

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

30 April 2022

BESHOM HOLDINGS BERHAD

(Registration No. 202101001114 (1401412-A))

Quarterly report on consolidated results for the financial year ended 30 April 2022

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 APRIL 2022

	INDIVIDUAL PERIOD (4th Quarter)		CUMULATIVE PERIOD (4th Quarter)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/04/2022	30/04/2021	30/04/2022	30/04/2021 (Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	45,267	66,777	209,556	271,389
Cost of sales	(25,552)	(39,946)	(123,207)	(166,221)
Gross Profit	19,715	26,831	86,349	105,168
Other income	4,772	1,496	7,446	5,243
Depreciation	(1,413)	(1,548)	(6,037)	(6,321)
Administrative expenses	(6,531)	(7,890)	(21,072)	(22,526)
Selling & distribution expenses	(6,234)	(5,820)	(25,388)	(27,041)
Other expenses	(939)	(1,778)	(1,416)	(2,628)
Operating Profit	9,370	11,291	39,882	51,895
Finance income	125	158	590	691
Finance costs	(43)	(50)	(215)	(264)
Share of profit/(loss) of equity-accounted investee, net of tax	(55)	(13)	(120)	(38)
Profit before tax	9,397	11,386	40,137	52,284
Tax expenses	(3,263)	(3,336)	(10,903)	(13,351)
Profit after tax	6,134	8,050	29,234	38,933
Profit attributable to:				
Owners of the parent	6,035	7,918	28,565	38,816
Non-controlling interest	99	132	669	117
	6,134	8,050	29,234	38,933
Earnings Per Share attributable to equity holders of the parent				
- Basic	2.03	3.54	9.60	13.39
- Diluted	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2021 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 year ended 30 April 2022

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 APRIL 2022**

	INDIVIDUAL PERIOD (4th Quarter)		CUMULATIVE PERIOD (4th Quarter)	
	CURRENT YEAR QUARTER 30/04/2022	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2021	CURRENT YEAR TO DATE 30/04/2022	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2021 (Audited)
	RM'000	RM'000	RM'000	RM'000
Profit for the year	6,134	8,050	29,234	38,933
Other comprehensive income				
- Foreign currency translation differences for foreign operations	(106)	383	228	(128)
Total comprehensive Income for the year	6,028	8,433	29,462	38,805
Total comprehensive income attributable to:				
Owners of the parent	5,929	8,301	28,793	38,688
Non-controlling Interest	99	132	669	117
	6,028	8,433	29,462	38,805

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2021 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 30 APRIL 2022

	AS AT CURRENT FINANCIAL QUARTER ENDED 30/04/2022 (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 30/04/2021 (RM'000) (Audited)
ASSETS		
Non-current assets		
<i>Property, Plant and Equipment</i>	81,347	84,591
<i>Investment properties</i>	44,060	44,175
<i>Right-of-use assets</i>	10,614	11,328
<i>Investment in jointly control entity</i>	2,001	2,120
<i>Other Investments</i>	112	12
<i>Goodwill arising from consolidation</i>	85	85
<i>Trade receivables - non current</i>	1,346	852
<i>Deferred tax assets</i>	2,679	3,158
	142,244	146,321
Current Assets		
<i>Inventories</i>	89,337	89,311
<i>Trade and other receivables</i>	21,826	22,415
<i>Other Investments</i>		
<i>Financial assets at fair value through profit or loss</i>	59,922	58,904
<i>Cash and Cash Equivalents</i>	57,367	54,549
	228,452	225,179
TOTAL ASSETS	370,696	371,500
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
<i>Share capital</i>	312,978	157,257
<i>Treasury Shares</i>	-	(26,684)
<i>Other reserves</i>	(155,156)	942
<i>Retained earnings</i>	159,711	181,243
	317,533	312,758
Non-controlling interest	11,856	10,340
Total Equity	329,389	323,098
Non-current Liabilities		
<i>Contract Liabilities</i>	42	90
<i>Lease Liabilities</i>	2,266	2,778
<i>Deferred tax</i>	377	484
	2,685	3,352
Current Liabilities		
<i>Trade & other payables</i>	33,319	36,599
<i>Short-term provisions</i>	846	987
<i>Lease Liabilities</i>	1,555	1,628
<i>Contract Liabilities</i>	2,587	2,428
<i>Current tax payables</i>	315	3,408
	38,622	45,050
Total Liabilities	41,307	48,402
TOTAL EQUITY AND LIABILITIES	370,696	371,500
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.06	1.08

The Condensed Consolidated Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2021 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 30 APRIL 2022

	Attributable to Equity Holders of the Parent						Distributable Retained Earnings	Total	Non-controlling interest	Total Equity
	Share Capital	Treasury shares	Non distributable		Capital reserve	Share option reserve				
	(RM'000)	(RM'000)	Reorganisation reserve	Exchange fluctuation reserve	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
12-month ended 30 April 2022										
Balance as at 1 May 2021	**	(26,684)	157,257	(218)	657	504	181,233	312,749	10,340	323,089
Profit for the year	-	-	-	-	-	-	28,565	28,565	669	29,234
Other comprehensive income for the year	-	-	-	228	-	-	-	228	-	228
Total comprehensive income for the year	-	-	-	228	-	-	28,565	28,793	669	29,462
Issuance of shares pursuant to internal reorganisation	312,978	-	(312,978)	-	-	-	-	-	-	-
Acquisition of additional interest in a subsidiary by non-controlling interest	-	-	-	-	-	-	-	-	1,260	1,260
Acquisition of additional interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	188	188	(216)	(28)
Purchase of Treasury Shares	-	(189)	-	-	-	-	-	(189)	-	(189)
Cancellation of Treasury shares	-	433	(102)	-	-	-	(331)	-	-	-
Termination of ESOS	-	-	-	-	-	(504)	504	-	-	-
Dividend	-	26,440	-	-	-	-	(50,448)	(24,008)	(197)	(24,205)
Balance at end of financial year	312,978	-	(155,823)	10	657	-	159,711	317,533	11,856	329,389
12-month ended 30 April 2021 (Audited)										
Balance as at 1 May 2020	157,257	(24,158)	-	(90)	657	526	165,394	299,586	10,603	310,189
Profit for the year	-	-	-	-	-	-	38,816	38,816	116	38,932
Other comprehensive income for the year	-	-	-	(128)	-	-	-	(128)	-	(128)
Total comprehensive income for the year	-	-	-	(128)	-	-	38,816	38,688	116	38,804
Acquisition of additional interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	183	183	(278)	(95)
Share option forfeited	-	-	-	-	-	(23)	23	-	-	-
Dividend	-	-	-	-	-	-	(23,173)	(23,173)	(101)	(23,274)
Purchase of Treasure Shares	-	(2,526)	-	-	-	-	-	(2,526)	-	(2,526)
Balance at end of financial year	157,257	(26,684)	-	(218)	657	503	181,243	312,758	10,340	323,098

** Represents RM 2.00

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 30 APRIL 2022

	2022 12-month ended 30/04/2022 (RM '000)	2021 12-month ended 30/04/2021 (RM '000) (Audited)
Profit before tax	40,137	52,284
Adjustment for :-		
Changes in lease payment arising from net concessions	-	(312)
Depreciation on property, plant and equipment & IP	4,323	4,324
Depreciation on right-of-use assets	1,714	1,997
Dividend income	(804)	(962)
Fair value (gain)/loss on other investments	(21)	78
Finance costs	215	264
Finance income	(590)	(691)
Loss/(Gain) on disposal of property, plant and equipment	(2,507)	(1,086)
Gain on termination of right-of-use assets	-	(6)
Net loss on impairment of trade and other receivables	787	1,521
Property, plant and equipment written off	24	23
Share of profit of equity-accounted investee, net of tax	119	38
Provision for sales campaign	1,053	1,693
Unrealised foreign exchange differences	(243)	339
Operating profit before changes in working capital	44,207	59,504
Changes in working capital		
<i>Inventories</i>	(26)	4,030
<i>Receipts from customers</i>	1,070	(3,468)
<i>Net Change in other receivables</i>	(1,096)	1,281
<i>Payment to suppliers, contractors and employees</i>	1,902	302
<i>Net Change in other payables</i>	(4,571)	632
	(2,721)	2,777
Cash generated from operations		
<i>Payment of income taxes</i>	(14,276)	(9,342)
<i>Finance cost</i>	(215)	(264)
Net cash flows from operating activities	26,995	52,675
Investing Activities		
<i>Accretion of equity interests in subsidiary</i>	(28)	(95)
<i>Acquisition of other investments</i>	(13,207)	(20,100)
<i>Purchase of property, plant and equipment & IP</i>	(1,137)	(1,729)
<i>Proceeds from disposal of other investment</i>	12,914	-
<i>Proceeds from disposal of property, plant and Equipment</i>	2,637	1,159
<i>Interest received</i>	590	691
Net cash from/(used in) investing activities	1,769	(20,074)
Financing Activities		
<i>Purchase of Company's own share</i>	(189)	(2,526)
<i>Dividend paid</i>	(24,205)	(31,983)
<i>Payment of lease liabilities</i>	(1,727)	(1,503)
Net cash from/(used in) financing activities	(26,121)	(36,012)
Net Changes in Cash & Cash Equivalents	2,643	(3,411)
Effect of exchange rate & fluctuations on cash held	175	(4)
Cash & Cash Equivalents at beginning of financial year	54,549	57,964
Cash & Cash Equivalents at end of the financial year	57,367	54,549

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

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Financial report for the fourth quarter ended 30 April 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 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 2021.

On 29 November 2021, Beshom Holdings Bhd (“the Company”) completed the Proposed Internal Reorganisation by way of Scheme of Arrangement under Section 366 of the Companies Act, 2016.

On completion of the Proposed Internal Reorganisation, the Company assumes the listing status of Hai-O Enterprise Bhd (“HOE”), and HOE became a wholly owned subsidiary of the Company.

The Proposed Internal Reorganisation does not result in any change of economic substance of the Group. Accordingly, the comparative figures in the consolidated financial statements are presented as if the reorganisation had been effected from the beginning of the earliest period presented.

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 2021.

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 2021 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 2021 as stated below:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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.

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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

Dividend paid during the financial year ended 30 April 2022 :

- (i) The second single tier interim dividend of 5 sen per ordinary share amounting to RM 15,005,162 in respect of the previous financial year ended 30 April 2021 was paid on 29 July 2021.
- (ii) A single tier interim dividend of 3 sen per share amounting to RM 9,003,097 in respect of the current financial year ended 30 April 2022 was paid on 25 January 2022.

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A7 Segment information

Details of segmental analysis for the year ended 30 April 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	115,400	53,131	36,959	4,066	-	209,556
Inter-segment revenue	95	62,411	11	7,281	(69,798)	-
Total revenue	115,495	115,542	36,970	11,347	(69,798)	209,556
RESULT						
Segment profit/(loss)	21,001	12,115	3,517	3,393	(144)	39,882
Finance costs						(215)
Interest income						590
Share of loss of equity-accounted investee, net of tax						(120)
Profit before taxation						40,137
Income tax expenses						(10,903)
Net profit for the year						29,234

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Segment assets	108,020	176,498	38,181	47,997	-	370,696
Segment liabilities	16,735	18,207	5,662	703	-	41,307

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 year ended 30 April 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 30 April 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 17/06/2022	As at 30/04/2022	As at 30/04/2021
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Group	993	1,068	1,584

A12 Capital commitment

The capital commitment of the Group for the year ended 30 April 2022 is as follows:

	Approved, contracted but not provided for
	RM'000
Capital Investment	7,684
Property, plant and equipment	1,711
Total	9,395

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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 (4 th quarter)		Changes	Cumulative Period		Changes
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/04/2022 (RM '000)	30/04/2021 (RM '000)		30/04/2022 (RM '000)	30/04/2021 (RM '000) (Audited)	
Revenue	45,267	66,777	(32.2%)	209,556	271,389	(22.8%)
Gross Profit	19,715	26,831	(26.5%)	86,349	105,168	(17.9%)
Operating Profit	9,370	11,291	(17.0%)	39,882	51,895	(23.2%)
Profit Before Tax	9,397	11,386	(17.5%)	40,137	52,284	(23.2%)
Profit After Tax	6,134	8,050	(23.8%)	29,234	38,933	(24.9%)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,035	7,918	(23.8%)	28,565	38,816	(26.4%)

Statement of Profit & Loss and Other Comprehensive Income

The Group's revenue was affected by the re-imposition of MCOs in the first half of the current financial year to combat the resurgence of the COVID-19 pandemic. For the year ended 30 April 2022, the Group posted lower revenue of RM 209.6 million, a decrease of 22.8% as compared to the previous year's corresponding period of RM 271.4 million. Higher revenue in the Retail division was not able to offset the overall drop in the Group revenue. Gross profit margin improved to 41.2% from 38.8% in the previous year's corresponding period, thanks to a favourable change of sales mix, price adjustments on selected Wholesale products and profit from the sale of vintage tea during the year under review.

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Statement of Financial Position

The equity attributable to equity holders of the parent stood at RM 317.5 million as at 30 April 2022 (FYE 30.4.2021: RM 312.8 million), after taking into account net profit attributable to owners of the Company amounting to RM 28.6 million, second interim dividend of RM 15.0 million in respect of previous financial year ended 30 April 2021 and an interim dividend of RM 9.0 million in respect of financial year ended 30 April 2022.

The Group's total assets as at 30 April 2022 were maintained at RM 370.7 million (FYE 30.4.2021: RM 371.5 million) after netting off dividends paid amounting to RM 24.2 million during the year under review. Total liabilities of the Group decreased by RM 7.1 million to RM 41.3 million (FYE 30.4.2021: RM 48.4 million) mainly due to the decrease in trade and other payables.

Net asset per share was recorded at RM 1.06 as at 30 April 2022, against previous financial year ended 30 April 2021 of RM 1.08.

Statement of Cash Flow

The Group's cash and cash equivalents and short-term investments totalled RM 117.3 million as at 30 April 2022.

Net cash flow from operating activities amounted to RM 27.0 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 including net investment inflows of RM 1.8 million. Net cash used in financing activities of RM 26.1 million was mainly utilised for dividends payment of RM 24.2 million including dividend payment to non-controlling interest. As a result, the Group's cash and cash equivalents increased by RM 2.6 million to RM 57.4 million as at financial year ended 30 April 2022.

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Segmental Analysis

Current quarter compared to the preceding year's corresponding quarter

(i) MLM division

MLM revenue and pre-tax profit decreased from RM 39.5 million and RM 6.4 million in the preceding year's corresponding quarter to RM 21.8 million and RM 3.5 million respectively. The higher base in the previous corresponding period was boosted by overwhelming response to the newly launched slimming lady wear as well as the free member fee campaign. Despite the reopening of all economic and social sectors in the second half of the financial year ended 30 April 2022, many MLM members were concerned over the risk of COVID-19 contacts and did not actively participate in physical events, and would need longer time to plan for marketing strategies to rebuild momentum. Persistent market uncertainties have affected the confidence among members, taking a toll on recruitment and renewal amidst high inflation and weak purchasing power.

(ii) Wholesale division

Divisional revenue decreased by 14.8% to RM 13.7 million from RM 16.1 million in the preceding year's corresponding quarter, mainly attributed to lower sales generated from Chinese medicated tonic and cooking wine post Chinese New Year (CNY) promotion. In the previous year's financial year, the CNY promotion campaign straddled both the third and fourth quarters, in addition to the overwhelming response to the "last-buy" sales promotion prior to price revision for Chinese medicated tonic.

Pre-tax profit increased by 34.4% to RM 4.6 million, arising from an one-off gain from disposal of vintage tea amounting to RM 2.3 million.

(iii) Retail division

The Retail division recorded lower revenue and pre-tax profit of RM 8.7 million and RM 0.4 million, down 14.3% and 40.6% as compared to the previous year's corresponding quarter of RM 10.2 million and RM 0.7 million respectively. The comparison was against a higher base in the previous year's corresponding quarter, when CNY sales crossed over to the 4th quarter as opposed to the 3rd quarter in the financial year ended April 2022. Furthermore, the latest year-end members' sales promotion was less encouraging as consumers were more cautious amidst weak purchasing power due to rising inflationary pressures and fragile market sentiment.

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

For the financial year ended 30 April 2022, the Group recorded lower revenue and pre-tax profit of RM 209.6 million and RM 40.0 million, as compared to RM 271.4 million and RM 52.3 million of the preceding year's corresponding period, representing a decrease of 22.8% and 23.5% respectively:

(i) MLM division

The MLM division has experienced a very challenging year. In the first half of the financial year, the division was badly affected by stringent SOPs imposed by the Government to disallow physical marketing activities and mega events. Despite the reopening of economy and social activities in the 3rd quarter, rising inflationary pressures have significantly affected members' purchasing power and willingness to spend especially on non-essential goods, while new members' recruitment and renewal were also slow.

Divisional revenue and pre-tax profit decreased by 33.1% and 37.5% to RM 115.4 million and RM 21.1 million, as compared to RM 172.5 million and RM 33.8 million respectively in the preceding year's corresponding period. Revenue in the previous year's corresponding period was boosted by overwhelming response to Duit Raya and other sales campaigns and supported by a higher distributor base.

(ii) Wholesale division

The Wholesale division recorded lower revenue and pre-tax profit of RM 53.1 million and RM 12.3 million, down by 9.3% and 12.8% as compared to the preceding year's corresponding period of RM 58.6 million and RM 14.1 million, respectively. The performance of the Wholesale division was affected by various COVID restrictions imposed during the first half of the financial year. Despite the reopening of the economy in the second half of the financial year, the subsequent increase in sales was not able to offset the larger drop in the first six month of the financial year.

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Current financial period compared to the preceding year's corresponding period (continued)

(iii) Retail division

Divisional revenue increased by 3.2% to RM 37.0 million as compared to preceding year's corresponding period of RM 35.8 million. The aggressive members' promotion campaign carried out at the outlets and via various e-commerce platforms during the financial year, coupled with the implementation of effective sales incentive scheme across all outlets, have helped to boost revenue.

To counter persistent challenges especially during the lock-down period in the first half of the financial year, the division has intensified marketing activities via various sales campaigns and aggressive promotions especially on online platforms. Its premium house brand products received good response as consumers were more health conscious especially during the pandemic and hence, more willing to spend on health supplements.

In tandem with higher revenue and higher margin for house brand products alongside ongoing cost optimization measures, the pre-tax profit increased more than doubled to RM 3.4 million during the financial year under review.

(iv) Other division

Revenue comprises mainly rental income from investment properties, health supplement manufacturing and credit & leasing business. The main contributors are manufacturing and rental income from investment properties.

During the year under review, despite lower revenue from the manufacturing division, pre-tax profit was maintained at RM 3.3 million after offsetting higher operating costs for the newly formed investment holding company which was classified under this division.

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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 30/04/2022 (RM '000)	Immediate Preceding Quarter 31/01/2022 (RM '000)	Changes
Revenue	45,267	59,404	(23.8%)
Gross Profit	19,715	24,659	(20.0%)
Operating Profit	9,370	10,802	(13.3%)
Profit Before Tax	9,397	10,859	(13.5%)
Profit After Tax	6,134	8,134	(24.6%)
Profit Attributable to Ordinary Equity Holders of the Parent	6,035	7,714	(21.8%)

For the 4th quarter under review, the Group revenue and pre-tax profit decreased by 23.8% and 13.5% to RM 45.3 million and RM 9.4 million respectively over the same corresponding period. Higher inflation and weak purchasing power have dampened consumer sentiment and willingness to spend on non-essential goods. Malaysia's Consumer Price Index (CPI) increased by 2.2% in March 2022 mainly due to volatile energy prices and prolonged supply chain disruptions.

(i) MLM division

Divisional revenue and pre-tax profit fell 22.2% and 17.29% to RM21.8 million and RM 3.5 million respectively from the immediate preceding quarter. Higher base in the immediate preceding quarter was mainly due to the good response to a sales promotion for a "big-ticket" item. In addition, slow business activities during the Ramadan fasting month has affected members' recruitment and renewal which further dampened revenue in the quarter under review,

(ii) Wholesale division

Wholesale revenue declined by 20.1% to RM 13.7 million from RM 17.2 million in the immediate preceding quarter. The higher base in the immediate preceding quarter was mainly driven by higher seasonal CNY sales.

However, divisional pre-tax profit improved by 12.3% to RM 4.6 million mainly attributable to an one-off gain from disposal of vintage tea amounting to RM 2.3 million.

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

(iii) Retail division

Against the higher base in the immediate preceding quarter which was mainly driven by CNY sales promotion, Retail revenue and pre-tax profit decreased by 33.7% and more than 50% to RM 8.7 million and RM 0.4 million, respectively. Due to rising inflationary pressures and weak purchasing power, the response for its year end members' sales promotion in the 4th quarter was less encouraging.

B3 Commentary on prospects

The global growth outlook will continue to be subjected to geopolitical risks, prolonged global supply chain disruptions, as well as rising inflationary pressures and the associated monetary responses which would inevitably affect economic activities. The same issues will affect the Malaysian economy albeit to varying degrees. As we move into the endemic phase, there will be new challenges ahead and the Group will remain highly vigilant to anticipate, position and respond to ever evolving market changes and trends.

Domestic consumers will continue to adopt a cautious stance especially on non-essential goods amidst market uncertainties. The Group will realign our business strategies and take proactive measures to mitigate business risks including upgrading the existing digital infrastructure of all three main divisions. The MLM division will launch promotion campaigns and organize more physical events to improve business momentum and drive among its distributors. New members' recruitment and retention program will be one of the division's top priorities to strengthen its distributor base. The Wholesale division plans to roll out more products to diversify its product portfolio and tap new market segments. At the same time, the Retail division is working to develop new house-brand products to widen its product portfolio and enhance margin. The division is currently undertaking a rationalisation exercise to optimize its physical outlets with the view of closing/relocating non-performing outlets as it continues to assess the evolution of online viz-a-viz outlet sales.

In view of the above, the Board of Directors expects the Group to remain profitable amidst the challenging business environment for the financial year ending 30 April 2023.

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.

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B6 Trade Receivables

Ageing analysis of trade receivables of the Group as at 30 April 2022 is as follow:

	RM '000
Not past due	13,406
Past due 1-30 days	816
Past due 31-60 days	285
Past due more than 60 days & impaired	239
	14,746

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 year under review.

For the financial year 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	Current year to date
	30/04/2022	30/04/2022
	(RM '000)	(RM '000)
Profit before taxation	9,397	40,137
Taxation at applicable tax rate – 24%	2,255	9,633
Adjustment mainly due to certain non-allowable expenses and deferred tax recognized in the profit or loss	1,008	1,270
Total Income Tax Expenses	3,263	10,903

B8 Status of Corporate Proposals

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

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B9 Group Borrowings and Debts Securities

The Group borrowings and debts securities as at 30 April 2022 were as follows :

Current Quarter ended 30/04/2022				
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 30/04/2021 (Audited)				
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

The Board of Directors is pleased to propose a final single tier dividend of 5 sen per ordinary share, in respect of the financial year ended 30 April 2022 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting (30.4.2021: 5 sen single tier interim dividend).

The dates of entitlement and payment will be advised later.

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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
	30/04/2022	30/04/2021	30/04/2022	30/04/2021 (Audited)

Earnings

Net profit for the period attributable to equity holders of the parent (RM'000)

6,035	7,918	28,565	38,816
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Weighted average number of shares ('000)

297,456	289,865	297,456	289,865
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Basic earnings per share (sen)

2.03	2.73	9.60	13.39
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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
	30/04/2022 RM' 000	30/04/2021 RM' 000	30/04/2022 RM' 000	30/04/2021 RM' 000 (Audited)
<i>Profit before taxation is arrived at after (charging)/crediting:</i>				
Interest income	125	158	590	691
Other income including investment Income	4,772	1,496	7,446	5,243
Interest expense	(43)	(50)	(215)	(264)
Depreciation and amortization on PPE & IP	(997)	(977)	(4,323)	(4,324)
Depreciation and amortization on Right-use-of-assets	(416)	(571)	(1,714)	(1,997)
Provision for and write off of receivables	(753)	(1,264)	(787)	(1,521)
Provision for and write off of inventories	(434)	(148)	(1,049)	(478)
Gain or (loss) on disposal of quoted or unquoted investment and/or PPE	2,489	7	2,507	1,086
Foreign exchange gain/(loss):				
- Realised	62	315	378	676
- Unrealised	126	(305)	243	(339)
Gain or loss on derivatives	-	-	-	-
Reversal of impairment loss of inventories	-	56	42	496
Exceptional items	-	-	-	-

B15 The interim financial statements were authorised for issue by the Board of Directors on 24 June 2022.