement in inventory management and optimisation of resources. Hence, the division recorded higher revenue and pre-tax profit of RM 12.9 million and RM 1.2 million for the period under review as compared to the preceding year's corresponding quarter of RM 12.4 million and RM 0.2 million respectively.

(ii) Wholesale division

Divisional revenue decreased by 20.3% to RM 11.4 million as compared to the preceding corresponding quarter of RM 14.3 million.

Pre-tax profit reduced from RM 2.4 million to RM 0.5 million primarily due to lower sales of vintage tea and Chinese medicated tonic post customer incentive trip campaign, along with lower gross profit margin recorded during the quarter under review.

(iii) Retail division

The Retail division posted an increase of 8.3% in revenue to RM 7.6 million as compared to the previous year's corresponding quarter of RM 7.0 million. The increase was mainly driven by higher sales of house brand products. Besides, part of the members' sales campaign spilled over into current quarter, further contributing to the increase in revenue.

Despite lower gross profit margin recorded due to more product promotion campaigns carried out during the quarter under review, higher contribution from revenue has narrowed down the loss to RM 0.3 million only as compared to the previous year's corresponding quarter.

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Segmental Analysis (continued)

(iv) Other division

Revenue from Other division is primarily derived from the rental of investment properties, manufacturing of traditional Chinese medicines and food supplements and credit & leasing business.

During the quarter under review, it registered higher pre-tax profit of RM 1.3 million, an increase of 17.7% mainly attributed to ongoing cost optimisation measures and higher rental income recorded, despite manufacturing segment operating at a loss of RM 0.2 million.

B2 Material changes in the profit before taxation for the quarter under review as compared with the immediate preceding quarter

Financial review for current quarter compared with the immediate preceding quarter

	Current Year Quarter	Immediate Preceding Quarter	Changes
	31/07/2024 (RM '000)	30/04/2024 (RM '000)	
Revenue	33,460	35,544	(5.9%)
Gross Profit	13,895	15,845	(12.3%)
Operating Profit	2,665	3,350	(20.4%)
Profit Before Tax	2,705	3,409	(20.7%)
Profit After Tax	2,050	3,032	(32.4%)
Profit Attributable to Ordinary Equity Holders of the Company	2,166	3,063	(29.3%)

For the 1st quarter under review, the Group's revenue and pre-tax profit decreased by 5.9% and 20.7% to RM 33.5 million and RM 2.7 million respectively. Gross profit margin decreased due mainly to higher product and logistic costs incurred and more promotion rebate in the Wholesale and Retail divisions.

Financial review for current quarter compared with the immediate preceding quarter

(i) MLM division

The division has continuously revamped its marketing strategies to sustain sales performance. While revenue was maintained at RM 12.9 million as compared with the immediate preceding quarter, pre-tax profit increased from RM 0.3 million to RM 1.2 million. This improvement was primarily driven by higher gross profit margin and cost optimisation initiatives in the quarter under review.

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Financial review for current quarter compared with the immediate preceding quarter (continued)

(ii) Wholesale division

Wholesale revenue declined by 5.5% to RM 11.4 million from RM 12.0 million in the immediate preceding quarter. The higher base in the immediate preceding quarter was mainly driven by higher sales from the customer incentive trip campaign.

In tandem with the lower revenue registered and lower gross profit margin, which was impacted by higher product import costs due to the unfavourable exchange rate and higher logistic costs, divisional pre-tax profit decreased from RM 1.9 million to RM 0.5 million.

(iii) Retail division

Divisional revenue dropped by 16.4% to RM 7.6 million, partly due to a higher base effect in the immediate preceding quarter which was boosted by members' sales promotion campaign and Chinese New Year sales. Traditionally consumers spending tends to decline after the festive season. Moreover, the division experienced weaker customer footfall amid weak spending power particularly on non-essential premium health supplements products.

In tandem with the lower revenue and A&P subsidy income from suppliers coupled with the lower contribution from premium house brand products, the division posted a loss of RM 0.3 million during the quarter under review.

B3 Commentary on next quarter

The Malaysian economy continues to be supported by resilient consumer spending, improved exports, higher private investment and tourist arrivals, these factors and the rebound of Ringgit Malaysia has contributed to fostering economic growth. However, businesses continue to face various challenges including rising operational costs and supply chain disruptions, primarily due to ongoing geopolitical conflicts that have destabilised global logistic networks.

In light of the above, the Group will continue to streamline operational efficiency for greater cost control, re-strategize product promotions and marketing activities to improve both top line and bottom line. The MLM division will continue to focus on enhancing members recruitment and retention program to strengthen the distributors base. In the Wholesale and Retail divisions, we will conduct more targeted product promotion campaigns to boost sales. In addition, the Group will continue looking for collaboration alignment with business partners which can add value to the repositioning of our business.

In view of the above, the Board of Directors remains cautiously optimistic on the Group's performance in the next quarter.

B4 Statement of the Board of Directors' opinion on achievability of the financial estimate, forecast, projection or internal targets previously announced

There were no financial estimate, forecast, projection or internal targets previously announced by the Board of Directors.

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B5 Profit forecast / profit guarantee previously announced

There were no profit forecast or profit guarantee previously announced.

B6 Trade Receivables

Ageing analysis of trade receivables of the Group as at 31 July 2024 is as follow:

	RM'000
Not past due	11,895
Past due 1-30 days	473
Past due 31-60 days	331
Past due more than 60 days	1,553
	14,252
Impaired	(812)
	13,440

The trade receivables comprised mainly of non-related parties with credit term of 60-90 days.

B7 Taxation

The provision for income tax is based on the business income earned for the financial period under review.

For the financial period to date, the effective tax rate of the Group was higher than the statutory tax rate due mainly to certain expenses which were not deductible for tax purpose and losses of certain subsidiary companies which could not be set off against profits of certain subsidiaries as no Group relief was available for tax purposes.

	Quarter and Year-to-date ended
	31/07/2024 (RM '000)
Profit before taxation	2,705
Taxation at applicable tax rate – 24%	649
Adjustment mainly due to certain non-allowable expenses and deferred tax recognized in the profit or loss	6
Total Income Tax Expenses	655

B8 Status of Corporate Proposals

There were no outstanding corporate proposals for the period under review.

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B9 Group Borrowings and Debts Securities

The Group borrowings as at 31 July 2024 are as follows:

Current Quarter ended 31/07/2024				
Group Borrowings	Currency	Secured/ Unsecured	Type of borrowing	RM'000
Short Term Borrowings	Ringgit Malaysia	Secured	Fixed Loan	283
Long Term Borrowings	Ringgit Malaysia	Secured	Fixed Loan	3,237
Total				3,520

Preceding Quarter ended 31/07/2023				
Group Borrowings	Currency	Secured/ Unsecured	Type of borrowings	RM'000
Short Term Borrowings	Ringgit Malaysia	Unsecured	-	-
Short Term Borrowings	Ringgit Malaysia	Secured	-	-
Total				-

The borrowings comprised solely of trade facilities and Fixed loan for working capital purpose which were denominated in RM currency. The gearing level was negligible.

B10 Changes in Material Litigation

The Group is not engaged in any material litigation, claims or arbitration, including those pending or threatened against our Group, either as plaintiff or defendant, which has a material effect on the financial position of the Group.

B11 Dividend

No interim dividend has been declared for the quarter under review (31/7/2024: Nil).

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B12 Earnings per share (EPS)

Earnings per share

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/07/2024	31/07/2023	31/07/2024	31/07/2023
<i>Earnings</i>				
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	2,166	2,457	2,166	2,457
Weighted average number of shares ('000)	300,054	300,103	300,054	300,103
Basic earnings per share (sen)	0.72	0.82	0.72	0.82

Diluted EPS is not presented as the Company has no potential shares or other instruments with dilutive effects.

B13 Auditors' report of the preceding annual financial statement

The auditors' report of the preceding annual financial statement does not contain any modified opinion or material uncertainty related to going concern nor qualification.

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B14 Items included in the Statement of Profit and Loss and Other Comprehensive Income

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/07/2024 RM' 000	31/07/2023 RM' 000	31/07/2024 RM' 000	31/07/2023 RM' 000
<i>Profit before taxation is arrived at after (charging)/crediting:</i>				
Interest income	145	142	145	142
Other income including investment Income	1,119	1,012	1,119	1,012
Interest expense	(81)	(55)	(81)	(55)
Depreciation and amortization on PPE & IP	(944)	(967)	(944)	(967)
Depreciation and amortization on Right-use-of-assets	(415)	(402)	(415)	(402)
Provision for and write off of receivables	(38)	(13)	(38)	(13)
Provision for and write off of inventories	(287)	(200)	(287)	(200)
Gain or (loss) on disposal of quoted or unquoted investment /PPE or IP	(47)	2	(47)	2
Foreign exchange gain/(loss):				
- Realised	144	96	144	96
- Unrealised	(178)	(2)	(178)	(2)
Gain or loss on derivatives	-	-	-	-
Impairment of assets	-	-	-	-
Any material items not disclosed above	-	-	-	-

B15 The interim financial statements were authorised for issue by the Board of Directors on 27 September 2024.