

B E S H O M

T H E B E S T S T A R T S F R O M H O M E

Beshom Holdings Berhad

(Registration No. 202101001114 (1401412-A))

(Incorporated in Malaysia)

Unaudited Interim Financial Report

31 July 2022

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

Quarterly report on consolidated results for the financial period ended 31 July 2022

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED 31 JULY 2022**

	INDIVIDUAL PERIOD (1st Quarter)		CUMULATIVE PERIOD (1st Quarter)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/07/2022	31/07/2021	31/07/2022	31/07/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	48,263	49,136	48,263	49,136
Cost of sales	(28,139)	(28,359)	(28,139)	(28,359)
Gross Profit	20,124	20,777	20,124	20,777
Other income	2,794	946	2,794	946
Depreciation	(1,391)	(1,548)	(1,391)	(1,548)
Administrative expenses	(4,854)	(4,817)	(4,854)	(4,817)
Selling & distribution expenses	(7,032)	(5,836)	(7,032)	(5,836)
Other expenses	(220)	(227)	(220)	(227)
Operating Profit	9,421	9,295	9,421	9,295
Finance income	148	168	148	168
Finance costs	(45)	(59)	(45)	(59)
Share of profit/(loss) of equity-accounted investee, net of tax	(34)	(10)	(34)	(10)
Profit before tax	9,490	9,394	9,490	9,394
Tax expenses	(2,390)	(2,348)	(2,390)	(2,348)
Profit after tax	7,100	7,046	7,100	7,046
Profit attributable to:				
Owners of the Company	7,026	7,000	7,026	7,000
Non-controlling interests	74	46	74	46
	7,100	7,046	7,100	7,046
Earnings Per Share attributable to owners of the Company				
- Basic (sen)	2.34	2.42	2.34	2.42

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

Quarterly report on consolidated results for the financial period ended 31 July 2022

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JULY 2022**

	INDIVIDUAL PERIOD (1st Quarter)		CUMULATIVE PERIOD (1st Quarter)	
	CURRENT YEAR QUARTER 31/07/2022	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2021	CURRENT YEAR TO DATE 31/07/2022	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period	7,100	7,046	7,100	7,046
Other comprehensive income				
- Foreign currency translation differences for foreign operations	(53)	(63)	(53)	(63)
Total comprehensive Income for the period	7,047	6,983	7,047	6,983
Total comprehensive income attributable to:				
Owners of the Company	6,973	6,937	6,973	6,937
Non-controlling Interests	74	46	74	46
	7,047	6,983	7,047	6,983

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2022 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 JULY 2022

	AS AT CURRENT FINANCIAL QUARTER ENDED 31/07/2022 (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 30/04/2022 (RM'000) (Audited)
ASSETS		
Non-current assets		
<i>Property, Plant and Equipment</i>	81,316	81,924
<i>Investment properties</i>	43,310	43,483
<i>Right-of-use assets</i>	10,679	10,547
<i>Investment in jointly control entity</i>	1,967	2,001
<i>Other Investments</i>	7,796	112
<i>Goodwill arising from consolidation</i>	85	85
<i>Trade receivables - non current</i>	1,253	1,346
<i>Deferred tax assets</i>	2,554	2,417
	148,960	141,915
Current Assets		
<i>Inventories</i>	87,469	89,336
<i>Trade and other receivables</i>	23,332	21,603
<i>Other Investments</i>		
<i>Financial assets at fair value through profit or loss</i>	67,292	59,922
<i>Cash and Cash Equivalents</i>	45,046	57,364
	223,139	228,225
TOTAL ASSETS	372,099	370,140
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
<i>Share capital</i>	312,978	312,978
<i>Treasury Shares</i>	-	-
<i>Other reserves</i>	(155,190)	(155,137)
<i>Retained earnings</i>	166,240	159,214
	324,028	317,055
Non-controlling interest	12,118	12,044
Total Equity	336,146	329,099
Non-current Liabilities		
<i>Contract Liabilities</i>	266	119
<i>Lease Liabilities</i>	2,375	2,211
<i>Deferred tax</i>	359	288
	3,000	2,618
Current Liabilities		
<i>Trade & other payables</i>	29,339	35,230
<i>Short-term provisions</i>	781	849
<i>Lease Liabilities</i>	1,515	1,521
<i>Contract Liabilities</i>	504	476
<i>Current tax payables</i>	814	347
	32,953	38,423
Total Liabilities	35,953	41,041
TOTAL EQUITY AND LIABILITIES	372,099	370,140
Net assets per share attributable to owners of the Company (RM)	1.08	1.06

The Condensed Consolidated Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 JULY 2022

	Attributable to owners of the Company					Total	Non-controlling interest	Total Equity
	Share Capital	Reorganisation reserve	Exchange fluctuation reserve	Capital reserve	Distributable Retained Earnings			
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
3-month ended 31 July 2022								
Balance as at 1 May 2022	312,978	(155,823)	29	657	159,214	317,055	12,044	329,099
Profit for the period	-	-	-	-	7,026	7,026	74	7,100
Other comprehensive income for the period	-	-	(53)	-	-	(53)	-	(53)
Total comprehensive income for the period	-	-	(53)	-	7,026	6,973	74	7,047
Balance at end of financial period	312,978	(155,823)	(24)	657	166,240	324,028	12,118	336,146

	Attributable to owners of the Company					Distributable Retained Earnings	Total	Non-controlling interest	Total Equity
	Share Capital	Treasury shares	Exchange fluctuation reserve	Capital reserve	Share option reserve				
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
3-month ended 31 July 2021									
Balance as at 1 May 2021	157,257	(26,684)	(218)	657	504	181,244	312,760	10,340	323,100
Profit for the period	-	-	-	-	-	7,000	7,000	46	7,046
Other comprehensive income for the period	-	-	(63)	-	-	-	(63)	-	(63)
Total comprehensive income for the period	-	-	(63)	-	-	7,000	6,937	46	6,983
Dividend	-	26,440	-	-	-	(41,445)	(15,005)	-	(15,005)
Purchase of Treasure Shares	-	(189)	-	-	-	-	(189)	-	(189)
Balance at end of financial period	157,257	(433)	(281)	657	504	146,799	304,503	10,386	314,889

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE QUARTER ENDED 31 JULY 2022

	2023 3-month ended 31/07/2022 (RM '000)	2022 3-month ended 31/07/2021 (RM '000)
Profit before tax	9,490	9,394
Adjustment for :-		
Depreciation on property, plant and equipment & IP	947	1,116
Depreciation on right-of-use assets	444	432
Dividend income	(153)	(256)
Fair value (gain)/loss on other investments	(217)	(50)
Finance costs	45	59
Finance income	(148)	(168)
Loss/(Gain) on disposal of property, plant and equipment	(1,732)	-
Gain on termination of right-of-use assets	-	-
Net loss on impairment of trade and other receivables	-	-
Property, plant and equipment written off	1	-
Share of profit of equity-accounted investee, net of tax	34	10
Provision for sales campaign	468	475
Unrealised foreign exchange differences	44	(239)
Operating profit before changes in working capital	9,223	10,773
Changes in working capital		
<i>Inventories</i>	1,867	(671)
<i>Receipts from customers</i>	(1,207)	4,732
<i>Net Change in other receivables</i>	484	(292)
<i>Payment to suppliers, contractors and employees</i>	(4,776)	(3,326)
<i>Net Change in other payables</i>	(1,425)	(2,345)
	(5,057)	(1,902)
Cash generated from operations		
<i>Payment of income taxes</i>	(3,044)	(2,712)
<i>Finance cost</i>	(45)	(59)
Net cash flows from operating activities	1,077	6,100
Investing Activities		
<i>Acquisition of other investments</i>	(14,684)	(100)
<i>Purchase of property, plant and equipment & IP</i>	(236)	(145)
<i>Proceeds from disposal of other investment</i>	-	7,008
<i>Proceeds from disposal of property, plant and Equipment</i>	1,801	-
<i>Interest received</i>	148	168
Net cash from/(used in) investing activities	(12,971)	6,931
Financing Activities		
<i>Purchase of Company's own share</i>	-	(189)
<i>Dividend paid</i>	-	(15,005)
<i>Payment of lease liabilities</i>	(416)	(433)
Net cash from/(used in) financing activities	(416)	(15,627)
Net Changes in Cash & Cash Equivalents	(12,310)	(2,596)
Effect of exchange rate & fluctuations on cash held	(8)	100
Cash & Cash Equivalents at beginning of financial period	57,364	54,549
Cash & Cash Equivalents at end of the financial period	45,046	52,053

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Financial report for the first quarter ended 31 July 2022

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 Statements 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 2022.

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 2022.

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 2022 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 2022 as stated below:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

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

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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Changes in Accounting Policies (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or 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 adoption of the above accounting standards, amendments and interpretation are not expected to have any material financial impacts 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.

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 2022 are as follows:

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE						
Revenue from external customers	21,485	16,994	8,664	1,120	-	48,263
Inter-segment revenue	12	12,823	-	1,932	(14,767)	-
Total revenue	21,497	29,817	8,664	3,052	(14,767)	48,263
RESULT						
Segment profit/(loss)	2,702	5,660	541	638	(120)	9,421
Finance costs						(45)
Interest income						148
Share of loss of equity-accounted investee, net of tax						(34)
Profit before taxation						9,490
Income tax expenses						(2,390)
Net profit for the period						7,100

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Segment assets	105,708	178,347	37,285	50,759	-	372,099
Segment liabilities	13,301	14,707	5,851	2,094	-	35,953

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 2022.

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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 July 2022.

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 22/09/2022	As at 31/07/2022	As at 30/04/2022
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Group	1,378	1,493	1,068

A12 Capital commitment

The capital commitment of the Group for the period ended 31 July 2022 is as follows:

	Approved, contracted but not provided for
	RM'000
Property, plant and equipment	2,151
Total	2,151

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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	
	31/07/2022 (RM '000)	31/07/2021 (RM '000)	
Revenue	48,263	49,136	(1.8%)
Gross Profit	20,124	20,777	(3.1%)
Operating Profit	9,421	9,295	1.4%
Profit Before Tax	9,490	9,394	1.0%
Profit After Tax	7,100	7,046	0.8%
Profit/(Loss) Attributable to owners of the Company	7,026	7,000	0.4%

Statement of Profit & Loss and Other Comprehensive Income

For the period ended 31 July 2022, the Group recorded revenue of RM 48.3 million which was marginally lower by 1.8% as compared to the previous year's corresponding period of RM 49.1 million, reflecting continued challenges in the MLM division. Gross profit margin decreased marginally from 42.3% to 41.7% due mainly to higher product and logistic costs and the weakening of the Malaysian Ringgit.

Statement of Financial Position

The equity attributable to owners of the Company stood at RM 324.0 million as at 31 July 2022 (FYE 30.4.2022: RM 317.1 million), after taking into account net profit attributable to owners of the Company amounting to RM 7.0 million.

Total assets of the Group rose to RM 372.1 million (FYE 30.4.2022: RM 370.1 million) mainly due to an increase in other investment under non-current asset amounting to RM 7.7 million. Total liabilities of the Group decreased by RM 5.1 million to RM 36.0 million (FYE 30.4.2022: RM 41.0 million) mainly due to the decrease in trade and other payables.

Net asset per share was recorded at RM 1.08 as at 31 July 2022, against previous financial year ended 30 April 2022 of RM 1.06.

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Statement of Cash Flow

The cash holding of the Group comprising financial assets, cash and cash equivalents amounted to RM 112.3 million as at 31 July 2022.

Net cash flow from operating activities amounted to RM 1.1 million, primarily generated from operating profits of the three main divisions, with the MLM and Retail divisions' sales mainly transacted in cash. Net cash used in investing activities included net investment outflows of RM 14.7 million in capital investment and unit trust. Net cash used in financing activities of RM 0.4 million was for payment of lease liabilities. As a result, the Group's cash and cash equivalents decreased by RM 12.3 million to RM 45.0 million as at financial period ended 31 July 2022.

Segmental Analysis

Current quarter compared to the preceding year's corresponding quarter

(i) MLM division

MLM revenue and pre-tax profit decreased from RM 30.1 million and RM 6.2 million in the preceding year's corresponding quarter to RM 21.5 million and RM 2.7 million respectively.

The reopening of economic and social sectors is posing additional challenges to the MLM division after two years of restrictions on physical events which have significantly dampened marketing momentum. Amidst already weak members' sentiment, rising inflationary pressure is taking a further toll on the ability and willingness to spend, thus further affecting members' recruitment and renewal. The recovery of business momentum and drive among distributors/members may take longer than anticipated, further noting that lingering concerns over the risk of COVID-19 infection have discouraged the active participation in physical events.

(ii) Wholesale division

Wholesale revenue rebounded by over 50% to RM 17.0 million from the depressed base of RM 10.8 million in the preceding year's corresponding quarter when business activities were restricted due to the various phases of MCOs and the delivery of non-essential goods was disallowed during the lockdown period. The division also conducted a pre-price increase "last-buy" sales promotion on selected Chinese medicated tonic and cooking wine during the quarter under review, further lifting revenue. In addition, sales to duty free shops increased substantially as a result of borders reopening and the resumption of tourism activities.

Pre-tax profit increased two fold to RM 5.6 million in tandem with higher revenue, and boosted by a gain from disposal of vintage tea amounting to RM 1.7 million.

(iii) Retail division

The Retail division posted a 19.6% increase in revenue to RM 8.7 million and a 48.6% increase in pre-tax profit pre-profit to RM 0.5 million, as compared to the previous year's corresponding quarter of RM 7.3 million and RM 0.3 million respectively. The comparison was against a lower base in the previous year's corresponding quarter which was affected by the imposition of various phases of MCOs. Higher contribution from house brand products which carried higher margin, especially immunity-boosting products, further aided the performance.

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Segmental Analysis (continued)

(iv) Other division

Revenue comprises mainly rental income from investment properties, manufacturing of health supplements and credit & leasing business. The main revenue contributor is income from the rental of investment properties.

During the period under review, pre-tax profit decreased by 40.2% to RM 0.6 million due mainly to lower contribution from the manufacturing division as a result of reduced orders received from customers in view of depressed market sentiments.

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 31/07/2022 (RM '000)	Immediate Preceding Quarter 30/04/2022 (RM '000)	Changes
Revenue	48,263	45,267	6.6%
Gross Profit	20,124	19,715	2.1%
Operating Profit	9,421	9,370	0.5%
Profit Before Tax	9,490	9,397	1.0%
Profit After Tax	7,100	6,134	15.7%
Profit Attributable to Ordinary Equity Holders of the Parent	7,026	6,035	16.4%

For the 1st quarter under review, the Group's revenue increased by 6.6% to RM 48.3 million while pre-tax profit increased marginally to RM 9.5 million. The Group's gross profit margin dropped by 1.9% to 41.7% from 43.6% in the immediate preceding quarter, reflecting higher product and logistic costs as well as the weakening of the Malaysian Ringgit.

(i) MLM division

MLM revenue was maintained at about RM 21.5 million as compared with the immediate preceding quarter, but pre-tax profit fell 22.4% to RM 2.7 million due mainly to higher marketing costs as more physical events were conducted during the quarter under review.

The division is in the stage of consolidation as it transits from the pandemic to the endemic phase against a challenging economic backdrop. It plans to conduct more physical events and re-strategize its promotion campaigns to improve business momentum and drive among its distributors.

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

(ii) Wholesale division

Wholesale revenue and pre-tax profit increased by 23.9% and 22.8% to RM 17.0 million and RM 5.6 million respectively, up from RM 13.7 million and RM 4.6 million in the immediate preceding quarter. During the quarter under review, the division conducted pre-price increase “last-buy” sales promotion campaign for selected Chinese medicated tonic range of products and cooking wine which boosted revenue. In addition, sales to duty free shops improved significantly, thanks to the re-opening of international borders in April 2022.

(iii) Retail division

As consumers remained cautious in the face of rising inflationary pressure and cost of living, the Retail division undertook various online and in-store promotions during the quarter and managed to maintain revenue at RM 8.7 million as compared with the immediate preceding quarter. Pre-tax profit increased by 26.8% to RM 0.5 million, thanks to a more favourable sales mix with higher sales of house brand products in the quarter under review.

B3 Commentary on next quarter

Heightened geopolitical tension, prolonged supply chain disruptions in China, rising inflation aggravated by the weak Ringgit, as well as expectations for further interest rate hikes will continue to pose challenges to the business environment. According to the Malaysian Institute of Economic Research (MIER), the Consumer Sentiment Index (CSI) in the second quarter of 2022 not only stayed below the 100-point threshold level but dipped further to 86 points, indicating subdued consumer sentiment in light of high cost of living and weak purchasing power.

Against the above backdrop, the Group will continue to focus on operational efficiencies to fortify business sustainability over the longer term while constantly review, adapt and realign short-term strategies to stay ahead of evolving consumer trends and behaviour. The MLM division will focus on recruitment and renewal to strengthen its distributor base. It has resumed sales campaign for overseas incentive trip, and has also stepped up physical events and re-strategized other promotion campaigns to improve sentiments and motivation of distributors. The Wholesale division will introduce more new FMCG products to diversify its portfolio, while carefully rolling out price revisions for selected products in stages to mitigate the impact of higher costs. The Retail division will work to further increase the contribution of higher-margin house-brand products alongside its half yearly members’ sales campaign which is expected to bring positive results in the next quarter.

In view of the above, the Board of Directors expects the Group to remain profitable amidst the challenging business environment 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 2022 is as follow:

	RM '000
Not past due	15,008
Past due 1-30 days	574
Past due 31-60 days	124
Past due more than 60 days & impaired	26
	15,732

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
	31/07/2022 (RM '000)
Profit before taxation	9,490
Taxation at applicable tax rate – 24%	2,278
Adjustment mainly due to certain non-allowable expenses and deferred tax recognized in the profit or loss	112
Total Income Tax Expenses	2,390

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 and debts securities as at 31 July 2022 were as follows :

Current Quarter ended 31/07/2022				
Group Borrowings	Currency	Secured/ Unsecured	Type of borrowing	RM'000
Short Term Borrowings	Ringgit Malaysia	Unsecured	Trade facilities	-
Short Term Borrowings	Ringgit Malaysia	Secured	-	-
Total				-

Preceding Quarter ended 31/07/2021				
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 short-term borrowings comprised solely of trade facilities for working capital purpose which were denominated in RM currency. Apart from the banking facilities for working capital, the Group did not have other drawn down banking facilities and 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 (31/7/2021: 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
	31/07/2022	31/07/2021	31/07/2022	31/07/2021
<i>Earnings</i>				
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	7,026	7,000	7,026	7,000
Weighted average number of shares ('000)	300,250	289,567	300,250	289,567
Basic earnings per share (sen)	2.34	2.42	2.34	2.42

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
	31/07/2022 RM' 000	31/07/2021 RM' 000	31/07/2022 RM' 000	31/07/2021 RM' 000
<i>Profit before taxation is arrived at after (charging)/crediting:</i>				
Interest income	148	168	148	168
Other income including investment Income	2,794	946	2,794	946
Interest expense	(45)	(59)	(45)	(59)
Depreciation and amortization on PPE & IP	(947)	(1,116)	(947)	(1,116)
Depreciation and amortization on Right-use-of-assets	(444)	(432)	(444)	(432)
Provision for and write off of receivables	(20)	(103)	(20)	(103)
Provision for and write off of inventories	(190)	(50)	(190)	(50)
Gain or (loss) on disposal of quoted or unquoted investment and/or PPE	1,732	-	1,732	-
Foreign exchange gain/(loss):				
- Realised	174	26	174	26
- Unrealised	(44)	239	(44)	239
Gain or loss on derivatives	-	-	-	-
Reversal of impairment loss of inventories	-	32	-	32
Exceptional items	-	-	-	-

B15 The interim financial statements were authorised for issue by the Board of Directors on 29 September 2022.