

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 January 2025**

BESHOM HOLDINGS BERHAD
 (Registration No. 202101001114 (1401412-A))

Quarterly report on consolidated results for the financial period ended 31 January 2025
 The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED 31 JANUARY 2025

	INDIVIDUAL PERIOD (3rd Quarter)		CUMULATIVE PERIOD (3rd Quarter)	
	CURRENT YEAR QUARTER 31/01/2025	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2024	CURRENT YEAR TO DATE 31/01/2025	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2024
	RM'000	RM'000	RM'000	RM'000
Revenue	44,458	42,157	119,173	115,230
Cost of sales	(28,224)	(25,255)	(73,860)	(68,450)
Gross Profit	16,234	16,902	45,313	46,780
Other income	1,321	1,025	3,893	3,383
Depreciation	(1,337)	(1,380)	(4,050)	(4,140)
Administrative expenses	(4,221)	(4,406)	(13,189)	(13,578)
Selling & distribution expenses	(8,746)	(7,849)	(21,964)	(21,167)
Other expenses	(224)	(27)	(904)	(447)
Operating Profit	3,027	4,265	9,099	10,831
Finance income	125	182	413	492
Finance costs	(111)	(50)	(359)	(159)
Share of profit/(loss) of equity-accounted investee, net of tax	(62)	(56)	(111)	(86)
Profit before tax	2,979	4,341	9,042	11,078
Tax expenses	(943)	(1,283)	(2,698)	(3,173)
Profit after tax	2,036	3,058	6,344	7,905
Profit attributable to:				
Owners of the Company	2,011	3,015	6,573	7,794
Non-controlling interests	25	43	(229)	111
	2,036	3,058	6,344	7,905
Earnings Per Share attributable to owners of the Company				
- Basic (sen)	0.67	1.01	2.19	2.60

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 January 2025
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2025**

	INDIVIDUAL PERIOD (3rd Quarter)		CUMULATIVE PERIOD (3rd Quarter)	
	CURRENT YEAR QUARTER 31/01/2025	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2024	CURRENT YEAR TO DATE 31/01/2025	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2024
	RM'000	RM'000	RM'000	RM'000
Profit for the year	2,036	3,058	6,344	7,905
Other comprehensive income				
- Net change in fair value of equity investments designated at fair value through other comprehensive income	(620)	(372)	1,363	(1,115)
- Foreign currency translation differences for foreign operations	2	19	(29)	(252)
Total comprehensive Income for the period	1,418	2,705	7,678	6,538
Total comprehensive income attributable to:				
Owners of the Company	1,393	2,662	7,907	6,427
Non-controlling Interests	25	43	(229)	111
	1,418	2,705	7,678	6,538

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.

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025

	AS AT CURRENT FINANCIAL QUARTER ENDED 31/01/2025 (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 30/04/2024 (RM'000) (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	71,772	73,468
Investment properties	53,749	48,844
Right-of-use assets	12,041	11,005
Investment in jointly control entity	1,618	1,729
Other Investments	23,935	7,572
Goodwill arising from consolidation	85	85
Trade receivables - non current	1,648	1,584
Deferred tax assets	2,377	1,970
	167,225	146,257
Current Assets		
Inventories	73,726	76,899
Trade and other receivables	32,687	22,827
Other Investments		
Financial assets at fair value through profit or loss	56,951	69,157
Cash and Cash Equivalents	25,827	34,511
	189,191	203,394
	356,416	349,651
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	312,978	312,978
Treasury Shares	(249)	(120)
Other reserves	(153,533)	(154,867)
Retained earnings	149,689	152,087
	308,885	310,078
Non-controlling interests	11,389	11,844
Total Equity	320,274	321,922
Non-current Liabilities		
Contract Liabilities	108	204
Borrowings	3,089	-
Lease Liabilities	4,185	3,028
Deferred tax	46	319
	7,428	3,551
Current Liabilities		
Trade & other payables	26,144	22,040
Short-term provisions	557	253
Short term borrowings	294	-
Lease Liabilities	1,422	1,418
Contract Liabilities	296	384
Current tax payables	1	83
	28,714	24,178
Total Liabilities	36,142	27,729
TOTAL EQUITY AND LIABILITIES	356,416	349,651
Net assets per share attributable to owners of the Company (RM)	1.03	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 JANUARY 2025**

9-month ended 31 January 2025	Attributable to owners of the Company							Non- controlling interests	Total Equity	
	Non distributable			Distributable						
	Share Capital	Treasury shares	Reorganisation reserve	Exchange fluctuation reserve	Capital reserve	Fair value reserve	Retained Earnings	Total		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
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	-	-	-	-	-	-	6,573	6,573	(229)	6,344
Other comprehensive (loss)/profit for the period	-	-	-	(29)	-	1,363	-	1,334	-	1,334
Total comprehensive (loss)/income for the period	-	-	-	(29)	-	1,363	6,573	7,907	(229)	7,678
Acquisition of additional interest in a subsidiary by non-controlling interest	-	-	-	-	-	-	25	25	(37)	(12)
Purchase of treasury shares	-	(129)	-	-	-	-	-	(129)	-	(129)
Dividend	-	-	-	-	-	-	(8,996)	(8,996)	(189)	(9,185)
Balance at end of financial period	312,978	(249)	(155,823)	394	657	1,239	149,689	308,885	11,389	320,274

9-month ended 31 January 2024	Attributable to owners of the Company							Non- controlling interests	Total Equity	
	Non distributable			Distributable						
	Share Capital	Treasury shares	Reorganisation reserve	Exchange fluctuation reserve	Capital reserve	Fair value reserve	Retained Earnings	Total		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Balance as at 1 May 2023	312,978	-	(155,823)	727	657	151,122	309,661	12,111	321,772	
Profit for the period	-	-	-	-	-	7,794	7,794	111	7,905	
Other comprehensive income for the period	-	-	-	(252)	-	(1,115)	(1,367)	-	(1,367)	
Total comprehensive income for the period	-	-	-	(252)	-	6,679	6,427	111	6,538	
Acquisition of additional interest in a subsidiary by non-controlling interest	-	-	-	-	-	39	39	(57)	(18)	
Dividend	-	-	-	-	-	(10,504)	(10,504)	(238)	(10,742)	
Balance at end of financial period	312,978	-	(155,823)	475	657	147,336	305,623	11,927	317,550	

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 JANUARY 2025

	<u>2025</u> 9-month ended 31/01/2025 (RM '000)	<u>2024</u> 9-month ended 31/01/2024 (RM '000)
Profit before tax	9,042	11,078
Adjustment for :-		
Depreciation on property, plant and equipment & IP	2,799	2,938
Depreciation on right-of-use assets	1,251	1,202
Dividend income	(800)	(801)
Fair value gain on other investments	(922)	(786)
Finance costs	359	159
Finance income	(413)	(492)
Gain on disposal of other investment	-	(2)
Gain on termination of right or use assets	(8)	-
Loss on disposal of property, plant and equipment	(49)	33
Net loss on impairment of trade and other receivables	110	-
Property, plant and equipment written off	13	6
Share of profit of equity-accounted investee, net of tax	111	86
Provision for sales campaign	684	653
Unrealised foreign exchange differences	309	(103)
 Operating profit before changes in working capital	 12,486	 13,971
 Changes in working capital		
<i>Inventories</i>	<i>3,173</i>	<i>9,137</i>
<i>Receipts from customers</i>	<i>(10,432)</i>	<i>(2,003)</i>
<i>Net Change in other receivables</i>	<i>886</i>	<i>(339)</i>
<i>Payment to suppliers, contractors and employees</i>	<i>1,083</i>	<i>(6,585)</i>
<i>Net Change in other payables</i>	<i>(2,209)</i>	<i>3,228</i>
	<i>(7,499)</i>	<i>3,438</i>
 Cash (used in)/generated from operations		
<i>Payment of income taxes</i>	<i>(3,948)</i>	<i>(3,547)</i>
<i>Finance cost</i>	<i>(359)</i>	<i>(159)</i>
 Net cash flows from operating activities	 680	 13,703
 Investing Activities		
<i>Accretion of equity interests in subsidiary</i>	<i>(12)</i>	<i>(18)</i>
<i>Acquisition of other investments</i>	<i>(3,000)</i>	<i>(13,500)</i>
<i>Acquisition of unquoted investment</i>	<i>(15,000)</i>	<i>-</i>
<i>Purchase of property, plant and equipment & IP</i>	<i>(6,050)</i>	<i>(3,054)</i>
<i>Proceeds from disposal of other investment</i>	<i>16,928</i>	<i>6,560</i>
<i>Proceeds from disposal of property, plant and equipment</i>	<i>78</i>	<i>36</i>
<i>Interest received</i>	<i>413</i>	<i>492</i>
 Net cash used in investing activities	 (6,643)	 (9,484)
 Financing Activities		
<i>Dividend paid</i>	<i>(4,499)</i>	<i>(6,002)</i>
<i>Drawdown/(repayment) of term loan (net)</i>	<i>3,383</i>	<i>-</i>
<i>Purchase of Company's own share</i>	<i>(129)</i>	<i>-</i>
<i>Payment of lease liabilities</i>	<i>(1,113)</i>	<i>(1,096)</i>
 Net cash used in financing activities	 (2,358)	 (7,098)
 Net Changes in Cash & Cash Equivalents		
	(8,321)	(2,879)
 Effect of exchange rate & fluctuations on cash held		
	(363)	(170)
 Cash & Cash Equivalents at begining of financial period		
	34,511	35,153
 Cash & Cash Equivalents at end of the financial period	 25,827	 32,104

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*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

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*

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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*

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 November 2024	145,400	131,201
Repurchased during the quarter	142,400	117,914
Balance as at 31 January 2025	287,800	249,115

The repurchase transactions were financed by internally generated funds.

As at 20 March 2025, the treasury shares held were 408,600 shares with a total purchase consideration of RM 341,564.

A6 Dividend paid

- (i) A final single tier dividend of 1.5 sen per share amounting of RM 4,498,879 in respect of the previous financial year ended 30 April 2024 was paid on 28 November 2024.
- (ii) An interim single tier dividend of 1.5 sen per share amounting of RM 4,497,196 in respect of the current financial year ending 30 April 2025 was paid on 17 March 2025.

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A7 Segment information

Details of segmental analysis for the period ended 31 January 2025 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	46,584	40,728	27,338	4,523	-	119,173
Inter-segment revenue	31,938	47	93	5,992	(38,070)	-
Total revenue	78,522	40,775	27,431	10,515	(38,070)	119,173
RESULT						
Segment profit/(loss)	4,119	3,634	(33)	2,864	(1,485)	9,099
Finance costs						(359)
Interest income						413
Share of loss of equity-accounted investee, net of tax						(111)
Profit before taxation						9,042
Income tax expenses						(2,698)
Net profit for the period						6,344

	Wholesale	Multi-Level Marketing	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Segment assets						
Segment assets	185,740	76,968	44,238	49,470	-	356,416
Segment liabilities						
Segment liabilities	11,144	8,313	11,138	5,547	-	36,142

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 January 2025.

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A10 Changes in the composition of the Group

There was no change in the composition of the Group during the interim period ended 31 January 2025 except for the following:

- (i) Hai-O Enterprise Bhd had acquired additional 4,000 shares in Hai-O Raya Bhd for a total cash consideration of RM 12,000.

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>	<u>As at 20/03/2025</u>	<u>As at 31/01/2025</u>	<u>As at 30/04/2024</u>
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Group	2,494	2,844	2,894

A12 Capital commitment

The capital commitment of the Group for the period ended 31 January 2025 is as follows:

	Approved, contracted but not provided for
	RM'000
Property, plant and equipment	787
Total	787

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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

	Individual Period (3 rd quarter)		Changes	Cumulative Period		Changes
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31/01/2025 (RM '000)	31/01/2024 (RM '000)		31/01/2025 (RM '000)	31/01/2024 (RM '000)	
Revenue	44,458	42,157	5.5%	119,173	115,230	3.4%
Gross Profit	16,234	16,902	(4.0%)	45,313	46,780	(3.1%)
Operating Profit	3,027	4,265	(29.0%)	9,099	10,831	(16.0%)
Profit Before Tax	2,979	4,341	(31.4%)	9,042	11,078	(18.4%)
Profit After Tax	2,036	3,058	(33.4%)	6,344	7,905	(19.7%)
Profit Attributable to Ordinary Equity Holders of the Company	2,011	3,015	(33.3%)	6,573	7,794	(15.7%)

Statement of Profit & Loss and Other Comprehensive Income

For the nine month ended 31 January 2025, the Group recorded revenue of RM 119.2 million reflecting an increase of 3.4% as compared to RM 115.2 million in the previous year's corresponding period. Higher revenue was mainly contributed from all the three main divisions.

The gross profit margin decreased by 2.6% from 40.6% to 38.0% was impacted by higher import costs and change in sales mix. The Group registered a pre-tax profit of RM 9.0 million in the period under review as compared to RM 11.1 million in the preceding year corresponding period which decreased by 18.4%.

Statement of Financial Position

The equity attributable to owners of the Company as at 31 January 2025 amounted to RM 308.9 million (FY 30.4.2024: RM 310.1 million), representing a decrease of RM 1.2 million.

Total assets of the Group stood at RM 356.4 million (FY 30.4.2024: RM 349.7 million), mainly due to an increase in trade and other receivables, whereas total liabilities of the Group increased by RM 8.4 million to RM 36.1 million (FY 30.4.2024: RM 27.7 million) due to an increase in trade and other payables and borrowings.

Net asset per share maintained at RM 1.03 as at 31 January 2025 against previous financial year ended 30 April 2024.

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Statement of Cash Flow

The cash holding of the Group comprising financial assets, cash and cash equivalents amounted to RM 82.8 million as at 31 January 2025.

Net cash flow from operating activities amounted to RM 0.7 million, primarily generated from the Group's businesses which are substantially transacted in cash. Net cash used in investing activities was RM 6.6 million mainly incurred for the acquisition of unquoted investment and the purchase of property, plant and equipment. After factored in the net drawdown of term loan amounting to RM 3.4 million, net cash used in financing activities was RM 2.4 million, mainly utilised for dividend payment of RM 4.5 million and payment of lease liabilities of RM 1.1 million. As a result, the Group's cash and cash equivalents decreased by RM 8.3 million to RM 25.8 million as at financial period ended 31 January 2025.

Segmental Analysis

Current quarter compared to the preceding year's corresponding quarter

(i) MLM division

Divisional revenue decreased marginally by 3.2% to RM 12.9 million as compared to the preceding year's corresponding quarter of RM 13.3 million. Despite higher sales contribution from Fashion & Beauty series range of products due to aggressive marketing campaign carried out, it was offset by lower sales from other products. Pre-tax profit correspondingly dropped marginally by 5.2% to RM 0.9 million.

(ii) Wholesale division

Wholesale revenue increased by 5.5% to RM 18.3 million as compared to the preceding year's corresponding quarter of RM 17.3 million, mainly driven by higher sales of an exclusive range of wellness products despite lower sales of Chinese medicated products and patented medicine. The increase in uncertainties of global economy and weak purchasing power in domestic market have impacted the demand for discretionary goods.

The division recorded a lower pre-tax profit of RM 0.7 million as compared to the preceding year's corresponding quarter of RM 2.0 million, due mainly to higher marketing costs incurred and change in sales mix.

(iii) Retail division

The retail division registered higher revenue of RM 11.9 million, an increase of 16.8% as compared to previous year's corresponding quarter of RM 10.2 million, which was contributed by Chinese New Year (CNY) sales as opposed to the preceding year where the CNY was crossed over to 4th quarter.

Despite higher revenue recorded, it posted lower pre-tax profit of RM 0.4 million due to higher marketing & promotion expenses incurred in the quarter under review.

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Current financial period compared to the preceding year's corresponding period

For the nine months ended 31 January 2025, the Group recorded higher revenue of RM 119.2 million, representing an increase of 3.4% whilst pre-tax profit declined by 18.4% to RM 9.0 million as compared to preceding year's corresponding period of RM 11.1 million.

(i) MLM division

The division is focusing on targeted product promotions particularly for the Fashion & Beauty series range of products resulted in a marginally increase by 4.3% to RM 40.7 million in the divisional revenue. The implementation of several cost saving disciplines including enhancement in inventory management and optimisation of resource contributed to a two-fold increase in pre-tax profit to RM 3.8 million during the period under review.

The MLM division will continue to review and revamp its marketing strategies from time to time to boost productivity of its distributors.

(ii) Wholesale division

Despite the division recorded higher sales from one of its exclusive range of wellness products, the increase was offset by lower sales of Chinese medicated tonic and vintage tea which resulted the revenue maintained at about RM 47.0 million. In view of uncertainties in the global and domestic economy, consumers are more cautious in their spending especially on discretionary goods.

Pre-tax profit declined from RM 6.6 million to RM 2.7 million, primarily due to lower gross margin which was impacted by higher import costs and unfavourable sales mix, coupled with higher marketing expenses incurred.

(iii) Retail division

The division recorded higher revenue of RM 27.3 million, an increase of 6.5% as compared to RM 25.7 million in the previous year's corresponding quarter. The increase was mainly driven by higher sales generated from the CNY and other promotion campaign carried out during the period under review. The comparison was against a lower base in the previous year's corresponding quarter, that the CNY sales was crossed over to 4th quarter.

Despite the increase in revenue, the division recorded a loss of RM 0.3 million arose from lower margin registered due mainly to the decrease sales in high margin products coupled with higher marketing costs incurred.

(iv) Other division

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

Higher rental income generated from investment properties was offset by higher operating costs of other segment. Hence, pre-tax profit was maintained at about RM 2.9 million in the period under review.

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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
	31/01/2025 (RM '000)	31/10/2024 (RM '000)	
Revenue	44,458	41,255	7.8%
Gross Profit	16,234	15,184	6.9%
Operating Profit	3,027	3,407	(11.2%)
Profit Before Tax	2,979	3,358	(11.3%)
Profit After Tax	2,036	2,258	(9.8%)
Profit Attributable to Ordinary Equity Holders of the Company	2,011	2,396	(16.1%)

For the 3rd quarter under review, despite the Group recorded higher revenue of RM 44.5 million, an increase of 7.8%, pre-tax profit declined by 11.3% to RM 3.0 million as compared to the immediate preceding quarter of RM 3.4 million.

(i) MLM division

Higher base in the immediate preceding quarter was mainly due to higher revenue from one of its key products prior to the price increase sales campaign. Additionally, slow business activities among distributors during long year-end holiday has affected members' recruitment which further dampened revenue for the quarter under review. Hence, MLM revenue and pre-tax profit fell 13.9% and 47.1% to RM 12.9 million and RM 0.9 million respectively.

(ii) Wholesale division

Wholesale revenue increased by 7.6% to RM 18.3 million as compared with the immediate preceding quarter of RM 17.0 million. The increase in revenue was primarily driven by higher sales from Chinese medicated tonic promotion campaign and the seasonal CNY sales.

Despite the increase in revenue, pre-tax profit decreased from RM 1.5 million to RM 0.7 million attributed to higher marketing & promotion expenses incurred during the quarter under review.

(iii) Retail division

Divisional revenue increased by 51.9% to RM 11.9 million as compared with the immediate preceding quarter of RM 7.8 million, mainly driven by higher sales generated from CNY festive season.

In light of higher revenue and advertising & promotion income subsidy from suppliers, the division managed to turn around to pre-tax profit of RM 0.4 million.

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B3 Commentary on next quarter

The Bank Negara of Malaysia forecasted Malaysia GDP to grow between 4.5% - 5.5% in 2025, mainly supported by resilient consumer spending and strong investment growth. While anticipating positive economic growth, the global environment poses significant challenges, particularly due to on-going geopolitical uncertainties and global trade tension. These global risks could affect the overall Malaysia economy, leading to higher inflation and decline in consumer sentiment. The Group remains mindful and will closely monitor the development of the on-going global uncertainties. Additionally, the escalating cost of operations including personnel and rental costs are eroding the profit margin. In view thereof, the Group will continue to assess and realign its business strategy to mitigate the risks when necessary.

The MLM division is constantly reviewing its members' recruitment and retention programs and will implement strategies to reinforce its distributors' base. In addition, the division will revamp its existing promotional packages to align with evolving needs of its distributors. The Wholesale division will incentivise customers by promoting its selective key products through an overseas incentive trip campaign. Retail Group Malaysia has projected Malaysia retail industry to experience a 4.3% growth in 2025. However, challenges persist due to high cost of living and uncertainties in global economy, which made consumers more cautious in their spending especially on non-essential goods. Despite these challenges, the Retail division remains optimistic that the upcoming year-end loyalty members' sales campaign with attractive offers will boost sales in the next quarter.

In view of the above, the Board of Directors remains cautiously optimistic on the outlook of 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.

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 January 2025 is as follow:

	RM'000
Not past due	14,017
Past due 1-30 days	554
Past due 31-60 days	9,598
Past due more than 60 days	2,036
	<hr/>
	26,205
Impaired	<hr/>
	(883)
	<hr/>
	25,322

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

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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.

	Current quarter ended 31/01/2025 (RM '000)	Current year to date 31/01/2025 (RM '000)
Profit before taxation	2,979	9,042
Taxation at applicable tax rate – 24%	715	2,170
Adjustment mainly due to certain non-taxable income and utilisation of capital allowance/certain non- allowable expenses and deferred tax recognized in the profit or loss	228	528
Total Income Tax Expenses	943	2,698

B8 Status of Corporate Proposals

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

B9 Group Borrowings and Debts Securities

The Group borrowings as at 31 January 2025 are as follows:

Current Quarter ended 31/01/2025				
Group Borrowings	Currency	Secured/ Unsecured	Type of borrowing	RM'000
Short Term Borrowings	Ringgit Malaysia	Secured	Fixed Loan	294
Long Term Borrowings	Ringgit Malaysia	Secured	Fixed Loan	3,089
Total				3,383

Preceding Quarter ended 31/01/2024				
Group Borrowings	Currency	Secured/ Unsecured	Type of borrowings	RM'000
Short Term Borrowings	Ringgit Malaysia	Unsecured	Trade facilities	-
Short Term Borrowings	Ringgit Malaysia	Secured	-	-
Total				-

The borrowings comprised solely of fixed loan to finance the purchase of one unit of shop lot which denominated in RM currency. The gearing level was negligible.

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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 (31/01/2024: Nil).

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
	31/01/2025	31/01/2024	31/01/2025	31/01/2024
<i>Earnings</i>				
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	2,011	3,015	6,573	7,794
Weighted average number of shares ('000)	299,959	300,103	299,959	300,103
Basic earnings per share (sen)	0.67	1.01	2.19	2.60

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
	31/01/2025 RM' 000	31/01/2024 RM' 000	31/01/2025 RM' 000	31/01/2024 RM' 000
<i>Profit before taxation is arrived at after (charging)/crediting:</i>				
Interest income	125	182	413	492
Other income including investment Income	1,321	1,025	3,893	3,383
Interest expense	(111)	(50)	(359)	(159)
Depreciation and amortization on PPE & IP	(916)	(986)	(2,799)	(2,938)
Depreciation and amortization on Right-use-of-assets	(421)	(394)	(1,251)	(1,202)
Provision for and write off of receivables	(50)	202	(110)	(15)
Provision for and write off of inventories	(292)	(346)	(889)	(733)
Gain or (loss) on disposal of quoted or unquoted investment and/or PPE	-	(29)	49	(31)
Foreign exchange gain/(loss):				
- Realised	102	175	474	766
- Unrealised	71	13	(309)	103
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 March 2025.