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# 1QFY2024
# Results Update

27 September 2023

# Contents

# 1QFY2024 vs. 1QFY2023

For the period ended 31 July 2023, the Group recorded revenue and pre-tax profit of RM35.2 million and RM3.4 million, decreasing by 27.1% and 64.1% as compared to the previous year's corresponding period of RM48.3 million and RM9.5 million respectively. Business optimism and consumer sentiment remained weak amidst heightened inflationary pressures, dampening purchasing power especially for non-essential goods. According to the Malaysian Institute of Economic Research (MIER), the Consumer Sentiment Index in the 2nd quarter of 2023 stayed below the threshold of 100 point, falling to 90.8 point which indicated the persistency of pessimism amidst the high cost of living.

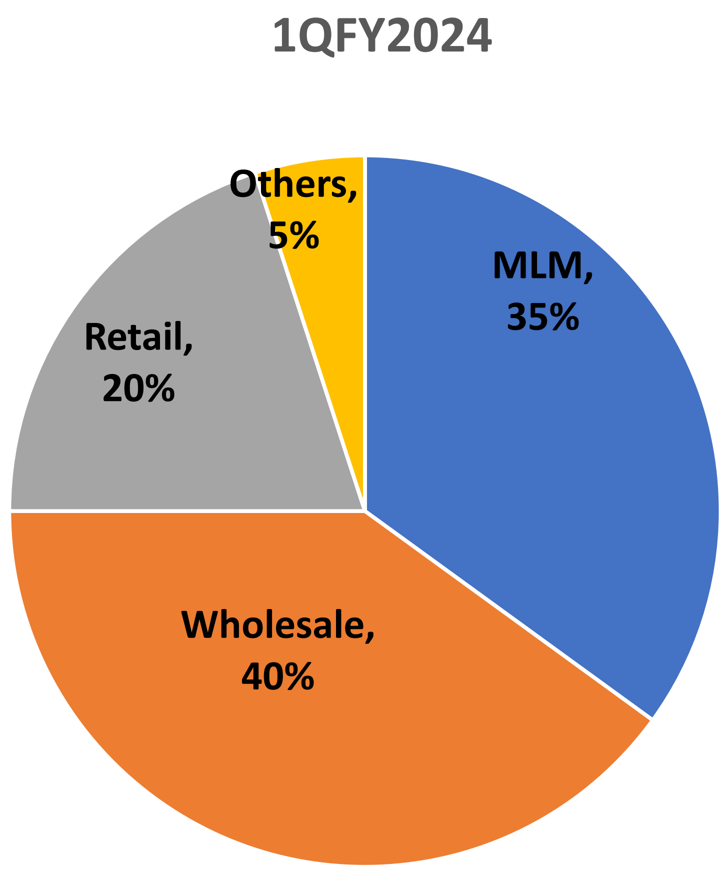
# 1QFY2024 vs. 1QFY2023

| | 1QFY2024<br>31 July 2023<br><br>(RM'mil) | 1QFY2023<br>31 July 2022<br><br>(RM'mil) | Variance<br>+/- |
|---|---|---|---|
| Revenue | 35.20 | 48.26 | **-27.1%** |
| Pre-tax Profit | 3.41 | 9.49 | **-64.1%** |
| Profit After Tax | 2.48 | 7.10 | **-65.1%** |
| Net Margin (%) | 7.05% | 14.7% | **-7.7%** |
| EPS (sen) | 0.82 | 2.34 | **-1.52 sen** |

# Statement of Financial Position

| | 1QFY2024<br>31 July 2023<br><br>(RM'mil) | FYE2023<br>30 April 2023<br>(audited)<br>(RM'mil) |
|---|---|---|
| Net cash + Short term investment | 98.90 | 95.63 |
| Total assets | 352.98 | 353.18 |
| Total liabilities | 28.78 | 31.41 |
| Shareholders' equity | 312.10 | 309.66 |
| Net assets per share (RM) | 1.04 | 1.03 |

# Segment Revenue




| Segment | 1QFY2024 31 July 2023 | | 1QFY2023 31 July 2022 | |
|---|---|---|---|---|
| | (RM'mil) | (%) | (RM'mil) | (%) |
| **MLM** | 12.42 | 35% | 21.49 | 45% |
| **Wholesale** | 14.25 | 40% | 16.99 | 35% |
| **Retail** | 6.97 | 20% | 8.66 | 18% |
| **Others** | 1.55 | 5% | 1.12 | 2% |
| **Total** | **35.19** | **100%** | **48.26** | **100%** |

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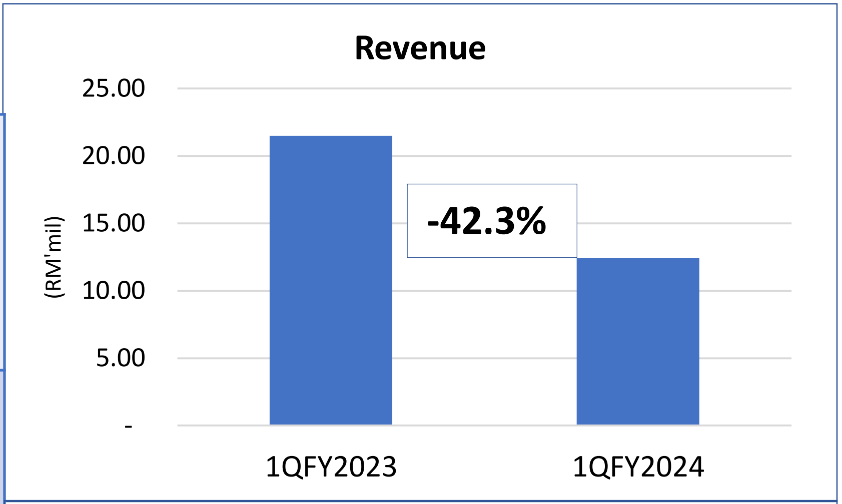
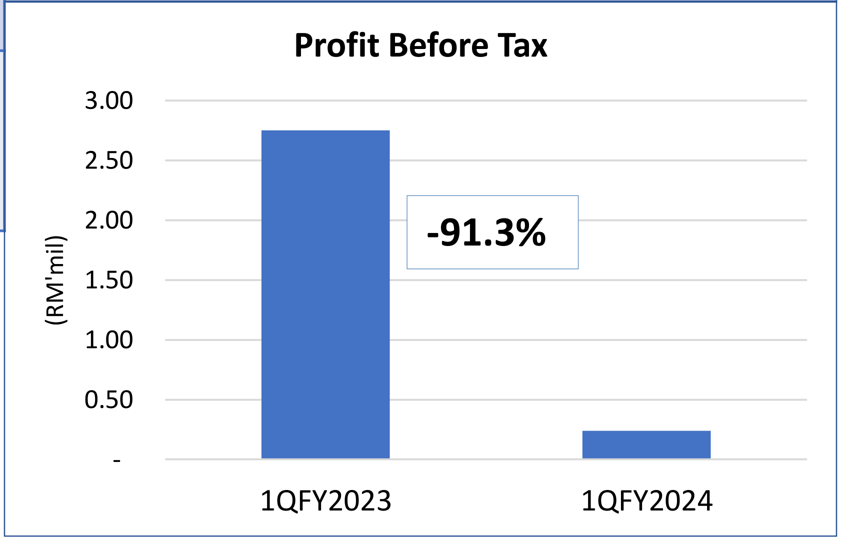
Review by Segment

- Multi Level Marketing (“MLM”)
- Wholesale
- Retail
- Others

# MLM

| MLM Segment | 1QFY2024 31 July 2023 (RM'mil) | 1QFY2023 31 July 2022 (RM'mil) | Changes (%) |
|---|---|---|---|
| External Revenue | 12.42 | 21.49 | **-42.3%** |
| Profit Before Tax | 0.24 | 2.75 | **-91.3%** |



# MLM

The MLM division continued to face intense challenges as general consumption weakness hit its members, mainly from the low to middle-income groups, particularly hard. Elevated cost of living amidst lingering inflation pressures has significantly affected member's ability to sell and also eroded the effectiveness of promotion and incentives.

As a result, some disheartened members even turned to casual employment options to supplement income, which further aggravated the already sluggish sales momentum and dampened members' recruitment and renewal. Another contributing factor for the weak performance in the quarter under review was the absence of incentive trip campaign. The division registered lower revenue of RM12.4 million, a decrease of 42.3% as compared to the preceding year's corresponding quarter of RM21.5 million.

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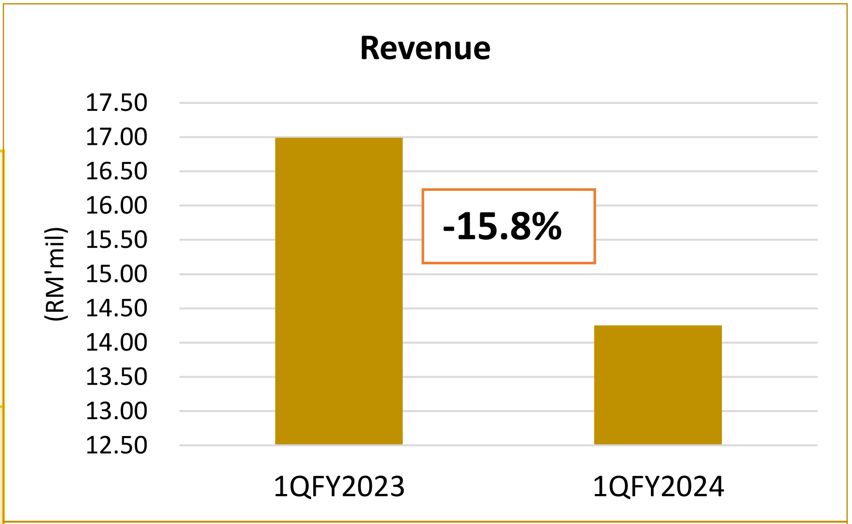
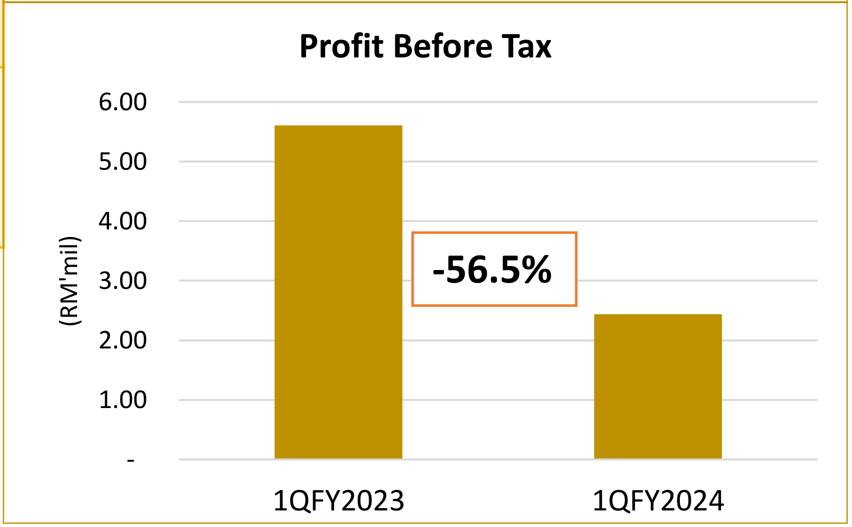
# Wholesale

| Wholesale Segment | 1QFY2024 31 July 2023 (RM'mil) | 1QFY2023 31 July 2022 (RM'mil) | Changes (%) |
|---|---|---|---|
| External Revenue | 14.25 | 16.99 | **-15.8%** |
| Profit Before Tax | 2.44 | 5.61 | **-56.5%** |



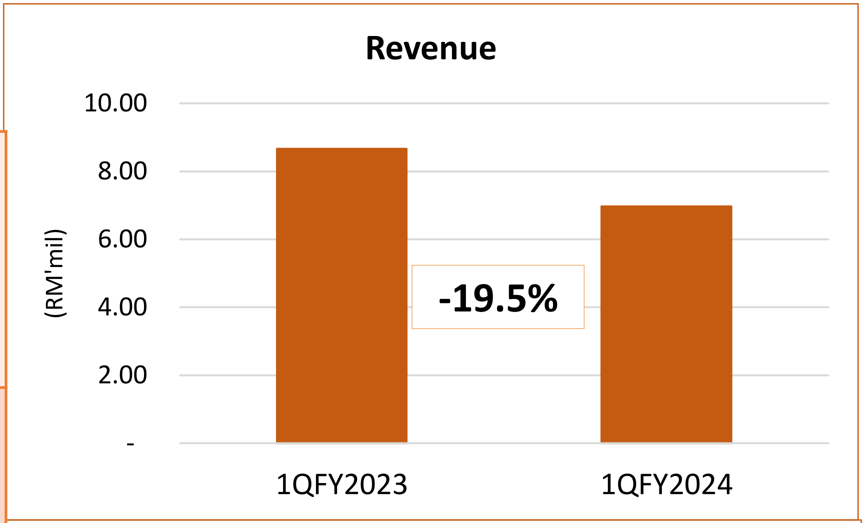
# Wholesale

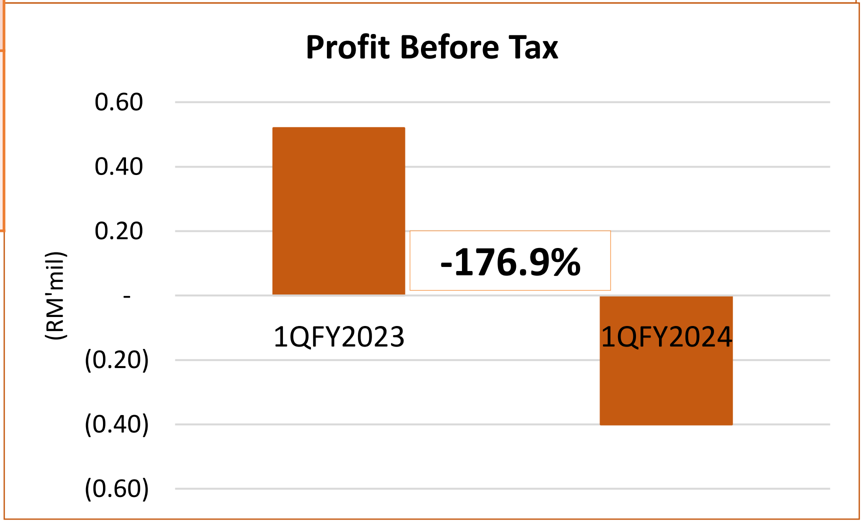
Wholesale division revenue decreased by 15.8% to RM14.3 million as compared to the preceding corresponding quarter of RM17.0 million. The comparison was against a higher base in the preceding year's corresponding quarter which was boosted by the "last-buy" sales promotion campaign for selected Chinese medicated tonic range of products and cooking wines prior to price revision.

In tandem with lower revenue, lower contribution from inter-segment sales and reduced gain from the sales of vintage tea, divisional pre-tax profit decreased by about 56.5% to RM2.4 million.

# Retail

| Retail Segment | 1QFY2024 31 July 2023 (RM'mil) | 1QFY2023 31 July 2022 (RM'mil) | Changes (%) |
|---|---|---|---|
| External Revenue | 6.97 | 8.66 | **-19.5%** |
| Profit Before Tax | -0.40 | 0.52 | **-176.9%** |



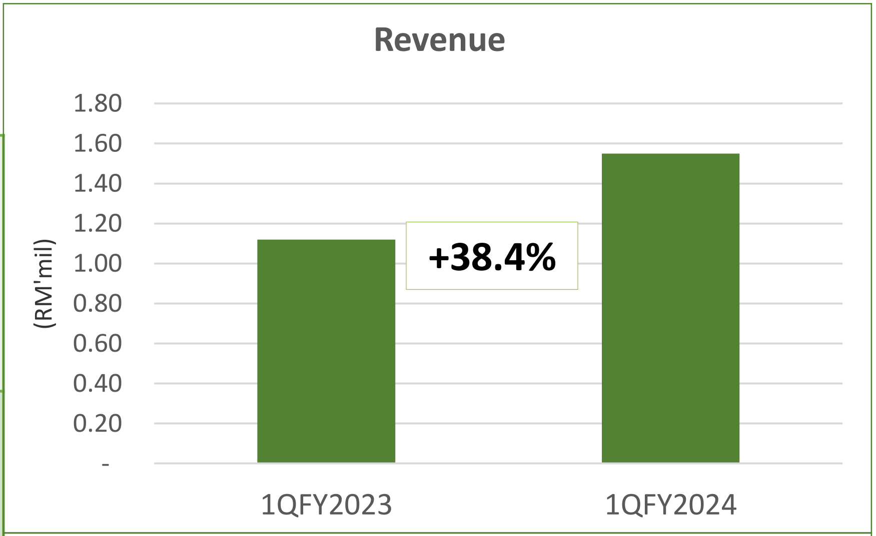
# Retail

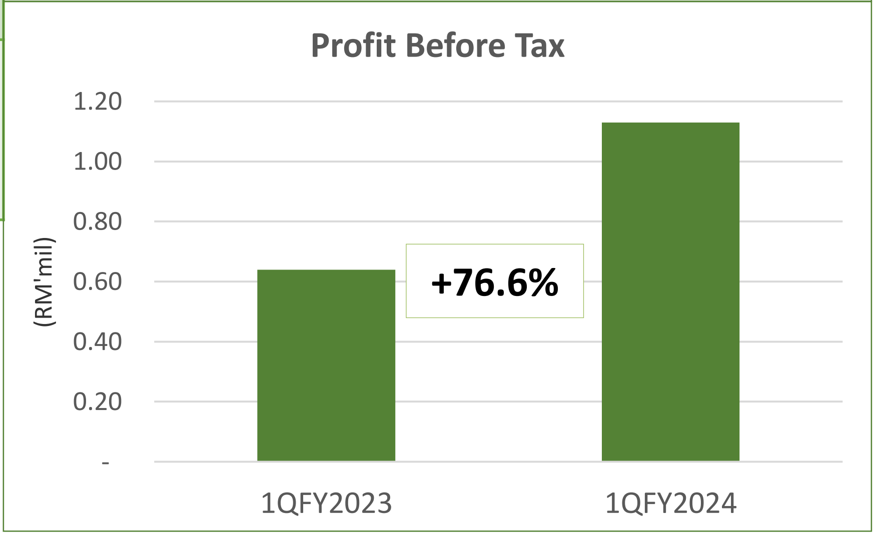
The Retail division posted a 19.5% decrease in revenue to RM7.0 million as compared to the previous year's corresponding quarter of RM8.7 million, mainly attributed to lower sales of house brand products. The return to normalcy post Covid-19 resulted in lower demand for health supplement products, especially immunity-boosting products.

Due to lower revenue recorded, high operating costs arose from higher personnel costs following the revision of minimum wages, upliftment of rental waiver in the return to normalcy post Covid-19, coupled with lower A&P subsidy from suppliers, resulted the division recorded a loss of RM0.4 million.

# "Others" segment

| "Others" Segment | 1QFY2024 31 July 2023 (RM'mil) | 1QFY2023 31 July 2022 (RM'mil) | Changes (%) |
|---|---|---|---|
| External Revenue | 1.55 | 1.12 | **+38.4%** |
| Profit Before Tax | 1.13 | 0.64 | **+76.6%** |



# "Others" segment

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

During the quarter under review, pre-tax profit increased by more than 50% to RM1.1 million, thanks to the manufacturing division which secured higher orders for health supplement products.

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**Thank you**

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