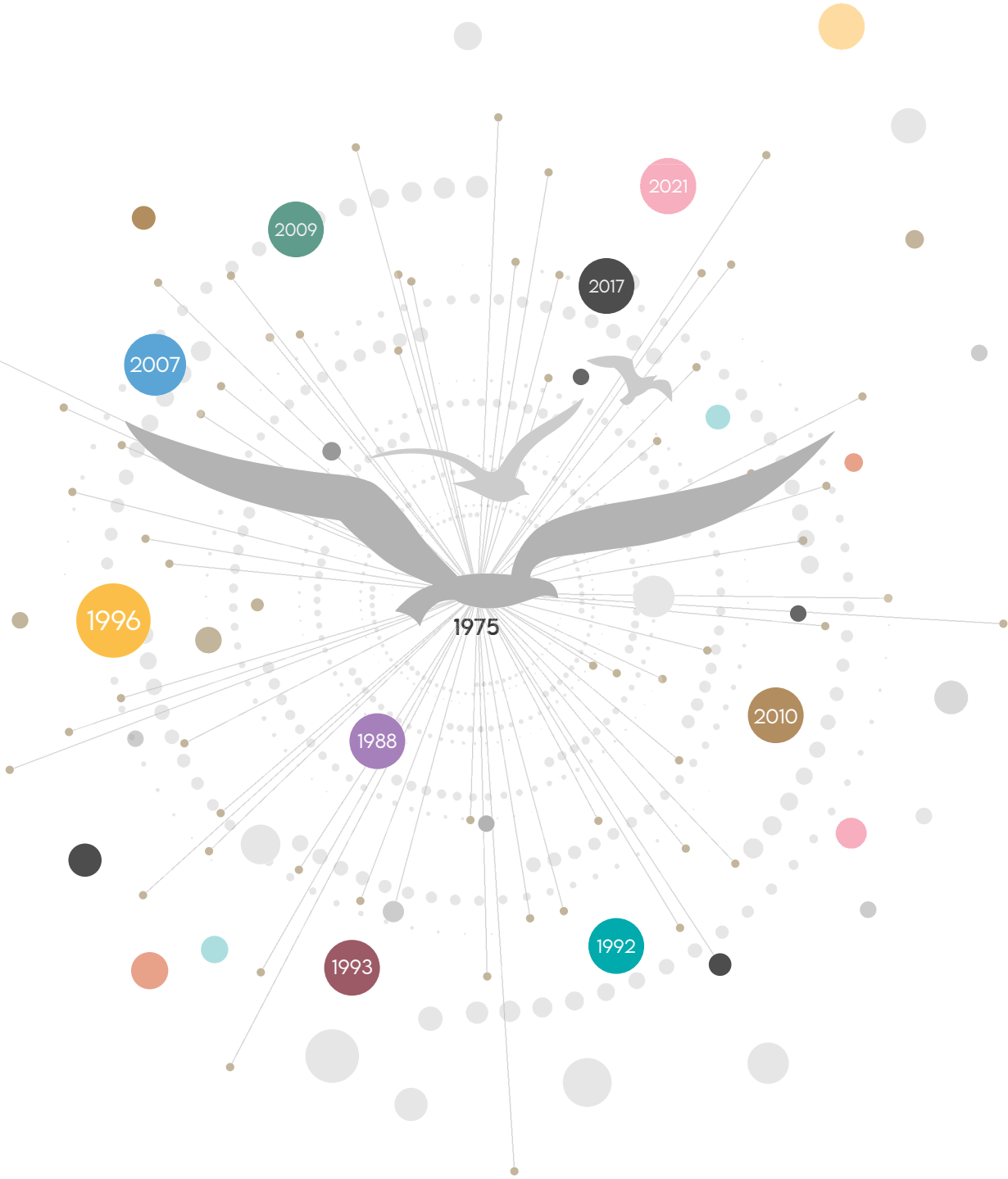


BESHOM

THE BEST STARTS FROM HOME

BESHOM HOLDINGS BERHAD

Registration No. 202101001114 (1401412-A)



Decades of Milestones
Annual Report 2024

What's Inside

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Form of Proxy

COVER RATIONALE



"Decades of milestones" is the headline of the cover design and it is inspired by BESHOM's journey to greatness. Since Hai-O's inception in 1975, the Company has harnessed its potential for sustainable growth to enhance our customers' quality of life.

The cover features an illustration of various particles that are moving outward in all directions and the key milestone years of the Company's history. This symbolises the Company's 49th years of milestones and the dynamic expansion of Hai-O branding since its incorporation across product categories and marketing networks over the decades.

4th

Annual General Meeting For
Beshom Holdings Berhad



Date
26 September 2024
(Thursday)



Time
11:30 a.m.



Venue
Ballroom 1, Level 2,
The Federal Hotel, Kuala Lumpur



Scan this QR code for the soft copy version of our annual report.

CORPORATE INFORMATION

AS AT 2 AUGUST 2024



BOARD OF DIRECTORS

Ng Chek Yong

Chairman
Senior Independent
Non-Executive Director

Tan Keng Kang

Group Managing Director
Non-Independent

Hew Von Kin

Group Executive Director cum
Group Chief Financial Officer
Non-Independent

Soon Eng Sing

Independent
Non-Executive Director

Professor Hajjah Ruhanas

Binti Harun
Independent
Non-Executive Director

Foong Yein Fun

Independent
Non-Executive Director

Dato' Lee Teck Hua

Independent
Non-Executive Director

AUDIT COMMITTEE

Soon Eng Sing

Chairman
(Independent Non-Executive Director)

Foong Yein Fun

Member
(Independent Non-Executive Director)

Professor Hajjah Ruhanas

Binti Harun
Member
(Independent Non-Executive Director)

Dato' Lee Teck Hua

Member
(Independent Non-Executive Director)

COMPANY SECRETARIES

Cynthia Gloria Louis

(SSM PC No. 201908003061)
(MAICSA 7008306)

Chew Mei Ling

(SSM PC No. 201908003178)
(MAICSA 7019175)

AUDITORS

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants

REGISTERED OFFICE

Unit 621, 6th Floor, Block A,
Kelana Centre Point,
No 3, Jalan SS7/19, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel : 03-7880 9699
Fax : 03-7880 8699
E-mail : info@corporatepartners.com.my

BUSINESS OFFICE

Wisma Hai-O, Lot 11995,
Batu 2, Jalan Kapar, 41400 Klang,
Selangor Darul Ehsan, Malaysia.
Tel: 03-3342 3322
Fax: 03-3342 8285
Website URL : www.beshom.com
Email : info@beshom.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No.5 Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel : 03-7890 4700
Fax : 03-7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Bank of China (Malaysia) Berhad
Public Bank Berhad
CIMB Bank Berhad

ADVOCATES & SOLICITORS

Cheang & Ariff
Chooi & Company

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name / Code: BESHOM 7668
ISIN: MYL766800006

GROUP CORPORATE STRUCTURE

OF MAIN OPERATING COMPANIES AS AT 2 AUGUST 2024

B E S H O M

THE BEST STARTS FROM HOME

Beshom Holdings Berhad



GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended 30 April				
	2020 [^] RM'000	2021 ^{^^} RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	255,174	271,390	209,555	174,229	151,132
Gross profit	99,171	104,981	86,164	73,190	62,770
Gross margin	38.9%	38.7%	41.1%	42.0%	41.5%
Profit before tax	41,517	52,273	40,300	24,264	14,483
Profit after tax	32,319	38,921	28,927	16,775	10,979
Profit attributable to Owners of the Company	32,576	38,805	28,197	16,285	10,893
Net margin	12.7%	14.3%	13.8%	9.6%	7.3%
Total assets	361,720	371,500	370,139	353,182	349,651
Total liabilities	51,530	48,400	41,040	31,410	27,729
Share capital	157,256	157,256	312,978	312,978	312,978
Shareholders' equity	299,586	312,759	317,055	309,661	310,078

Financial Indicators

4	Return on Shareholders' equity	10.9%	12.4%	8.9%	5.3%	3.5%
	Earnings per share (sen) [#]	11.22	13.39	9.46	5.43	3.63
	Single tier dividend (sen)	10.0	9.0	8.0	5.0	3.0
	Current ratio (times)	4.5	5.0	5.9	7.2	8.4
	Net assets per share (sen)	103	108	106	103	103
	Price earnings ratio (times)	15.33	16.13	17.01	21.75	25.07
	Share Price as at the financial year end (RM)	1.72	2.16	1.61	1.18	0.91
	Market capitalisation as at the financial year end (RM'000)	516,512	648,643	483,166	354,122	273,094

Notes:

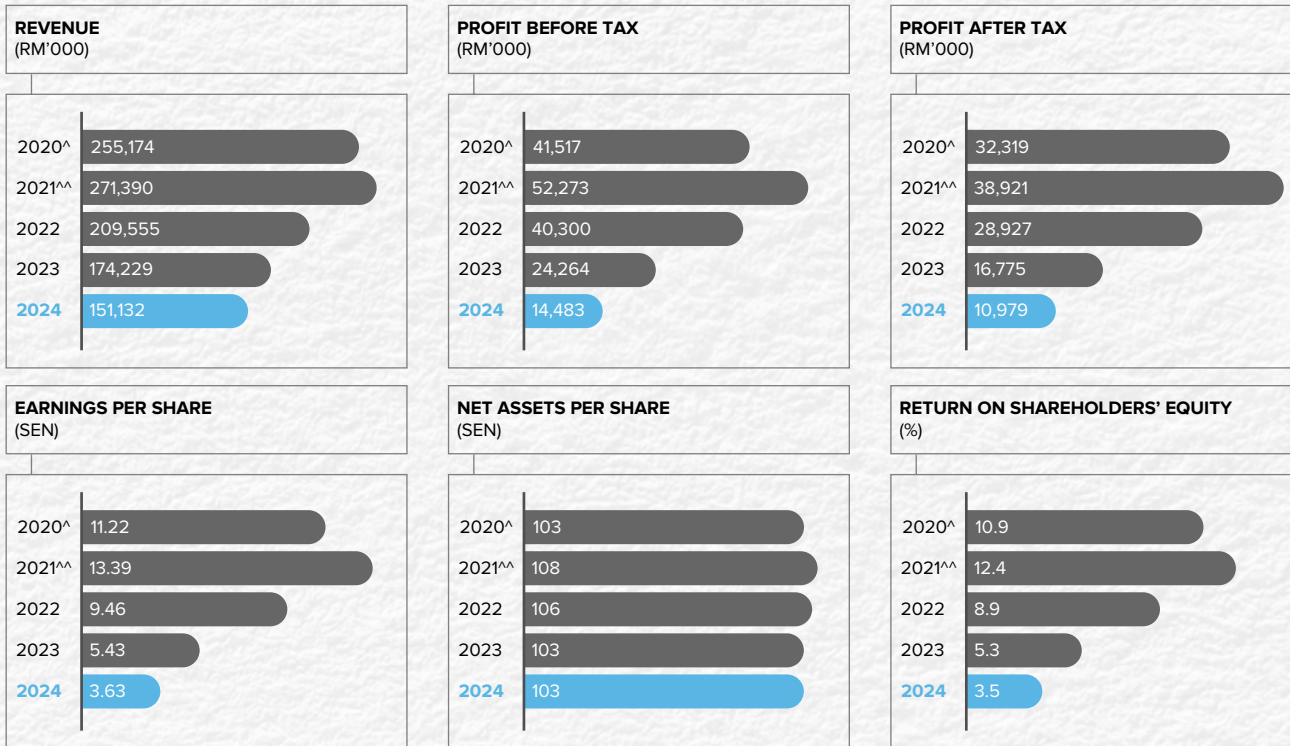
[^] FY2020 reported under Hai-O Enterprise Berhad & its subsidiaries.

^{^^} FY2021 restated to include audited financial statements of Beshom Holdings Berhad for FY2021.

[#] Calculated based on weighted average number of shares in issue, net of treasury shares.

GROUP FINANCIAL HIGHLIGHTS

(CONTINUED)

**Notes:**[^] FY2020 reported under Hai-O Enterprise Berhad & its subsidiaries.^{^^} FY2021 restated to include audited financial statements of Beshom Holdings Berhad for FY2021.

Financial Year (FY)	Cash Dividends (RM'000)	Payout ratio
FY2015	29,195	96%
FY2016	28,972	79%
FY2017	41,629	70%
FY2018	58,176	80%
FY2019	37,745	80%
FY2020	29,013	90%
FY2021	26,584	68%
FY2022	24,008	83%
FY2023	15,005	89%
FY2024	9,001	82%
10 years Cash Dividend (FY2015 - FY2024)	299,328	80%

CORPORATE PROFILE



OUR CORPORATE JOURNEY

B E S H O M

For Our People | 以人为本

For Our Livelihood | 安居乐业

For Our Future | 高瞻远瞩

For Our Legacy | 继往开来

Welcome to BESHOM..... Effectively following the conclusion of the internal reorganisation on 29 November 2021, the investment holding function and the operating business entities of the Group were officially segregated on 29 November 2021, where Beshom Holdings Berhad (“BESHOM”), the investment holding entity assumed the listing status of Hai-O Enterprise Berhad (“HAI-O”). HAI-O and the other subsidiaries will continue to operate their existing businesses. BESHOM is a new home to the HAI-O’s group of companies.

Before BESHOM assumed the listing status, HAI-O was listed on the then Second Board of Kuala Lumpur Stock Exchange (“KLSE”) in December 1996 and was successfully transferred to the Main Board of KLSE (now known as Main Market of Bursa Malaysia Securities Berhad) in 2007 reflecting the scale of the Group’s achievement throughout the years.

After more than 4 decades in operation, the size of the Group has grown to a level where the investment holding company i.e. HAI-O also held some of the business functions of the Group. We believe a clear demarcation of business activities will enable the respective business segments to monitor our operational risks more effectively. Our new corporate identity BESHOM, will allow the Group to achieve greater flexibility in management, reporting, and reorganisation of our businesses. The “HAI-O” brand name has been the Group’s proud history and footprint in Malaysia and “HAI-O” brand name will remain as our key brand ambassador as a trusted traditional health food supplier.



CORPORATE PROFILE

(CONTINUED)



OUR BUSINESS

From our origins as a retailer focusing on trading of Chinese medicated products since 1975, the Group has grown into one of the major suppliers of Chinese herbal products and medicated tonics to a large number of traditional Chinese medical halls and duty-free shops. Headquartered in Klang, Selangor, our businesses over the years have expanded to cover Multi-Level-Marketing (“MLM”), Wholesaling, Retailing and Manufacturing.



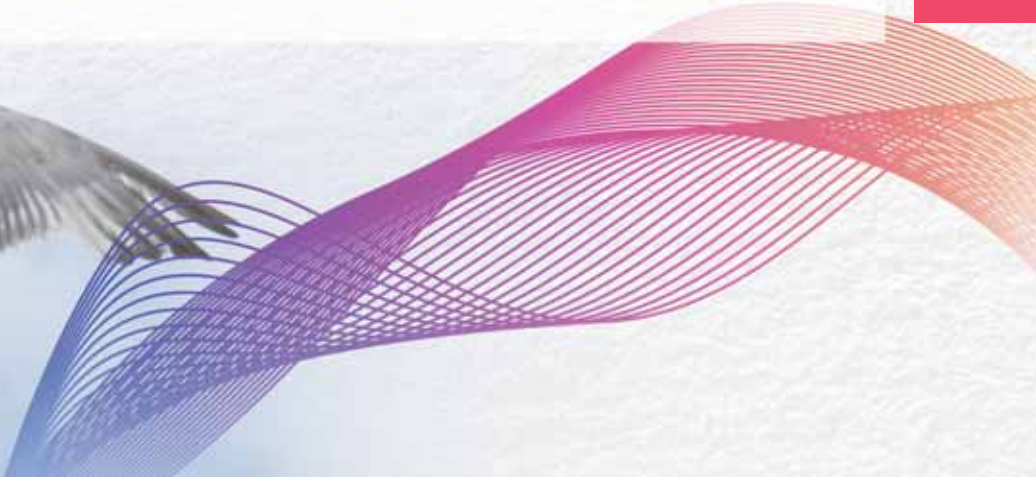
GEOGRAPHICAL PRESENCE

The Group operates primarily in Malaysia with a total of 83 business setup units comprise of 29 MLM branches, stockists and sales points across both Peninsular and East Malaysia as well as 1 branch in Brunei, and 54 retail chain stores and franchises, primarily located in the Klang Valley and with a foothold in all major states in Malaysia.



WHAT WE DO

We market our products through our MLM, Wholesale and Retail networks. We carry more than 2,000 stock keeping units (“SKU”) on a combined basis. Our business operations are supported by approximately 43,000 independent MLM distributors, over 2,000 wholesalers and retailers and 2 international certified manufacturing plants with certifications from ISO, HACCP, GMP, US FDA and one of them is also Halal certified by Jabatan Kemajuan Islam Malaysia (JAKIM). Today, HAI-O is one of the major suppliers of Chinese herbal products, medicated tonics, Chinese tea, cooking ingredients, health supplements, skincare, cosmetics, lifestyle and fashion merchandises.



BRAND STORY

B E S H O M

We believe in the importance of a good start, which underscores our motto of **“The Best Starts From Home”**.
For over four decades, we have upheld our mission to enhance the well-being for all.



For Our People 以人为本

8

Making wellness and healthcare products more accessible has and will always be our goal. 我们为每个人提供便捷可信的健康保健产品, 这个承诺永不改变。



For Our Livelihood 安居乐业

A platform to enhance the quality of life by giving support and opportunities. 我们精心设计一应俱全的平台, 为您提供支援, 替您创造机会, 让每一个人享受安居乐业的成果。



For Our Future 高瞻远瞩

Improve the well-being of humankind through innovative healthcare and technology. 通过崭新的医疗保健科技, 改善人类健康, 勇于创新, 未来可期。



For Our Legacy 继往开来

Building a world based on trust, values, integrity and sustainability for the future generations. 建立一个融合信任、价值、诚信和永续发展概念的企业, 继往开来, 承先启后、延续美好。

BOARD OF
DIRECTORS

B E S H O M



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From left to right (Front):

Tan Keng Kang / Group Managing Director, Non-Independent

Ng Chek Yong / Chairman, Senior Independent Non-Executive Director

Hew Von Kin / Group Executive Director cum Group Chief Financial Officer, Non-Independent

From left to right (Behind):

Soon Eng Sing / Independent Non-Executive Director

Professor Hajjah Ruhanas Binti Harun / Independent Non-Executive Director

Foong Yein Fun / Independent Non-Executive Director

Dato' Lee Teck Hua / Independent Non-Executive Director

PROFILE OF THE BOARD OF DIRECTORS

Ng Chek Yong

**Chairman,
Senior Independent
Non-Executive Director**

Age 67

Gender Male

Nationality Malaysian

Mr. Ng Chek Yong completed his A Level at Cambridge Higher School Certificate, St. Patrick School, Kuching, Sarawak, Malaysia. Mr. Ng joined Chinese Media Industry in 1979 and has served the industry for more than 38 years until his retirement from Media profession in October 2017. He began his career as a reporter/ feature writer with See Hua Daily News in 1979. In 1988, he joined TO-DAY News Sabah as the Chief Reporter and then was recruited by Sin Chew Media Corporation Berhad (SCMC) as a reporter on 1 August 1988. He was appointed as a Director of SCMC from 2006 until his retirement. During 2012 up to October 2017, he served as Managing Director of SCMC, prior to his promotion, he was the CEO of Mulu Press Sdn Bhd, a wholly owned subsidiary of SCMC from 2004 to 2012 and the Regional Editor of East Malaysia for Sin Chew Daily from 1997 to 2012.

Mr. Ng was the Executive Director of Media Chinese International Limited ("MCIL") from 1 March 2012 to 3 October 2017. MCIL was formed by the merger of Ming Pao Enterprise (Hong Kong), SCMC and Nanyang Press Holdings ("NPH") dually listed on the Main Board of The Stock Exchange of Hong Kong and the Bursa Malaysia. He was the Chairman of the Group Executive Committee and a member of the Remuneration Committee during his executive directorship in MCIL. He was in-charge of the overall group operations of both SCMC and NPH in Malaysia and their overseas operations, including the media businesses in New York, Jakarta, Phnom Penh and Brunei Darussalam. Being in the Media Industry since the day he started his career, Mr. Ng is well versed in different means of mass communication and economic, cultural connectivity with the Chinese community. He has high level of awareness, familiarity and sensitivity to different views and life of the community, including the changes of habitual behaviour, ecosystem and trend. Mr. Ng is a literary veteran and also an active online analyst of politics, current affairs and market trend. He is currently the President of the Constellation Poetical Society Sarawak.

Mr Ng was appointed to the Board of BESHOM on 12 November 2021 as the Senior Independent Non-Executive Director, following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Berhad ("HAI-O") to BESHOM pursuant to the Group's internal reorganisation exercise. Mr. Ng was then appointed as the Chairman of BESHOM on 1 May 2022. He is also the Chairman of the ESOS Committee and a member of Sustainability Steering Committee. Mr. Ng is the Independent Non-Executive Director since he was appointed to HAI-O on 2 May 2019.

He has no family relationship with any other director or major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(CONTINUED)

Tan Keng Kang**Group Managing Director
Non-Independent****Age** 48**Gender** Male**Nationality** Malaysian

Mr. Tan Keng Kang has attended the course in International Economics at Beijing University, China in 1997. He joined Hai-O Enterprise Berhad (“HAI-O”) as an Operations Executive on 1 August 1998, mainly to support the operational activities of Hai-O's marketing arm.

On 1 May 2000, he was then promoted as a Sales Manager and Director of Chop Aik Seng Sdn. Bhd., a subsidiary of HAI-O dealing in tea and other beverages.

Mr. Tan was appointed to the Board of BESHOM on 12 November 2021 as the Group Managing Director following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from HAI-O to BESHOM pursuant to the Group's internal reorganisation exercise. Mr. Tan is the Group Executive Director since he was appointed to HAI-O on 1 April 2012 and was appointed as the Group Managing Director on 1 February 2016.

He is the Chairman of the Sustainability Steering Committee and a member of the ESOS Committee. He sits on the

Board of Trustee of Yayasan Usman Awang, Tan Kah Kee Foundation, Hai-O Foundation and also a Director of Hai-O Enterprise Berhad and Hai-O Raya Bhd. Currently, he also holds directorship in several private limited companies.

Mr. Tan is involved in the strategic planning at the Group level and manages the Group's operational activities and oversees the business development of BESHOM Group.

Mr. Tan actively involved in various trade and non-trade associations. He is an Advisor to Puer Tea Trade Association, Malaysia-China Friendship Association (PPMC: Secretary - General), Tan Kah Kee Foundation (Vice President), China-Asean (Malaysia) Entrepreneurs' Association (Vice President), China Trade Promotion Association (Vice President) and also Vice President of Association of Belt and Road Malaysia.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

Hew Von Kin**Group Executive Director cum
Group Chief Financial Officer
Non-Independent****Age** 62**Gender** Male**Nationality** Malaysian

Mr. Hew Von Kin is the Group Chief Financial Officer of BESHOM Group and has been working with the Group for more than 30 years.

He is one of the key senior staff who is involved in the strategic planning and financial management of the Group. He has helped to grow and build the business over the years.

Mr. Hew is proficient in Finance & Accounting, Financial Investments, Investors Relations and Strategic Planning & Management. He has responsibly and effectively led his team to take on various corporate exercises, investment and acquisition projects for the Group.

He is also one of the key persons to develop and implement sustainability strategies, oversee the risk management, succession planning, human capital development and promoting corporate responsibility related works for the Group.

Mr. Hew was appointed to the Board of BESHOM as Group Executive Director on 12 November 2021 following the establishment of new investment

holding company of HAI-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Berhad to BESHOM pursuant to the Group's internal reorganisation exercise. He is the Chairman of the Risk Management Committee, a member of the Sustainability Steering Committee and ESOS Committee.

He is also the Group Executive Director of Hai-O Enterprise Berhad since his appointment on 1 February 2016 and sits on the Board of Trustees of Hai-O Foundation since 11 September 2014.

Mr. Hew is a member of the Chartered Institute of Management Accountants (CIMA).

He has no family relationship with any other director and major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(CONTINUED)

Professor Hajjah Ruhanas Binti Harun

**Independent
Non-Executive Director**

Age 73

Gender Female

Nationality Malaysian

Professor Ruhanas Harun graduated with M.A from University of Sorbonne, Paris, post -graduate Diploma in Political Studies from Institut d'Etudes Politiques, Paris, a B.A. (Hons) in International Relations and post graduate Diploma in Translation from the University of Malaya, Kuala Lumpur.

She is a Professor at the Department of International Relations, Security and Law, Faculty of Defence Studies and Management, National Defence University of Malaysia (UPNM). She has taught extensively and held administrative posts at various universities in Malaysia and abroad. Amongst others, she has served as the Department Head of International and Strategic Studies, University of Malaya, the Department of International and Security Studies, Universiti Kebangsaan Malaysia (UKM), the Department of Strategic Studies, National Defence University of Malaysia, and was the Director of Centre for International and Strategic Studies, National Defence University of Malaysia. She is also a faculty member of the National Resilience College, Malaysian Armed Forces Defence College, and the Malaysian Armed Forces Staff College at PUSPAHANAS, Ministry of Defence Malaysia. Ruhanas Harun lectures, researches and publishes in her areas of expertise which include foreign policy, national security, peace-building and regional integration.

Ruhanas Harun is currently a Fellow at the Malaysian Institute of Defence and Security (MIDAS), Ministry of Defence Malaysia, and Honorary Professor and Associate Fellow at the National Institute of Ethnic Studies (KITA), Universiti Kebangsaan Malaysia, Bangi.

Apart from making her mark as an expert on Malaysia's foreign policy and national security, Ruhanas Harun has also distinguished herself as Malaysia's leading expert on Indo-China and Russia. Besides teaching and researching, she has translated books and articles from French into Malay. A qualified translator and a linguist, she speaks several languages including French, German and Vietnamese. She is also actively involved in community services and NGO, and is Vice President of an NGO, the Pertubuhan Perihatin Pelarian (Refugee Care Association). She has conducted significant research and published on

migrants, foreign workers and refugee issues in Malaysia. Her current interest also extends to international relationship and networking in governance and climate change issues.

Ruhanas Harun was appointed to the Board of BESHOM on 12 November 2021 as an Independent Non-Executive Director following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Berhad ("HAI-O") to BESHOM pursuant to the Group's internal organisation exercise. Ruhanas Harun is an Independent Non-Executive Director since she was appointed to HAI-O on 2 July 2018. She is the Chairperson of the Nominating Committee, a member of the Audit Committee and Remuneration Committee.

She has no family relationship with any other director of major shareholder of BESHOM.

She has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(CONTINUED)

Soon Eng Sing**Independent
Non-Executive Director****Age** 48**Gender** Male**Nationality** Malaysian

Mr. Soon Eng Sing graduated with BSc. Business Administration (Magna Cum Laude) from Southern New Hampshire University, USA in 1998 and obtained his Master of Business Administration (MBA) from University of Chicago Booth School of Business, USA in 2008.

He has over 2 decades of corporate experience working for leading global multinational companies in Singapore, Hong Kong, China and Malaysia. His expertise lies in strategic human capital management, organisation development and leadership development.

Mr. Soon was appointed to the Board of BESHOM on 12 November 2021 as an Independent Non-Executive Director following the establishment of new investment holding company of HAI-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Berhad ("HAI-O") to BESHOM pursuant to the Group's internal reorganisation exercise. He is the Chairman of Audit Committee, Remuneration Committee and a member of the Nominating Committee. Mr. Soon is the Independent Non-Executive Director since he was appointed to HAI-O on 1 December 2015.

He has no family relationship with any other director or major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

Foong Yein Fun**Independent
Non-Executive Director****Age** 59**Gender** Female**Nationality** Malaysian

Ms Foong Yein Fun was appointed to the Board of BESHOM on 1 March 2024 as an Independent Non-Executive Director. She serves as a member of both Audit Committee and Risk Management Committee.

She began her career as an auditor at PricewaterhouseCoopers ("PWC") from 1985 to 1992, during which she also completed her accountancy articleship. She served as an Accounting Supervisor at Arthur Andersen for about a year before she joined Aminvestment Bank's Corporate Finance Department in 1993. She remained with Aminvestment Bank until November 2023 and her last held position was Team Head / Senior Vice President of Corporate Finance. Presently, she works as a corporate advisor at a boutique finance management and advisory firm.

She has extensive experience in finance management and investment banking across diversified industries such as retail and distribution, manufacturing, plantations and logistics. Throughout her career as an investment banking adviser, she has

been involved in a wide range of corporate finance advisory services and execution of corporate exercises. These include initial public offerings, mergers and acquisitions, major disposals, equity fundraising, corporate restructuring, general offers, and minority advice.

She is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). Additionally, she is a member of the Institute of Corporate Directors Malaysia (ICDM) since June 2023.

She has no family relationship with any other director or major shareholder of BESHOM.

She has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(CONTINUED)

Dato' Lee Teck Hua

**Independent
Non-Executive Director**

Age 50

Gender Male

Nationality Malaysian

Dato' Lee Teck Hua graduated with Bachelors of Arts in Accounting and Finance from University of Strathclyde, Glasgow, United Kingdom in 1994 and completed his Association of Chartered Certified Accountants (ACCA) examination in 1996 from London. He is a Fellow member of the ACCA and members of both Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He is also a certified member of Financial Planning Association of Malaysia.

Dato' Lee was attached with PricewaterhouseCoopers ("PWC") from 1997 to 2000 in both taxation and business assurance (audit) divisions. He is currently the Senior Partner with LTTH PLT, a Chartered Accountants firm. He is also an Audit Oversight Board registered auditor under the purview of Securities Commission.

Dato' Lee has many years of experience in audit and finance, including statutory and special audit for acquisition and restructuring exercise for various industries. He is currently holding the positions as Director of China Construction Bank (Malaysia) Berhad and Globaltec Formation Berhad, a Company listed on Main Market of Bursa Securities.

Dato' Lee was appointed to the Board of BESHOM on 19 July 2024 as an Independent Non-Executive Director. He serves as a member of both Audit Committee and Risk Management Committee.

Dato' Lee is actively involved in various non-Governmental organisations. He is the Vice Chairman of The Malaysia Xiang Lian Charity Foundation and a Central Committee Member of The Federation of Chinese Association of Malaysia (Huazong). He is Deputy Secretary General of the Associated Eng Choon Societies of Malaysia, the Club Licensing Committee Member of Football Association of Malaysia (FAM),

Vice President of Selangor Eng Choon Association, Executive Committee Member of China Jilin Province Overseas Friendship Association and the Committee Member of China Fujian Province Federation of Overseas Chinese.

He has no family relationship with any other director or major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

Notes:

1. The details of the Directors' shareholdings in the Company and its subsidiaries are disclosed on page 147 of this Annual Report.
2. The details of the conflict of interest with the Company and its subsidiaries are disclosed on page 76 of this Annual Report.

KEY SENIOR MANAGEMENT

B E S H O M



From left to right

Philip Teo Kheng Leong

Hew Von Kin

Tan Keng Kang

Tham Yoke Lon

PROFILE OF THE KEY SENIOR MANAGEMENT

Tham Yoke Lon

General Manager

*Sahajidah Hai-O Marketing Sdn. Bhd.
(Multi-Level Marketing Segment)*

Age 55

Gender Male

Nationality Malaysian

Mr. Tham graduated with a Bachelor of Arts (Mass Communication) from Universiti Kebangsaan Malaysia in 1995.

He joined Sahajidah Hai-O Marketing Sdn. Bhd., the Multi-Level Marketing segment of BESHOM as the Senior Marketing Manager on 1 February 2012. He was then appointed as the Assistant General Manager on 1 June 2014 and thereafter promoted as the General Manager on 1 January 2016.

Prior to joining BESHOM Group, he was attached with several private limited companies involved in the retailing and direct selling business. He is a member of the Direct Selling Association of Malaysia (DSAM).

He has no family relationship with any other director or major shareholder of the Company.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

Philip Teo Kheng Leong

General Manager

*Hai-O Raya Bhd.
(Retail Segment)*

Age 46

Gender Male

Nationality Malaysian

Mr. Philip Teo graduated with a Diploma in Hospitality Management from Stamford College in 1998 and Professional Certificate in Engineering (Computer / Telecommunication) from Informatics College, Malaysia in 2001.

He joined Hai-O Raya Bhd, the Retail segment of BESHOM as the Retail Operation Executive on 16 May 2005 and thereafter was promoted as the Retail Operations Manager and General Manager of Retail segment on 1 July 2011 and 1 July 2017 respectively.

Prior to joining BESHOM Group, he has gained working experience in administrative and operations of retail businesses and fast food chain companies for more than 2 years.

He has no family relationship with any other director or major shareholder of the Company.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of my fellow Directors, I am pleased to present our Annual Report for the financial year ended 30 April 2024 (“**FY2024**”) for Beshom Holdings Berhad (“**BESHOM**” or “**Company**”) and its subsidiaries (“**BESHOM Group**” or “**Group**”). It would not be an overstatement to say that the past three years have been characterised by more uncertainty and volatility than any similar period in recent decades. Consumer demand has been unpredictable, influenced by both macroeconomic factors and changes in consumer behaviour, due to the evolving phases of the coronavirus disease (“**COVID-19**”), and aggressive government policies implemented in response to economy slowdown, which at the same time brought about the impact of inflationary pressures.

Ng Chek Yong
Chairman

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FY2024 was a challenging year for BESHOM Group in several ways, as the global economy confronted a series of macroeconomic and geopolitical challenges. Our business segments continued to be impacted by disruptions to supply chains and high logistic costs. While interest rates remained largely stable over the course of FY2024 to combat inflation, inflationary pressures remain persistent, challenging the financial abilities of many individuals and inevitably affecting their buying decisions. BESHOM was not immune to these headwinds, but all our business segments continued to record profits albeit at a more moderated level.

AN OVERVIEW OF FINANCIAL PERFORMANCE FOR FY2024

The Group's financial performance was mostly affected by the Multi-Level-Marketing (“**MLM**”) segment, followed by the Retail and Wholesale segments. We saw a decline in revenue of approximately 13.3% for FY2024 to RM151.1 million (FY2023: RM174.2 million), primarily due to a material drop in revenue in the MLM segment. Consequently, the Group recorded a profit before taxation (“**PBT**”) of RM14.5 million as compared to RM24.3 million in the previous financial year, representing a decline of approximately 40.3%.

The revenue recorded by MLM was primarily affected by the shrinkage in discretionary spending of the MLM members. Similarly, the high cost of living did not favour our Retail and Wholesale segments, though these segments experienced a more gradual decline in revenue. Notwithstanding the aforementioned challenges, profits recorded by these segments were affected to a greater extent as compared to their revenue, particularly for the Retail segment, mainly affected by fixed costs given the current scale of operations.

The financial performance for FY2024, including the operating and financial review of each business segment, will be more fully described in the section under Management Discussion and Analysis by our Group Managing Director in the ensuing pages.

Even though the financial performance of the Group was challenged by the current operating environment, the financial position of the Group remained robust, with equity attributable to equity holders of the parent as at 30 April 2024 at RM310.1 million (FY2023: RM309.7 million), which translates to a net asset per share of RM1.03 (FY2023: RM1.03). The shareholders' equity of the Group is largely unchanged despite the profits recorded for FY2024. This is because the Group distributed most of the profits earned

CHAIRMAN'S STATEMENT

(CONTINUED)



Crown Diamond Managers gather to celebrate successes and stay updated with key business projects.

during the FY2024 in the form of cash dividend after defraying all necessary operating expenses allocated for working capital purposes.

Our prudent financial management provided us financial flexibilities given the Group is in a zero-debt position, hence we are able to access additional liquidity as and when required. The cash and cash equivalents and other investments of financial assets in unit trusts amounted to RM103.7 million as at 30 April 2024 (FY2023: RM95.6 million). Combined with maintaining strong disciplines in our investment activities, the current level of cash position of the Group held should ensure that the Group continues and operates sustainably. Furthermore, the Group will not be perturbed by any interest rate movements directly, given the net cash position in which the Group is operating in.

RETURNS TO STAKEHOLDERS

As a public-listed company, one of our objectives is to provide return to our shareholders. While maintaining a dividend policy of distributing dividends with a payout ratio of not less than 50% of the Group's profit after taxation, the dividend payout ratio for the past 10 years has ranged between 67% to 96% for the financial years 2014 to 2023. For FY2024, our total dividend is 3 sen per share (FY2023: 5 sen per share), comprising a proposed final single tier dividend of 1.5 sen, which is subject the shareholders' approval at the forthcoming Annual General Meeting. The interim single tier dividend of 1.5 sen per share amounting to RM4,501,574 was paid on 14 March 2024. The total dividends of 3 sen for FY2024 represent a dividend payout ratio of 82%.

In addition to returns to our shareholders, the Group is committed to looking after our employees, providing high quality and value focused products to our customers, dealing fairly with our suppliers, protecting the environment and supporting the communities where we operate. A well-balanced stakeholder-orientated strategy is essential for sustainable shareholder value creation. Our ongoing sustainability efforts are detailed in the Group's inaugural Sustainability Statement 2024.

INTO FINANCIAL YEAR 2025

Despite the challenging global conditions, Malaysia's economy continued to expand, growing by 3.7% in 2023 (2022: 8.7%). The more moderate growth also reflected normalising conditions following the economic rebound in 2022, which was supported by the reopening of the economy and sizeable policy measures. (Source: Bank Negara Malaysia ("BNM") Annual Report 2023)

The Malaysian economy is projected to grow between 4% and 5% in 2024. This will be supported by resilient domestic demand and improvement in external demand. Headline inflation is expected to average between 2% and 3.5% in 2024 amid contained cost pressures from easing global supply conditions. Inflation outlook remains highly subject to upside risks due to potential price adjustments on food and energy items, as well as external pressures from exchange rate and global commodity price developments. (Source: Press Statement by BNM dated 20 March 2024 titled "Bank Negara Malaysia Publishes Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review for Second Half 2023")

CHAIRMAN'S STATEMENT

(CONTINUED)

In 2024, the Malaysian economy is poised for continued expansion. In addition to resilient domestic expenditure, the sustained global growth and rebound in trade activity will benefit our exports. These would lend support to Malaysia's economic growth. At the same time, inflation is also expected to remain moderate. These favourable economic conditions in 2024 provide a window for the implementation of structural reforms as announced by the Government. Pursuing these reforms, such as subsidy rationalisation, is necessary for strengthening the economy post-crisis, ultimately benefitting Malaysia in the long run. (Source: BNM Annual Report 2023)

We expect the Group's business will continue to navigate in a complex economic and geopolitical environment for FY2025. Although BNM stated that it is expected to anticipate easing in global supply conditions, the possibility of severe disruptions to supply chains remained in sight and could affect regional economies negatively. Notwithstanding the possibility of rate cuts over the course 2024/2025, consumer spending is likely to remain weak as the full impact of interest rate increase is felt. These events continue to affect our consumer-centric business. To this end, the Group will take proactive measures to enhance visitation to our physical outlets, social media channels, and online digital platforms. As part of the long-term strategic goals to drive the Group business, we are looking into investment and collaboration alignment with business partners which add value to the redevelopment and repositioning of our business. The Group will be on constant look out for opportunities that encourage win-win collaborations that align with our strategic objectives, offering significant benefits and a strong fit for the Group's industrial chain with the support of the Board's guidance. Alongside with the effort to repositioning the Group's business, we will continue to streamline operational efficiency for greater cost control, and last but not least, re-strategise our product mix and marketing plan to boost sales.

We are committed to delivering stable returns and sustainable growth for our stakeholders. Our strong balance sheet positions the Group to benefit from any upturn in trading conditions and growth that may arise from Government initiatives supporting household spending, such as Employees Provident Fund (EPF)-related measures and public sector salary adjustments. However, there are still signs of downside risks, including potential inflationary pressures brought about by subsidy rationalisation. Therefore, the Board will remain highly vigilant and nimble in taking decisive action where needed.

BOARD RENEWAL

There were some changes at the Board level during FY2024. Ms. Tan Beng Ling, who served as an Independent Non-Executive Director, retired upon the conclusion of the Company's last AGM. Mr. Chia Kuo Wui and Madam Tay Bee Koo resigned as the Company's Independent Non-Executive Director with effect from 31 December 2023 and 5 April 2024 respectively, due to personal / business commitments. As valuable members to the Board, I will personally miss their insight, experience, professionalism and wise counsel. With much appreciation, we would like to thank them for their

years of guidance and stewardship and acknowledge their contributions to the Group.

We consciously refresh the Board composition to ensure a diverse and well-balanced representation of gender, experience, skills and age. We welcome onboard Ms. Foong Yein Fun and Dato' Lee Teck Hua as our Independent Non-Executive Directors.

Ms. Foong has extensive experience in finance management and investment banking across diversified industries. Throughout her career as an investment banking adviser, she has been involved in a wide range of corporate finance advisory services and the execution of corporate exercises. Ms. Foong is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and a Chartered Accountant of the Malaysian Institute of Accountants ("MIA").

Dato' Lee has extensive years of experience in audit and finance, including statutory and special audit for acquisition and restructuring exercise in various industries. He was attached to PricewaterhouseCoopers from 1997 to 2000 in both the taxation and business assurance (audit) divisions. Currently, Dato' Lee is the Senior Partner with LTTH PLT, a Chartered Accountants firm. He is also an Audit Oversight Board registered auditor under the purview of the Securities Commission Malaysia. Dato' Lee is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of both MICPA and MIA. He is also a Certified Member of the Financial Planning Association of Malaysia.

The Board looks forward to collaborating and championing business strategies and future plans with Ms. Foong and Dato' Lee, who bring extensive experience in capital markets and audit and finance, respectively.

PROGRESSING THE SUSTAINABILITY AGENDA

I am pleased to report that our Group has continued to expand and integrate our sustainability and climate-related disclosures in our Annual Report. Detailed information, including performance data, can be found in the Sustainability Statement 2024.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my gratitude to our dedicated team members across the Group for their exceptional contributions in another challenging year. Their dedication enables us to create a sustainable business and make positive community contributions. We value and appreciate the ongoing support and confidence of our shareholders in the leadership and future direction of our business.

Thank you.

Ng Chek Yong
Chairman

20 August 2024

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR



“

We remain focus on addressing short-term challenges from economic pressures while urgently formulating strategic plans to counter the challenges ahead, backed by our solid financial position and capacity to transform and to redevelop

”

Tan Keng Kang
Group Managing Director

This MD&A contains a general background information and summary of the business and financial information of Beshom Holdings Berhad (“**BESHOM**” or “**Company**”) and its group of subsidiaries (“**BESHOM Group**” or “**Group**”) for the financial year ended 30 April 2024 (“**FY2024**”). The information provided is in a summary form and does not purport to be complete as of the date of this Annual Report. It is not intended to be and should not be relied upon as advice to shareholders or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with or without professional advice, when deciding if an investment is appropriate. The MD&A may contain forward-looking statements or opinions including statements regarding our intent, belief or current expectations with respect to BESHOM Group’s business operations, market conditions, and results of operations and

financial conditions. Those statements are usually predictive in character; or may be affected by assumptions made or unknown risks and uncertainties; or may differ materially from results ultimately achieved. Given such uncertainties, readers are cautioned and advised not to place undue reliance on forward-looking statements.

The consolidated BESHOM Group operates an integrated business model that includes Multi-Level Marketing (“**MLM**”), Wholesale, Retail business and complemented by other businesses including manufacturing and, investment and property holding. Our “**Hai-O**” branding is a household name and continues to act as our key brand ambassador as a trusted traditional health food supplier.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) BY GROUP MANAGING DIRECTOR (CONTINUED)

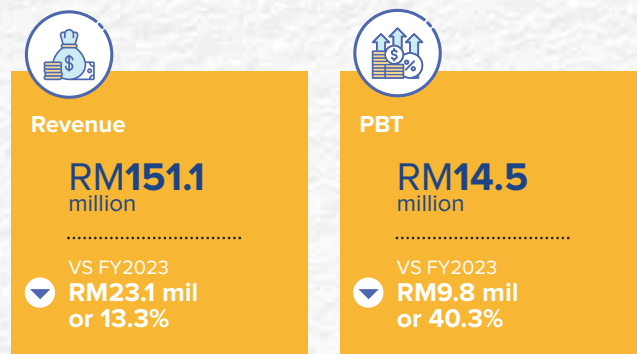


The FY2024 has been challenging for the Group as we continued to rebuild business after the world has navigated through an intense period of change over the past few years. The business environment remained volatile with economic and geopolitical headwinds. We remain focused on addressing short-term challenges from economic pressures while urgently formulating strategic plans to counter the challenges ahead, backed by our solid financial position and capacity to transform and to redevelop.

FINANCIAL PERFORMANCE REVIEW FOR FY2024

The resilience of the economy was confronted by continuing threat of inflationary pressures, geopolitical tensions and global trade disruptions. As the core business of the Group is consumer centric, we are directly affected by these inflationary pressures. High inflation affected our business on multiple fronts, which eroded consumer purchasing power, leading to reduced demand and lower sales, while also increasing our operating and production costs.

Against this economy backdrop, the Group recorded revenue of RM151.1 million (FY2023: RM174.2 million) for FY2024, which represents a decline of approximately 13.3%. We experienced a contraction in revenue for all our business segments, with the MLM segment being affected the most. The general economic conditions put pressure on household purchasing power, causing MLM members to moderate their spending, particularly on discretionary products. The Retail segment’s revenue reduced by approximately 11.0% while the sales for the Wholesale segment experienced a marginal reduction in revenue of approximately 2.3%.



The profit before taxation (“PBT”) for FY2024 reduced by RM9.8 million or approximately 40.3% to RM14.5 million (FY2023: RM24.3 million). This decline was influenced by various unfavourable factors, including the drop in revenue, the weakening of Ringgit against other currencies, escalation in product costs, high logistic costs, and the increase in advertising and promotional activities aimed at boosting sales as consumers have increasingly sought greater value in their buying decision. Even though on-going cost optimisation measures were put in place focusing on enhancing operational efficiency, the overall impact was however marginal due to high fixed overheads as compared to the drop in revenue, resulting in cost savings of RM2.0 million.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

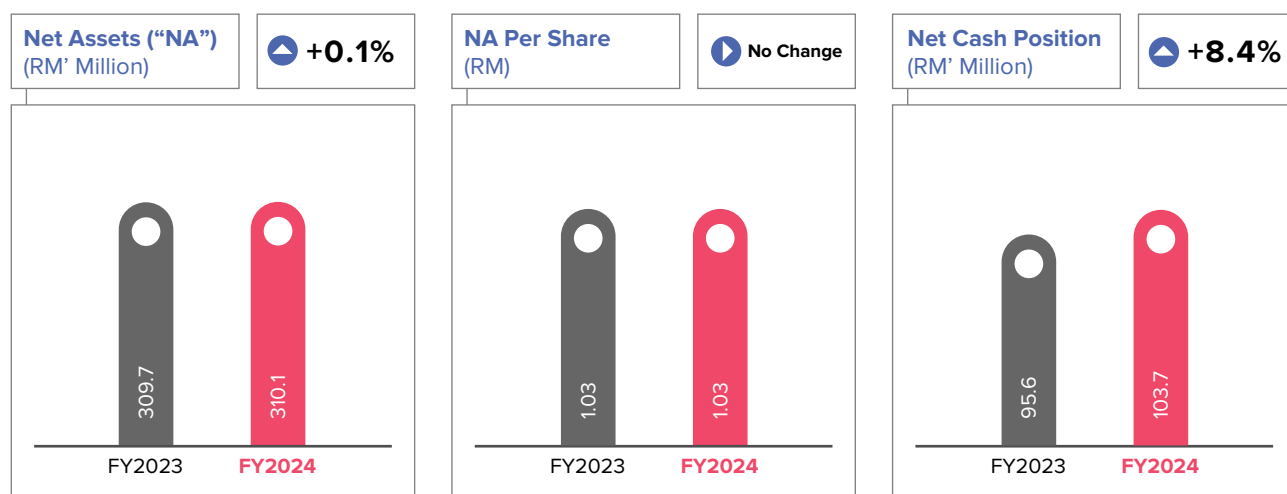
BY GROUP MANAGING DIRECTOR (CONTINUED)

BALANCE SHEET POSITION

Our approach to financial and capital management is to maintain a long-term focus to improve our earnings, assets and return on equity through different phases of economic cycles, while balancing with opportunity and sustainability.

Although the operating financial performance of the Group for FY2024 was less encouraging, the financial position of the Group remained strong as of 30 April 2024 with total equity attributable to the owners of the Company amounted to RM310.1 million (FY2023: RM309.7 million), and the net assets (“NA”) per share remained consistent at RM1.03 (FY2023: RM1.03).

Overall, the Group’s financial position is healthy, with the flexibility and capacity to consider new business opportunities.



CASH AND CAPITAL MANAGEMENT

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The Group maintains strong commercial discipline in capital investment decision and working capital management, with an emphasis on investments that will create value for shareholders over time. Recognising the Company’s commitment to provide sustainable returns to the shareholders, the Board of Directors (“**Board**”) distributed more than 80% of the profits earned for FY2024 in the form of cash dividends, which resulted in the NA per share maintained stable at RM1.03 for FY2024.

With sufficient cash reserves and being debt free, the Group is strategically poised to capitalise on any potential opportunities and leverage on any improvements in the trading landscape. The Group operates sustainably, with a net cash position of RM103.7 million as at 30 April 2024 (FY2023: RM95.6 million), comprising financial assets, cash and cash equivalents. The Group endeavours to maintain balance sheet strength and flexibility to take advantage of opportunities that may arise.



Celebrating SHOM 31st anniversary.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)

REVIEW OF OPERATIONS



MULTI-LEVEL MARKETING SEGMENT

The Group’s MLM segment operates under Sahajidah Hai-O Marketing Sdn. Bhd. (“**SHOM**”). SHOM is principally operating in multi-level direct marketing of nutritional food & beverage, wellness, skincare, beauty & cosmetic, personal care and household products. The MLM segment operates through 29 physical locations, including MLM branches, stockists and sales points across Peninsular and East Malaysia, as well as 1 branch in Brunei, complemented by our SHOM digital platform.

Recovery in the MLM segment post COVID-19 has been more challenging than expected. Spending by MLM members continues to adjust due to a volatile monetary regime and inflationary pressures. While MLM members are cutting back spending on discretionary products, they are increasingly looking for products that offer value to mitigate the impact on the shrinkage in purchasing power. In addition, the volatility in foreign exchange rates and rising production, packaging and logistic costs, further compressed the operating margins of the MLM segment.



Segment Revenue

RM52.0
million

VS FY2023
RM18.7 mil
or 26.4%



Segment PBT

RM1.5
million

VS FY2023
RM5.9 mil
or 79.7%

Representing

34.4 %
of Group’s revenue

10.3 %
of Group’s PBT

As a result, the revenue of MLM segment declined by approximately 26.4%, from RM70.7 million in FY2023 to RM52.0 million in FY2024, and recorded a PBT of RM1.5 million (FY2023: RM7.4 million), which represents a drop of approximately 79.7%. The MLM segment’s performance was largely attributed to poor response to the overseas incentive trip by distributors, lower sales margins due to aggressive promotions to clear slow-moving stocks and higher rebates were offered members to promote sales.

For FY2024, despite facing a challenging operating environment, the MLM segment continued to focus on its 3 business pillars, i.e. People, Promotion and Products and at the same time continued with its cost discipline and resource optimisation measures.

Amplifying Strategies for Businesses

In FY2024, retaining members and promoting purchases to members were especially challenging due to rising competitions in the MLM industry, where some market players were offering more attractive incentives and recruitment promotions. While we recognise that increasing incentives might boost member retention in the short term, such a strategy would ultimately compromise business margins and may not be sustainable in the long run. Instead of relying solely on incentives and promotions, the MLM segment focused on equipping our members with training and selling channels to strengthen the sales force.

For FY2024, we introduced a new collaborative program aimed at fostering engagement and idea exchange among distributors. Some of these programs were linked to specific products, such as the Thera series and Nurich Puri-C, to facilitate knowledge and experience sharing among distributors. Additionally, we also include soft skill elements in the collaborative program, such as leadership and motivational topics, to support the personal development of young distributors.



An interactive session with the 360 Thera Body Shaping Consultant.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)



The business incentive trip to Guangzhou provided distributors an exclusive experience to visit the Thera Factory and Aesthetic Gallery.

During FY2024, we maintained the tradition of recognising outstanding members at our mega events, such as the Diamond Convention Mega Event and 31st Anniversary Program. In addition, incentive trip was offered to members who qualified with achievement of sales targets to Guang Zhou, China.

In the past, we used to carry out leisure and holiday incentive trips for members and distributors. However, for the financial year under review, we focused on educational / business incentive trip. The trip was not only to reward members for their hard work but also provided opportunities to distributors to enhance their product knowledge. The Thera Business Trip to Guangzhou provided distributors an exclusive experience to visit the factory that manufactures the Thera series of products and the Thera Aesthetic Gallery. During the educational incentive trip campaign, we also took the opportunity to launch a new line of functional and seamless body shaping lingerie which caters for everyday wear, i.e., the Thera Seamless Short Bra, Thera Effy Luxefit Short Bra, Thera Seamless Panty and Thera Wonder Short Girdle, leveraging the established Thera brand name.

On the digital front, we have supported members and distributors in various ways, including providing marketing and content tools such as short videos on YouTube, Reels and TikTok. During the year under review, the MLM segment created a total of 74 short video contents to promote selected products. These videos were uploaded on YouTube, Facebook and Telegram that attracted more than 240,000 views. In addition, we integrated e-SHOM, our exclusive digital marketplace for

MLM segment, with TikTok to run limited-time promotions for selected products to create demand tension. Signature product such as the Thera series, we enhanced the landing page to increase visibility and with the objective to convert buying potentials into sales or sale leads.

Apart from digital content, our conventional advertising and promotional activities included collaborations with media outfits for brand awareness of Min Kaffe and MinCha at the Jom Heboh Carnival and on Suria FM. The newly launched Min Kaffe Mocha also participated in a movie event where members were offered “Musang King” movie tickets with the purchase of a certain quantity of Min Kaffe Mocha.



In addition, 29 sessions of the Min Kaffe and MinCha On-the-Go Tasting Tours were conducted Nationwide from September to December 2023.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)
 BY GROUP MANAGING DIRECTOR (CONTINUED)

To ensure promotions are more targeted, we have reduced the number of flash sales and focused on promotions for seasonal, thematic and limited-edition products. This approach proved to be more effective given the cautious spending pattern of consumers at large. Additionally, our suppliers supported us with in-kind sponsorship of products, which were used as samples and free gifts distributed to members during events.



The rent-to-own business model was officially rolled out in January 2024, and we are currently working on creating awareness of this program. We shall assess the effectiveness of the rent-to-own model in the coming financial year.

Members Recruitment and Retention

Acknowledging that our membership force is the backbone of the business, we continued to invest resources in member recruitment. For FY2024, we implemented new member recruitment campaigns with special offers to drive both membership growth and retention. New members could join our sales force with a low administrative fee of RM10, which included a purchase entitlement for product with pricing as low as RM1, along with free samples with purchases. This attractive new member program enabled us to recruit approximately 10,000 new members during the year and maintained the total distributor force at approximately 43,000 members as of end of FY2024.



Meanwhile, we offered more consignment stock to stockists that operate e-commerce as part of our retention efforts, which would ease the financial burden of them carrying the stocks themselves. Our member recruitment and retention programs were comprehensive and geographically inclusive, featuring a series of events organised nationwide for branches and outlets, such as Majlis Hari Raya, Make Up & Facial classes, and Min Kaffe / MinCha tasting tours.



The distributors conducted various session of trainings & workshops.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)

Products

Members remained cautious with their spending, particularly on non-essential goods in general. To sustain buying interest, we focused on rolling out fast consumable products at competitive pricing which are primarily essential goods. Accordingly, we introduced three (3) new stock-keeping units under the food and beverage category, i.e. Min Kaffe Mocha, Min Kaffe Cappuccino and MinCha Enhanced. Under the Thera series, we launched daily essential products which comprise of the functional and seamless body lingerie for everyday wear. For supplements, we introduced a new nutritional supplement, the Nurich Nutra-I. Additionally, under the lifestyle product category, we launched the Marine Essence Hair Conditioner with an enhanced formula featuring and new packaging.



Cost Management and Resource Optimisation

In addition to various initiatives to drive revenue, the MLM segment has also taken the lead in cost management. We have implemented several cost savings disciplines, including enhancement on inventory control, to promote maintaining an efficient stock level while keeping warehousing costs at an optimal level. On the administrative front, we reviewed and optimised resources to eliminate non-essential administrative and personnel expenses.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)



WHOLESALE SEGMENT

The Wholesale segment focuses on wholesaling and trading in Chinese medicated tonic and cooking wine, healthcare and nutrition products, general and value herbs, tea and others. The Wholesale segment had a strong performance in FY2023, and continued to be the Group’s best performing business segment in FY2024. The revenue for the Wholesale segment decreased marginally by approximately 2.3% to RM58.3 million (FY2023: RM59.7 million), while PBT for FY2024 is RM8.5 million (FY2023: RM10.7 million) a reduction of RM2.2 million from the last financial year.

The revenue achieved by the Wholesale segment for FY2024 was largely impacted by the sales of Chinese medicated tonic and vintage tea. While the sales of vintage tea has improved in FY2024, its contribution was offset by a decrease in sales of Chinese medicated tonic in FY2024. Sales of Chinese medicated tonic was relatively better in FY2023 as consumers purchased more before the price adjustment in the previous financial year. Despite the marginal decrease in revenue, the PBT of the Wholesale segment suffered a higher impact from unfavourable import and logistics costs, as well as the depreciation of Ringgit against other currencies.



Segment Revenue

RM58.3
million

VS FY2023
RM1.4 mil
or 2.3%



Segment PBT

RM8.5
million

VS FY2023
RM2.2 mil
or 20.6%

Representing

38.6 %
of Group’s revenue

58.6 %
of Group’s PBT

Collaborative Marketing and Brand Building

Expected to face a challenging financial year, the Wholesale segment implemented several strategic plans to avert a material decline in revenue. Marketing and promotional activities were ongoing throughout FY2024, at the same time we targeted to manage cost in a more efficient way. Our strategy involved leveraging long-term relationships with business partners to conduct joint promotions and marketing activities. An example of such efforts was promoting product branding and visibility at the outlets and premises of Chinese medical halls, which are our long-term customers, using outdoor billboard display and indoor banners at highly visible spots. Other promotion activities included “gift with purchase” (GWP) offers for selected products in high footfall stores of our business partners, such as AEON in Mid Valley, Shah Alam, and One Utama, Sunshine Mall and at various locations. We also continued to participate in events, roadshows and exhibitions organised by business partners or product owners. Notable events included Jom Heboh in Shah Alam, Penang and Johor Bahru for Vinut line of products, the Malaysia Health & Wellness Fair at Mid Valley Exhibition Centre, Mid Valley Southkey, the 3rd Chinese and Malaysia Cooking Awards function and the 2nd Traditional Wear function dinner. We also participated in COEX Food Week in Incheon, Korea.



On top of the above, we organised several events to sustain branding awareness, such as the “2024 A Night with Golden Bell Wu Chia Pi” held at the Genting International Convention Centre. During the event, we awarded the Top 10 outstanding wholesalers for their commitment and contributions, recognising the year for achieving a total sales of approximately RM5.5 million for Wu Chia Pi Chiew. We also hosted various wine and dine events to promote our range of products, including Japanese Whisky Night for the Kurayoshi series, Wine Tasting Soiree under the Domaine Sauvete series and Japanese Whisky Night under the Mitsui series.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)



Reward Wholesale customers with an incentive trip to China for achieving their sales targets.

In addition, online marketing platforms were actively deployed to promote our products throughout the financial year, with regular postings on Facebook, Instagram, YouTube and our official website <https://mall.hai-o.com.my>. On average, we uploaded more than seven posts per week to increase brand and product awareness. Special promotions with festive themes were bundled with social media postings to increase customer engagement, e.g. Mother’s Day Giveaway, 11.11 Giveaway, Hai-O 49th Anniversary Celebration and Chinese New Year Lucky Draws and many other online promotions. To enhance interactive connection with customers, social media influencers or Key Opinion Leaders (KOLs) were engaged to promote our products. During the FY2024, the Vinut line of products which is an on-the-go ready-to-consume bird nest health beverage, was actively promoted through KOLs, targeting young consumers with an active and on-the-go lifestyle.

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Product Strategy & Sustainability

In FY2024, there was no major progress in respect of product development due to unpredictable market conditions and the pricing of the products continued to be affected by high shipping costs. We experienced an increase in shipping cost for some of the products imported from China. We expect the shipping costs will continue to escalate until geopolitical tension subside. As our margins for some of the products were severely affected arising from the increase in logistics costs, we have two price adjustments for the medicated tonic, cooking wine and some food products during FY2024. To mitigate cost escalation risk, we explored promoting substitute products or sub-line products to sustain the sales of similar products under the same category.

To complement the sustainability of buying interest, we continued to implement rebranding and repackaging strategy to refresh the product image. The rebranding campaigns carried out throughout the year for selected products include Lingzhi Chiew, Yang Seng Chiew, Wincarnis, Hua Diao and Osami Umeshu Plum Wine.



In terms of cost optimization initiatives, the Wholesale segment had also played its part and implemented an enhanced warehousing system that improved logistics management, which reduces processing time and minimise stock variances. Our SAP ordering portal was fully integrated and went live during the year. With increased technology adoption in our administrative functions, many processes have become paperless, including approval process, minutes keeping, and hardcopy bookkeeping for invoices and sale orders.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) BY GROUP MANAGING DIRECTOR (CONTINUED)



RETAIL SEGMENT

The Retail segment is one of the Group’s core businesses. The main subsidiary operating in the Retail business is Hai-O Raya Bhd. As at the date of this Annual Report, the Retail segment has 54 retail chain stores and franchises primarily located in the Klang Valley, with a foothold in all major states in Malaysia.

The Retail segment has faced persistent challenges due to evolving consumer buying behaviour over the past few years, and posted a revenue of RM34.7 million (FY2023: RM39.0 million) and a PBT of RM0.5 million (FY2023: RM2.8 million) for FY2024. Despite the removal of COVID-19 restrictions, footfall to retail outlets has not improved significantly, as the public is generally feeling the impact of high interest rate and is avoiding spending on premium health supplement products. Contributions from house brand products, including Honbo Green Propolis – Brazil and Hai-O Cordyceps Capsules, declined by approximately 15% as consumers reduced consumption of these products with the normalcy post COVID-19. While supplements are vital for general health, there has been a noticeable shift in consumer spending towards essential goods and services.



Segment Revenue

RM34.7
million

VS FY2023
▼ **RM4.3 mil**
or 11.0%



Segment PBT

RM0.5
million

VS FY2023
▼ **RM2.3 mil**
or 82.1%

Representing

23.0 %
of Group’s revenue

3.5 %
of Group’s PBT



The newly refurbished Retail outlet at 1 Utama, Kuala Lumpur.

The Retail segment’s topline revenue was affected by weak consumer spending. However, profitability of the segment was nonetheless mainly affected by high operating cost, comprising rental for retail outlets, utilities and staff costs.

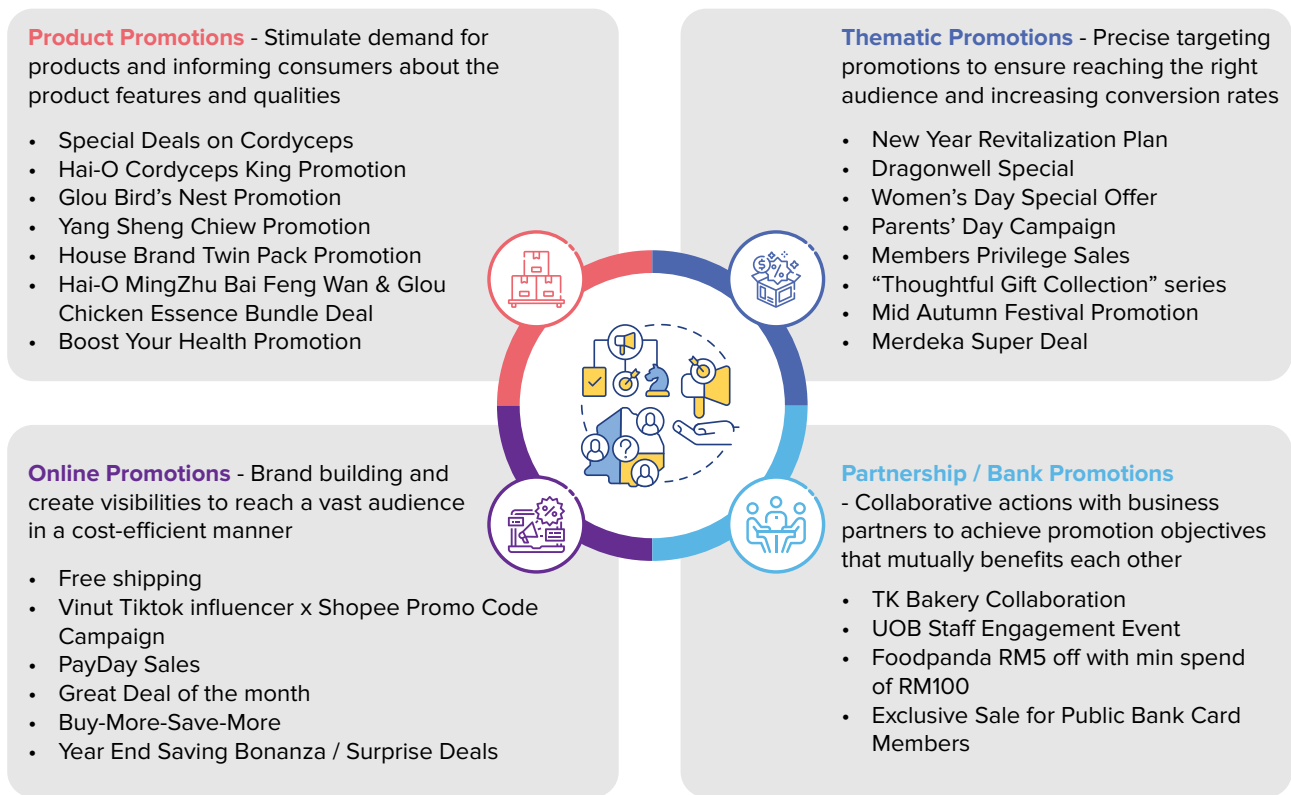
For FY2024, the Retail segment focused on creating more attractive promotions for customers to visit and spend time in our retail outlets. Recognising the financial pressures many Malaysians are experiencing, we have continued to introduce value-focused products to support our customers to save on everyday expenses without compromising their well-being. Hence, product promotions were implemented throughout the financial year to drive sales.



Health checks & engagement activities to reach out to our customers.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)



We continuously enhance our e-commerce platforms to meet the on-going needs of our customers. The prevalence of online purchasing has remained a key priority for the Retail segment, prompting ongoing investment in our digital infrastructure and social media presence. Various online promotions have positioned us in good stead to withstand current challenges affecting discretionary retail. For FY2024, sales from e-commerce platforms increased by approximately 17.6% to RM1.2 million. Apart from our Hai-O eStore, collaborations with online marketplaces such as Lazada and Shopee have also contributed to a steady increase in online sales.



MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)



OTHER OPERATING ACTIVITIES

Our Group’s other operating activities include investment in properties which derive revenue from rental income and the manufacturing of traditional Chinese medicines and food supplements. The Group registered higher PBT of RM4.0 million, an increase of approximately 17.6% mainly attributed to cost optimisation measures carried out which resulted in lower operating costs coupled with a gain in disposal of investment properties amounting to RM0.3 million, despite manufacturing division operated at a loss of RM1.1 million due to lower demand from MLM and Retail segments.



Segment Revenue

RM6.1 million

VS FY2023
RM1.3 mil or 27.1%



Segment PBT

RM4.0 million

VS FY2023
RM0.6 mil or 17.6%

Representing

4.0 % of Group’s revenue

27.6 % of Group’s PBT

ASSESSING THE NEXT FINANCIAL YEAR

The global economy continues to expand amid resilient labour markets and continued recovery in global trade. Looking ahead, global growth is expected to be sustained, as headwinds from tight monetary policy and reduced fiscal support will be cushioned by positive labour market conditions and moderating inflation. Global trade continues to strengthen as the global tech upcycle gains momentum. Global headline and core inflation continued to edge downwards in recent months with some central banks commencing monetary policy easing. The growth outlook remains subject to downside risks, mainly from further escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets.

For the Malaysian economy, the latest indicators point towards sustained strength in economic activity in the second quarter of 2024, driven by resilient domestic expenditure and better export performance. Going forward, exports are expected to be further lifted by the global tech upcycle given Malaysia’s position in the semiconductor supply chain, as well as continued strength in non-electrical and electronics goods. Tourist arrivals and spending are also poised to rise further. Continued employment and wage growth, as well as policy measures, will continue to support household spending.

(Source: Monetary Policy Statement by BNM dated 11 July 2024)

The favourable economic conditions in 2024 provide a window for the implementation of structural reforms as announced by the Government. Pursuing these reforms, such as subsidy rationalisation, is necessary for strengthening the economy post-crisis, ultimately benefitting Malaysia in the long run. As the domestic policies related to subsidies and price controls undergo review and potential adjustments, they would affect the inflation path going forward.

Beyond domestic policies, there could also be global headwinds and emerging challenges that may pose risks to Malaysia’s economic outlook.

(Source: Bank Negara Malaysia Annual Report 2023)

Going forward, the upside risk to inflation would be dependent on the extent of spillover effects of further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. For the year as a whole, headline and core inflation are expected to average within the earlier projected ranges of 2.0% - 3.5% and 2.0% - 3.0% respectively.

BNM will continue to manage risks arising from heightened financial market volatility. Over the medium term, domestic structural reforms will provide more enduring support to the ringgit.

(Source: Monetary Policy Statement by BNM dated 11 July 2024)

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (CONTINUED)

Uncertainties surrounding the inflation rate in the United States and China's growth will continue to linger, while geopolitical tensions and political transitions could result in another bumpy year globally. The operating landscape is characterised by a range of conflicting forces. Although economic activity and inflationary pressure have broadly moderated domestically in the immediate term, a range of economic outcomes remain possible with the implementation of structural reforms by the Malaysian Government.

For the coming financial year, the retail sector is expected to face challenges due to the increase in the sales and service tax (SST) to 8%, weak consumer spending, elevated inflation, and fuel subsidy rationalisation. However, these challenges may be partially offset by anticipated pay rise for civil servants and the return of international tourists. In the post-COVID-19 world, significant transformations in economic activity, demographics, and lifestyles are underway, alongside with other changes in reshaping the retail landscape, and impacting the demand and supply dynamics. With the rise of "longevity economy", driven by ageing populations and longer-life expectancies, we continue to believe there are opportunities in the space where we operate, given the increase in demand for health and wellness-related products. Nonetheless, competition in this sector remains intense and crowded.

We are learning from our past experiences and are committed to strengthening our organisational capacity for continuous improvement and to fundamentally realign our business strategies and operations to ensure long-term sustainability.

As we progress into the financial year ending 2025 (“FY2025”), transformational strategic measures are at the forefront of our priority. More immediately, in FY2025, management will focus on enhancing members recruitment and retention programs for the MLM segment to strengthen the distributors base and will continuously refine strategies and promotion campaigns from time to time to improve and drive business momentum. We began exploring international expansion initiatives in FY2024 and will continue to take effort to expand the Group's presence beyond the local market. To support members spending, we have put in place flexi-payment plan or “buy now pay later” system to cater for the needs and demand of the market. We have recently sealed an agreement with Atome for this initiative and will continue to explore more payment alternatives to provide payment flexibilities for consumers.

On the Retail front, subscription model as an alternative retailing channel is being introduced. Subscription models are increasingly prevalent across industries. To nurture recurring spending by consumers and harness products loyalty, we plan to roll out subscription program for products which are regularly consumed by customers such as ready-to-drink bird nest, cordyceps capsules and Bai Feng Wan. This model benefit both our Company and customers, providing convenience for automatically repurchasing and ensuring recurring revenue for the business. Through subscription model, personalisation may enhance standard of engagement between the customers and us, as subscription plan may tailor to the customer's individual needs.

Our conservative balance sheet underpins our business sustainability, which provides flexibility to navigate uncertainty and support our stakeholders while delivering sustainable returns. We will continue to invest in our business and execute on our strategy to generate returns to our stakeholders. To reinforce our capability to transform and redevelop, we plan to partner with dynamic startup companies that possess retail technology innovations and technical talent to enhance the Group's market positioning and strengthen our digital support. Through the partnership collaborations, we expect to expand our markets, enhance our brand image, and maintain our competitive edge in a rapidly changing market environment.

APPRECIATION

In closing, on behalf of the Board, I would like to acknowledge all members of the BESHOM Group team for their commitment to serving our customers throughout FY2024 and their loyalty. I would also like to extend my gratitude to my fellow Board members for their wise counsel and insights over the course of FY2024 against a backdrop of significant uncertainty.

To our customers, suppliers and authorities, we humbly thank you for your continued trust and support. Lastly, we appreciate our shareholders for your confidence in the future direction of our business.

Tan Keng Kang
Group Managing Director

20 August 2024



SUSTAINABILITY SUMMARY REPORT

At BESHOM Group, we aim to create sustainable value for our stakeholders, including shareholders and investors, our employees, our customers and consumers, our supply chain partners and business associates, and not forgetting the society, communities within the reach of our operations and products, as well as the natural environment.

Sustainability considerations encompassing economic, environmental, social, and governance aspects, are paramount to the Group in how the Group drives its value creation in the short-, medium-, and long-term as we believe that sustainable value is generated by striking a good balance among the generation and consumption of financial and non-financial capitals within our business model. Some values are fundamentally important and cannot be measured in financial terms, such as fundamental human rights and the conditions of the natural environment which may be highly irreversible if damaged.

As a responsible corporate citizen, the BESHOM Group incorporates these considerations in how we do business, towards ensuring the sustainability of our business, the environment, and the society. These aspiration of ours are embedded in our Group Mission, Vision, and Corporate Values, and further supported by the Group's Sustainability Policy.

Recognising the urgent need to address climate-related impacts on the business, as well as to play our part in combating climate change for the future of our younger generations, the Group has undertaken initiatives to promote awareness among employees and to build climate resilience for the business. This year, we organised meetings/training sessions for internal management personnel to identify potential climate-related risks and opportunities for the Group and to prepare the Group for future climate-related financial disclosures in alignment with the Recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD").

The Board has also incorporated the Group's Sustainability Policy to reflect the need to address climate-related risks in our business.



MISSION

We are committed to promoting healthcare culture and improving human's well-being.



VISION

We aim to become the premier healthcare company in Malaysia, thereby bringing the greatest value and pride to our customers, business partners, employees and shareholders.

By embracing business opportunities and managing risks, cherishing our people and executing our social and environmental responsibilities to deliver sustainable stakeholder value, we strive to build a strong and resilient business.



We are committed to delivering our **CORPORATE VALUES**



Social Responsibility



Excellent Services



Attitude



Growing



Unity



Loyalty








Learning

These values are also encompassed in our Sustainability Policy which sets out the Group's focus in managing our businesses sustainably and responsibly. Our operations and processes are developed incorporating practices from compliance standards to better international practices relating to environmental, social, and governance aspects.

SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

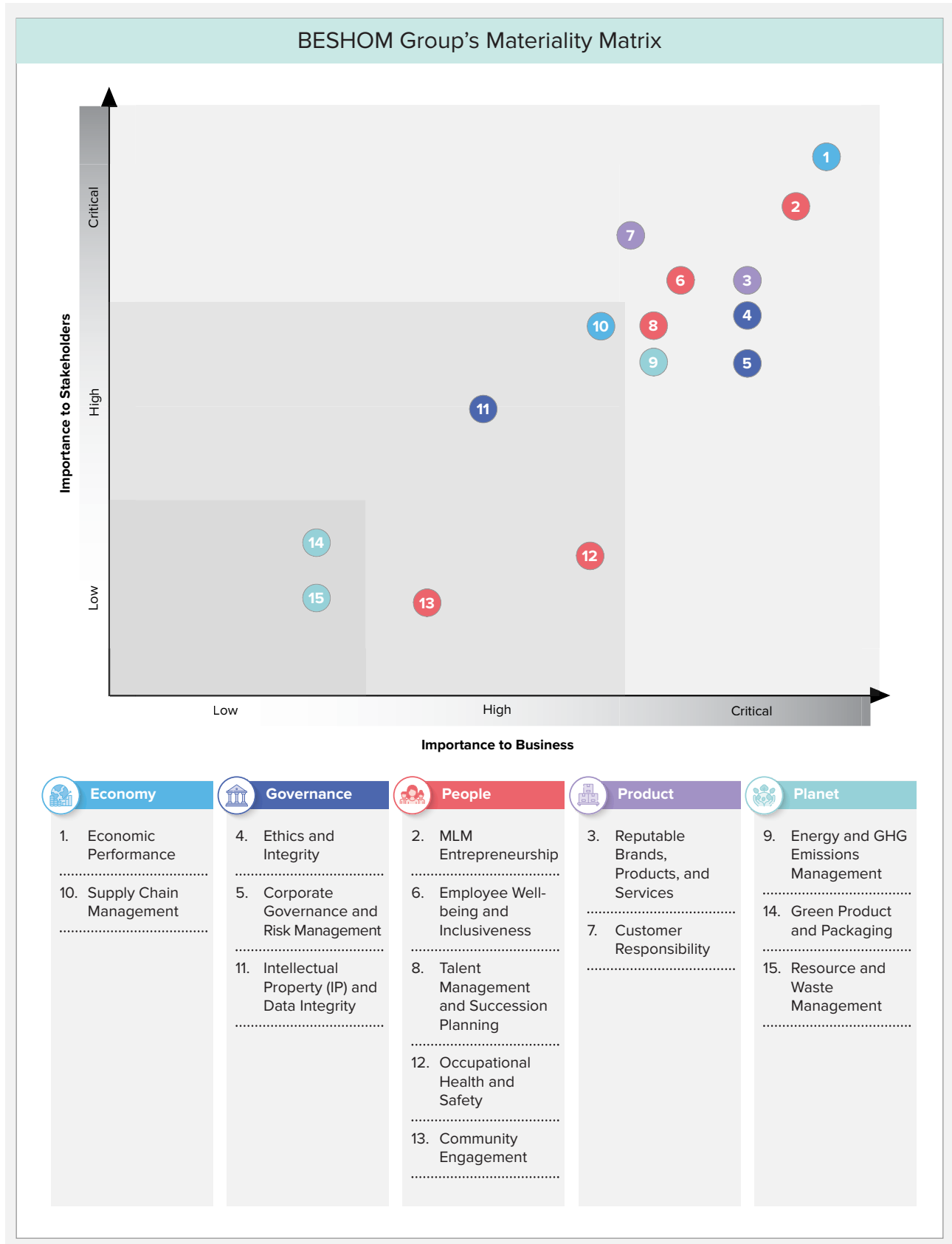
BESHOM's Board had set out a Sustainability Policy that serves as a guidance for the Group in managing and addressing sustainability issues.

BESHOM's Sustainability Policy				
Economy	Governance	People	Product	Planet
<p>We shall create business and employment opportunities, recruit local talent, embed sustainability in our procurement practices and throughout our value chain, provide a skill development and business collaboration platform for distributors, and instil the "Hai-O My Choice for Life" team spirit.</p>	<p>We shall prioritise compliance throughout our value chain, adhere to laws, regulations and internal conduct and policies, manage material sustainability matters, and embed integrity and transparency into our corporate culture.</p>	<p>For our employees, we shall ensure a safe and conducive workplace, provide fair remuneration, foster talent development and performance management system, provide regular training and development programmes, encourage employees' involvement in Kelab Muhibbah Hai-O and provide recognition for high-performing and loyal employees, teams, and franchisees.</p> <p>For the community, we shall strive to bring a positive impact, encourage quality education, support vulnerable communities, and continuously spread health awareness and community harmony.</p>	<p>We shall promote products that improve community well-being, provide high-quality and safe products and services, apply, and maintain standards and certifications, improve customers'/ distributors' satisfaction, and establish sustainable and transparent lines of communication between BESHOM and our customers.</p>	<p>We shall educate the practice of 4R (Reduce, Reuse, Recycle, Replace), reduce and replace less environmentally friendly materials in product packaging, promote green initiatives, and introduce products that contain eco-friendly ingredients that are less harmful to the environment as well as human health.</p> <p>We also acknowledge our roles in the global, joint efforts towards combating climate change and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. We shall take necessary efforts to account for and report our greenhouse gas ("GHG") emissions and to formulate appropriate strategies to mitigate our GHG impacts.</p>
SDGs reference				
				

SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

We conducted a review of the Group’s Material Sustainability Matters (“MSMs”) during FY2024 and concluded that the MSMs and their materiality remained unchanged. The Group’s latest materiality matrix is presented as follows.



SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

Key Sustainability Focus Areas	Material Sustainability Matters	Materiality Ranking	Description
 Economy	Economic Performance	1	Good economic growth will enable BESHOM to have adequate capital to maintain its licence to operate, comply with new regulations and standards as well as prepare for potential risks and changes in the future.
	Supply Chain Management	10	We aim to build long-term, mutually beneficial relationships with all third parties along our value chain. A good supply chain management supports operational efficiency, cost optimisation, risk management, and also strengthens our commercial positioning.
 Governance	Corporate Governance and Risk Management	5	BESHOM focuses on establishing a sound governance structure to maintain a fair and orderly market, a high level of investor confidence and to manage risks.
	Ethics and Integrity	4	Ethics, bribery, and corruption risk has been identified as one of the principal risks that could threaten our strategy, performance, and reputation. Building trust can only be achieved through an ethical approach and we place significant emphasis on adopting the right behaviours.
	Intellectual Property (IP) and Data Integrity	11	Data integrity and intellectual property, including data privacy and cybersecurity, are increasingly important to maintain the relevance of the Group's businesses and safeguard the interests of stakeholders.
 People	MLM Entrepreneurship	2	We continuously invest in our Multi-Level Marketing business, which is one of our main economic contributors, to create job opportunities and a platform for entrepreneurship excellence.
	Employee Well-being and Inclusiveness	6	We nurture employees by providing fair remuneration and comprehensive benefits packages to assure job security for employees who are vital to BESHOM. We also embrace diversity and inclusiveness and do not discriminate in our employment practices.
	Talent Management and Succession Planning	8	<p>BESHOM's employment focuses on attracting and retaining the right talents to support the Group's long-term human capital sustainability. We make persistent efforts to equip employees with the right skills to keep them abreast of the latest knowledge and techniques, and training programmes are aimed at enhancing the skills, capabilities, and knowledge required for decision-making and creative thinking.</p> <p>It is paramount that we develop successors and identify next-in-lines to ensure a smooth transition in our operational structure. We oversee and follow up on the competency development of employees from their first day at work to help them in their career development.</p>




SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

Relevant Stakeholder Groups	Relevant GRI Disclosures	Relevant SDGs
<ul style="list-style-type: none"> Shareholders and Investors Employees Local Communities 	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Procurement Practices 	
<ul style="list-style-type: none"> Vendors and Suppliers 	<ul style="list-style-type: none"> Child Labour Forced or Compulsory Labour 	 
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees 	Non-GRI Disclosure	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Shareholders and Investors Employees Vendors and Suppliers Distributors 	<ul style="list-style-type: none"> Anti-corruption Non-discrimination Freedom of Association and Collective Bargaining Child Labour Forced or Compulsory Labour Public Policy 	
<ul style="list-style-type: none"> Customers Distributors Vendors & Suppliers Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Customer Privacy 	
<ul style="list-style-type: none"> Distributors 	Non-GRI Disclosure	 
<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Market Presence Employment Occupational Health and Safety Diversity and Equal Opportunity 	 
<ul style="list-style-type: none"> Employees Shareholders and Investors 	<ul style="list-style-type: none"> Training and Education 	  

SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

Key Sustainability Focus Areas	Material Sustainability Matters	Materiality Ranking	Description
 People	Occupational Health and Safety	12	We operate in accordance with the principles of occupational health and workplace safety to ensure a suitable and sustainable workplace environment.
	Community Engagement	13	BESHOM focuses on supporting and promoting the development of communities as a way to demonstrate social responsibility and create engagement with the community and wider society to achieve sustainable advancement.
 Product	Reputable Brands, Products, and Services	3	<p>BESHOM takes pride in its good branding and marketing strategies. We strengthen our corporate brand image by focusing on creative ideas that will build brand awareness while meeting customers' needs. We strive to contribute to a healthier community with innovative and safe products which our customers can trust and rely on. We listen to the individuals who use our products to better understand how they interact with our products and to identify how we can improve our products and services.</p> <p>Our commitment to "promoting healthcare culture and improving human's well-being" entails the provision of safe and quality products. Our healthcare products that improve consumers' well-being are safe and of the highest quality and comply with the statutory requirements and relevant standards. Our products are certified and are regularly audited by external experts, regulatory authorities, and external consultants. Furthermore, we consistently stay proactive to ensure that our manufacturing processes are undertaken in a safe and efficient manner.</p>
	Customer Responsibility	7	BESHOM aims to produce our products with sustainable raw ingredients and environmental packaging to reduce the negative impact towards our customers and the planet. We also ensure our products are advertising and marketing responsibility as the health and safety of our consumers is our main focus.
 Planet	Green Product and Packaging	14	BESHOM works towards offering green products by avoiding harmful materials, sourcing raw materials with lower environmental impact and utilising sustainable packaging materials.
	Energy and GHG Emissions Management	9	BESHOM strives to use resources and energy in an efficient and environmentally friendly manner to help alleviate global climate change. We strive to manage GHG emissions through emission reduction initiatives and pursuing emission-efficient operations.
	Resource and Waste Management	15	We aim to reduce waste across the Group while also stepping up efforts to reuse and recycle.






SUSTAINABILITY SUMMARY REPORT
(CONTINUED)

Relevant Stakeholder Groups	Relevant GRI Disclosures	Relevant SDGs
<ul style="list-style-type: none"> Employees Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Occupational Health and Safety 	
<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Indirect Economic Impacts 	 
<ul style="list-style-type: none"> Shareholders and Investors Media Customers Distributors Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Customer Health and Safety 	  
<ul style="list-style-type: none"> Customers Certification, Standards, and Regulatory Bodies Distributors 	<ul style="list-style-type: none"> Marketing and Labelling 	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Customers 	Non-GRI Disclosure	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees 	<ul style="list-style-type: none"> Energy Emissions 	  
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees Vendors and Suppliers 	<ul style="list-style-type: none"> Water and Effluents Waste 	

SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

The Group's FY2024 key sustainability performance, reported in the context of the 5 Key Sustainability Focus Areas of BESHOM's sustainability policy, namely **Economy, Governance, People, Product, and Planet**, is summarised as follows.

 <p>Our Economy</p>	<p>Profit Before Tax RM14.5 million</p> <hr/> <p>Ratio of average entry-level non-executive wage to minimum wage¹ 1.3 : 1 (East Malaysia) 1.4 : 1 (West Malaysia)</p>	<p>Total Revenue RM151.1 million</p> <hr/> <p>Internship Programme for 8 students</p>	<p>Total Assets RM349.7 million</p> <hr/> <p>Gender Wage Parity Index of 1 : 0.94 (male-to-female)</p>	<p>51% local trade procurement</p> <hr/> <p>Supplier / Business Associates environmental and social impact assessment</p>
 <p>Our Governance</p>	<p>Anti-Bribery Policy</p> <hr/> <p>2 GMP-certified TCM Manufacturing Plants</p>	<p>Code of Business Ethics for Suppliers and Business Associates</p> <hr/> <p>ISO 9001:2015-certified MLM and Manufacturing</p>	<p>SHOM's Business Handbook is made available in English, Bahasa Malaysia, and Chinese</p> <hr/> <p>No breaches relating to customer data or privacy</p>	
 <p>Our People</p>	<p>472 employees</p> <hr/> <p>36% male 64% female Employee diversity</p>	<p>42,700 MLM Distributors</p> <hr/> <p>25 training hours per employee</p>	<p>100% of product complaints resolved</p> <hr/> <p>Community engagement activities Ai Hua Jiao Fund Raising Campaign, Higher Educational Aid, Excellent Academic Awards</p>	<p>2 cases work-related injuries</p>
 <p>Our Product</p>	<p>Guidelines to govern responsible marketing</p>	<p>Compliant: MAL, NOT, Food Label, KKLIU</p>	<p>0 cases of product recall</p>	<p>>150 products with HALAL certifications</p>
 <p>Our Planet</p>	<p>6.01 kWh/ ft² Total electricity usage intensity (per square foot)²</p> <hr/> <p>Electronic communication with stakeholders</p>	<p>Solar Panel Project generated 852,500 kWh of renewable energy</p>	<p>Efforts to reduce packaging and use of paper and plastic materials</p> <hr/> <p>19,845 reams savings of A4 80-gram paper from paperless efforts</p>	

¹ The minimum wage of RM1,500 was used.











² Covering the Group 4 main buildings at Wisma Hai-O, Lot 1388 (A) and (B), Wawasan Hai-O and Menara Hai-O.

SUSTAINABILITY SUMMARY REPORT

(CONTINUED)








The Board is pleased to report that the Group has achieved 12 out of 16 KPIs for FY2024 that were established to measure the Group’s performance across the aspects of Socioeconomic, Governance, and Environmental.

The Group’s performance against the FY2024 Sustainability KPIs, along with the updated sustainability KPIs set for FY2025 are summarised as follows.

Sustainability category	FY2024 Target	Relevant SDGs	FY2024 Performance	FY2025 Target
Socioeconomic	at least 15% of sales amount made via e-commerce platform (MLM & Retail segments)	n/a	13%	at least 15% of the sales from MLM and Retail segments made via e-commerce platform
	facilitate at least 2 cross-over projects with business alliances to cater for market needs and synergy reach	n/a	7 cross-over projects/ events	facilitate at least 5 cross-over projects with business alliances to cater for market needs and synergy reach
	zero incidents of product recall		Zero incidents of product recall recorded	zero incidents of product recall
	at least 75% of employees meet the minimum training hours required		97% of employees met the minimum training hours required	at least 75% of employees meet the minimum training hours required
	maintaining a Gender Wage Parity Index of 1:0.91 among employees		1:0.94 achieved	maintaining a Gender Wage Parity Index of 1:0.91 among employees
	achieving zero cases of work-related injuries		2 cases of work-related injuries during teambuilding activity	achieving zero cases of work-related injuries
	sponsorship, fund-raising, or similar programmes that benefit more than 4,000 students and teachers for the 6 identified schools that require funding to upgrade facilities	 	Achieved 4,032 which consists of 3,798 students and 234 teachers for sponsorship and fund-raising programmes	sponsorship, fund-raising, or similar programmes that benefit more than 6,000 students and teachers
	resolving 100% of product complaints received	n/a	100% resolved	resolving 100% of product complaints received
Governance	achieving 100% training completion rate for management-level employees on mandatory topics		100% completion	achieving 100% training completion rate for management-level employees on mandatory topics
	all employees taking the anti-bribery post-training assessment to pass at least 70% of the assessment		91% of employees who were required to take the anti-bribery assessment during the year have passed the assessment	-
	zero substantiated complaints on breaches of customer privacy		Zero substantiated complaints recorded	zero complaints on breaches of customer privacy
	zero food safety incidents		Zero food incidents recorded	zero food safety incidents

SUSTAINABILITY SUMMARY REPORT

(CONTINUED)

Sustainability category	FY2024 Target	Relevant SDGs	FY2024 Performance	FY2025 Target
Environment	savings of 20,000 reams of A4 paper (1 ream = 500 pieces of 80gsm paper)	 	19,845 reams saved	-
	at least half of rebranded products or new products during the year incorporate elements of environmentally friendly packaging		4 out of 7 rebranded or new products use grey pack packing and fully convert the inner trays for 2 products into pulp or paper-based trays	at least half of rebranded products or new products during the year incorporate elements of environmentally friendly packaging
	Solar energy project to provide up to 800,000 kWh of renewable energy	 	852,500 kWh of renewable energy generated	at least 15% of total energy usage (kWh) of the Group is from the renewable energy generated from the 3 properties with solar panel systems
	to use LED lighting systems for all new outlets	 	LED installed on a newly refurbished outlet	to use LED lighting systems for all new outlets or newly refurbished outlet

Detailed discussions on the sustainability matters and performance are reported in our Sustainability Statement FY2024 which is available on our Company website at www.beshom.com.



AUDIT COMMITTEE REPORT

The Audit Committee (“The Committee” / “AC”) assists our Board of Directors (“the Board”) in fulfilling its oversight responsibilities. The AC is committed to its role in ensuring the integrity of the Group’s financial reporting process and monitoring the management of risk and system of internal controls, external and internal audit processes, and such other matters that may be specifically delegated to the AC by our Board.

COMPOSITION

The AC is appointed by the Board from amongst its members, and presently comprises four (4) Directors, all of whom are Independent Non-Executive Directors, who satisfy the test of independence under the Main Market Listing Requirements (“MMLR”) of Bursa Securities. A majority of the AC members possess the requisite qualifications as stipulated under paragraph 15.09(1)(c) of the MMLR of Bursa Securities.

The Chairperson of AC is elected from amongst the members and is an independent director. In respect to this, the Company complies with Paragraph 15.10 of the MMLR.

Should there be a vacancy in the AC resulting in the non-compliance of Paragraphs 15.09(1) and 15.10 of the MMLR, the Company must fill the vacancy within three (3) months.

The AC comprises the following Directors: -

Name	Designation	Directorship	No. of Meetings attended in FY2024
Soon Eng Sing <i>(redesignated as Chairperson on 27 September 2023)</i>	Chairperson	Independent Non-Executive Director	5/5
Foong Yein Fun <i>(appointed as a member on 1 March 2024)</i>	Member	Independent Non-Executive Director	1/1
Professor Hajjah Ruhanas Binti Harun <i>(appointed as a member on 25 June 2024)</i>	Member	Independent Non-Executive Director	-
Dato’ Lee Teck Hua <i>(appointed as a member on 19 July 2024)</i>	Member	Independent Non-Executive Director	-
Tan Beng Ling <i>(ceased to be a member and director on 26 September 2023)</i>	Chairperson	Independent Non-Executive Director	2/2
Chia Kuo Wui <i>(ceased to be a member and director on 31 December 2023)</i>	Member	Independent Non-Executive Director	4/4
Tay Bee Koo <i>(appointed on 27 September 2023 and ceased to be a member and director on 5 April 2024)</i>	Member	Independent Non-Executive Director	2/2

TERMS OF REFERENCE

The terms of reference including composition, authority, responsibilities, meetings and specific duties of the AC are disclosed and published on the Company’s website at www.beshom.com under the Investor Relations - Corporate Governance section.

AUDIT COMMITTEE REPORT

(CONTINUED)

ATTENDANCE OF MEETINGS

A total of five (5) Committee meetings were held during the financial year ended 30 April 2024 with 100% attendance rate. The attendance of each Committee members is summarized as per the table on page 43.

The quorum for a meeting shall be made up of a majority of the members present who shall be Independent Directors. The Company Secretary is the secretary of the AC. The Group Managing Director, Group Executive Director who is also the Group Chief Financial Officer, representatives from Accounts, Finance and Operation Management, Group Internal Audit Department ("Group IAD"), and representatives from the External Auditors have been invited to attend the meetings during the financial year. Minutes of each AC Meeting were circulated to the members and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

During the financial year ended 30 April 2024, the AC Chairperson presented to the Board the AC's recommendations to approve the annual financial statements and quarterly financial reports. The Chairperson also briefed the Board on the summary of matters raised by the External Auditors and Internal Auditors on significant matters highlighted during the course of audit, including financial reporting issues as well as significant judgements and estimates made by Management and how these matters were addressed.

For each of the significant matters highlighted by the External Auditors, the Committee had considered the rationale and judgements provided by Management and discussed the same with the External Auditors to ensure that the correct accounting policies had been used and were in line with the requirements of the prevailing accounting standards.

The Group Internal Audit team and co-sourced Internal Auditors attended the AC meetings to present the internal audit review reports on the risk assessment and system of internal controls together with the recommendations thereon. The Head of the respective Business Units and their team were invited to attend the AC meetings to facilitate deliberations as well as to provide clarification and explanation on audit issues particularly on specific control lapses and issues arising from the relevant audit reports.

REPORTING OF BREACHES TO THE BURSA MALAYSIA SECURITIES BERHAD

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If any matter reported by the AC to the Board of the Company has not been satisfactorily resolved resulting in a breach of the MMLR, the AC shall promptly report such matter to Bursa Securities.

SUMMARY OF WORK DURING THE FINANCIAL YEAR ENDED 30 APRIL 2024

The AC carried out its duties in accordance with its Terms of Reference.

During the financial year ended 30 April 2024 and up to the date of this Report, the work carried out by the AC in discharging its duties and responsibilities included: -

1. Reviewed and discussed with Management on changes in accounting policies, going concern assumptions and significant matters highlighted including financial reporting issues, significant judgements made by Management and steps taken to address the matters during the review of:
 - i. the unaudited quarterly financial results before recommending to the Board for approval; and
 - ii. the audited financial statements for the financial year ended 30 April 2024 before recommending to the Board for approval.
2. Reviewed and discussed with the External Auditors, KPMG PLT, on the scope of their audit work, the results of their examination, the auditors' report, management letters in relation to the audit and accounting issues arising from the audit and compliance with new accounting standards and regulatory requirements, as well as the assistance given by employees of the Company to the External Auditors;
3. Reviewed and approved the annual audit plan of the Company and the Group proposed by the External Auditors, KPMG PLT for the financial year ended 30 April 2024. The audit plan covered among others, its engagement team, audit materiality, key audit matters, other significant audit matters and audit methodology;

AUDIT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF WORK DURING THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

4. Reviewed and assessed the audit fees and the nature of non-audit services and the related fee level compared to the external audit fees of the Company and the Group. The AC also reviewed and assessed the proposed non-assurance services to be performed by the affiliated firm with the external auditors, KPMG PLT, in line with the requirements of the Malaysian Institute of Accountants (MIA) By-Law and the International Ethics Standards Board of Accountants (IESBA) and recommended to the Board the adoption of the non-assurance services policy for approval, prior to the engagement of the services;
5. Reviewed and assessed the performance and independence of the External Auditors, KPMG PLT, taking into account the quality and timeliness of the report furnished, the sufficiency of resources allocated in the conduct of the audit, the level of understanding demonstrated on the Group's business and communication on new and applicable accounting practices and auditing standards and its impact on the Company and the Group financial statements. The AC, in carrying out the performance assessment of KPMG PLT, also took into account the 2023 KPMG Transparency Report in terms of KPMG's governance and leadership structure, as well as the measures undertaken by the firm to uphold audit quality and manage risks. The AC was satisfied with the outcome of the performance assessment and independence of the External Auditors for FY2024 and recommended to the Board for the re-appointment of KPMG PLT as External Auditors for the financial year ending 30 April 2025 and the fees proposed;
6. Held two (2) private sessions with the External Auditors and one (1) private session with the Group Internal Audit team without Management's presence to discuss matters of interest which included among others, (i) the issues encountered, co-operation and assistance given by employees of the Company to the External Auditors and Group Internal Auditors during the course of audit; (ii) sharing of information and the proficiency and adequacy of resources in financial reporting function and (iii) sharing of information and feedback amongst the External Auditors and Internal Auditors;
7. Reviewed and assessed the staff force requirement of the Group Internal Audit Department ("IAD");
8. Reviewed, appraised and assessed the performance of the Group IAD and the co-sourced Internal Auditors. The self-assessment forms completed by the Group IAD and the co-sourced Internal Auditors were circulated to the AC for their evaluation;
9. Deliberated and approved the Internal Audit Plan for the financial year to ensure adequate scope and comprehensive coverage of audit and that audit resources were sufficient to enable the Group IAD to discharge its functions effectively;
10. Reviewed the progress of the Internal Audit Plan on a quarterly basis to ensure the adequacy and effectiveness of the internal audit activities, the availability of adequate resources and the scope of audit;
11. Reviewed the quarterly internal audit finding status reports and deliberated on the management and corrective actions and the time taken by Management to ensure that the control deficiencies are addressed and resolved promptly;
12. Deliberated and reviewed the risk management and internal control systems, processes, procedures or activities undertaken by the External Auditors, the Internal Auditors and Management and the outcome therefrom to ensure that all high and critical risk areas were being addressed;
13. Reviewed related party transactions ("RPT"), recurrent related party transactions ("RRPT") and conflict of interest situations that may arise, arose or persist within the Company or the Group including any transactions, procedures or code of conduct that may raise concerns or questions on Management's integrity and measures proposed and taken to resolve, eliminate or mitigate such conflicts. The Group has put in place a set of policies and procedures to be adhered to in the event of RPT, RRPT, and conflict of interest situations. The AC has reviewed the RPT, RRPT, conflict of interest and potential conflict of interest matters once during the financial year ended 30 April 2024;
14. Conducted pre-AC meetings with the Group IAD to gain greater understanding and insight into audit issues including the quality and timeliness of management response and follow up actions. The AC members also held discussions and performed ad-hoc visits to the Group IAD to review ongoing audit matters, audit recommendations and the status of action plans taken by Management during the financial year ended 30 April 2024;
15. Reviewed the AC Report and the Statement on Risk Management and Internal Control before recommending to the Board for approval for inclusion in the FY2024 Annual Report.

AUDIT COMMITTEE REPORT

(CONTINUED)

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2024

1. Financial Reporting

The AC reviewed with Management and deliberated on the quarterly consolidated financial statements and the annual financial statements of the Company and the Group prior to the approval by the Board, focusing primarily on:

- changes or implementation of major accounting policies;
- significant matters highlighted by Management, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters were addressed;
- compliance with accounting standards and other legal or regulatory requirements to ensure that the financial statements gave a true and fair view of the state of affairs;
- financial results and cash flows of the Company and the Group; and
- compliance with the Malaysian Financial Reporting Standards and the provisions of the Companies Act 2016 as well as the MMLR.

New financial reporting standards and amendments that came into effect during the financial year were discussed with the External Auditors at the AC meetings. The adoption of these new standards and amendments did not have any significant impact on the financial results for the current or prior years and are not likely to materially affect future periods.

The AC also reviewed and, where applicable, commented on the representation letters by Management to the External Auditors in relation to the audited financial statements.

In accordance with International Standards on Auditing, key audit matters which in the opinion of the External Auditors were of significance in their audit of the annual financial statements were brought to the attention of the AC and highlighted and addressed by the External Auditors in their audit report.

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2. External Auditors

The AC also reviewed and discussed with the External Auditors the annual audit plan to set out the proposed scope of work before their commencement of the audit of the financial statements of the Company and the Group.

The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its unlisted subsidiaries were analysed and reviewed by the AC before recommendation to the Board for approval. Non-audit fees and non-audit related costs payable to the External Auditors for non-audit services rendered by the External Auditors during the financial year were also reviewed and considered in ascertaining the suitability and independence of the External Auditors.

The AC conducted its annual assessment based on among others, the External Auditors' independence, sufficiency of resources allocated in the conduct of the audit, level of understanding demonstrated of the Group's business and performance before recommending the re-appointment of the External Auditors to the Board of Directors for tabling to the shareholders for approval at the forthcoming AGM.

The AC met three (3) times with the External Auditors during the financial year ended 30 April 2024 at the AC meetings held on 22 June 2023, 28 July 2023 and 25 March 2024. The AC had two (2) private meetings with the External Auditors without the presence of the Management at the meetings held on 22 June 2023 and 25 March 2024 respectively.

3. Internal Audit

The AC reviewed and approved the Annual Internal Audit Plan for the financial year ended 30 April 2024 for the Company and the Group presented by the Group IAD, co-sourced internal auditors, RESOLVE IR SDN. BHD. ("RESOLVE") and authorised the deployment of necessary resources to address risk areas identified.

The AC reviewed and deliberated on the internal audit reports issued in respect of the Group's entities and/ or operations every quarter. The audits covered various operations, systems, processes and functions across the Company and the Group. Some weaknesses in internal control were identified for the year under review but these were not deemed significant and have not materially impacted the business or operations of the Group.

AUDIT COMMITTEE REPORT

(CONTINUED)

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)**3. Internal Audit (Continued)**

The internal audit reports also included follow-up on corrective measures to ensure that Management had addressed the weaknesses identified in a satisfactory manner and the AC had been updated on the progress accordingly.

During the financial year ended 30 April 2024, the AC met five (5) times with the Group Internal Audit team at the AC meetings held on 22 June 2023, 28 July 2023, 26 September 2023, 20 December 2023 and 25 March 2024. In addition, the AC had one (1) private meeting with the Group Internal Audit team without the presence of the Management at the AC meeting held on 20 December 2023.

A total of nine (9) audit reports were furnished to the AC for review and deliberation, of which seven (7) reports were presented by the Group IAD and two (2) reports were presented by co-sourced internal auditors, RESOLVE. The Group IAD and RESOLVE had reviewed and conducted audits and had assessed the adequacy and integrity of the internal control systems in accordance with the audit plan as approved by the AC. The results of the audit conducted, as well as key control issues and recommendations were highlighted to the AC upon completion of each audit session for discussion and assessment.

With regard to the internal control framework, the Group IAD adopted the COSO framework and principles as a methodology to assess the system of effective internal controls. The Group IAD conducted the audit with reference to the guidelines of The International Professional Practice Framework, International Standards for the Professional Practice of Internal Auditing, and following the guidance of The Institute of Internal Auditors' Code of Ethics as well as the Group's and the Company's policies. The Group IAD is currently supported by two (2) Executives, who are in the internal audit field for more than 10 years. The Senior, Mr. Bryan Yeap holds a Master of Business in Accounting and is a member of the Institute of Internal Auditors Malaysia.

In discharging its duties, the AC is also supported by a co-sourced independent professional services provider, RESOLVE, who report directly to the AC. The work of RESOLVE is guided by the International Professional Practice Framework.

RESOLVE is led by Mr Choo Seng Choon, who is a Certified Internal Auditor and a Chartered Member of the Institute of Internal Auditors with more than 25 years of professional experience in internal audit, risk management, corporate governance, performance and business management, IPOs, taxation, due diligence and corporate finance. He is also a Fellow Member of the Association of Chartered Certified Accountant (UK), a Chartered Accountant of the Malaysian Institute of Accountants, and a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants.

In arriving at its professional judgement, the Group IAD as well as RESOLVE had completed sufficient and appropriate audit procedures and was supported by evidence to accurately report the conclusions reached and contained in the audit report. Despite guiding by different framework or methodology in conducting the audit process, the conclusions were consistently reported based on a comparison of the actual situation at the time of the audit with the assessment criteria, best practice and generally accepted standard of practices.

4. Related Party Transactions ("RPT"), Recurrent Related Party Transaction ("RRPT") and Conflict of Interest ("COI")

RPT of the Company and the Group which exceeded the pre-determined thresholds as set out in the Group's Internal Policy were reviewed by the AC to ensure that these transactions were fair, reasonable, on normal commercial terms, not detrimental to the interests of the minority shareholders and in the best interest of the Company and the Group before recommending the same to the Board for approval.

The AC reviewed the RRPT of a revenue or trading nature which were necessary for the day-to-day operations of the Company and the Group to ensure that the transactions were in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public or non-related third parties, whether there were any compelling business reasons for the Company to enter into the RPT or RRPT and the nature of alternative transactions and whether the RPT or RRPT would impair the independence of the related party, if is an independent director.

During the financial year ended 30 April 2024, there were no RPT or RRPT that triggered the disclosure threshold under the MMLR and required approval by shareholders at general meeting. The transactions, or any one-off transaction entered into between the Group and the related parties, directors or key senior management that may trigger a conflict of interest and/or potential conflict of interest, were properly disclosed in accordance with Bursa's Listing Requirements. These transactions were conducted in the normal course of business in accordance with the Group's purchasing policy and were within arm's length parameters pursuant to the Company's Code of Ethics.

AUDIT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF WORK OF THE GROUP INTERNAL AUDIT DEPARTMENT

The Company has established a Group IAD to carry out the internal audit function for the Group. The primary role of the Group IAD is to undertake regular and systematic review of the systems of internal controls so as to provide sufficient assurance that the Group has in place a sound risk management, internal control and governance system. The Group IAD maintains its impartiality, proficiency and due professional care when executing its plans and reports directly to the AC.

The Company is assisted by an in-house internal audit team as well as a co-sourced internal auditors, RESOLVE, to carry out the internal audit function for the Group. The engagement of co-sourced internal auditors is to complement the in-house internal audit department and to enhance the internal audit function of the Group. RESOLVE possesses the required specialized skill set with a high degree of professionalism and is trained in many areas, which would help to enhance the quality of internal audit practices of the Group.

The Group's risk-based internal audit plan was drawn up taking into consideration the potential high-risk areas identified through the risk register maintained by the Management, which was prepared based on the risk level and control assessment review conducted by the Group IAD and RESOLVE, discussions with Management and in consultation with the AC.

The summary of the internal audit works included:

- Reviewed and updated the annual audit plan for deliberation and approval by the AC;
- Performed operational audits on the Group's business units according to the annual audit plan to ascertain a proper system of risk management and adequacy of the internal control systems. Key control issues and recommendations for improvement were highlighted to enable the AC to execute its oversight function;
- Results of the internal audit reviews were reported to the AC on a quarterly basis;
- Performed follow-up reviews to ensure that audit recommendations and action plans were implemented by Management;
- Reviewed RPT/ RRPT and conflict of interest situations that may arise, arose within the Company and the Group; and
- Verified the energy and emissions data of the Group for FY2024 as disclosed in the Sustainability Statement.

During the financial year ended 30 April 2024, the Group IAD reviewed and conducted seven (7) audits assignments and assessed the adequacy of the internal control systems on business operations for the Wholesale, Multi-Level Marketing, Retail and Manufacturing segments including the Customer OEM Product Management, Consignment Goods Management, Outlet Audit, Branch & Stockist Stock Take Management, Outlet Payroll and Talent Development Planning, Raw Material Quality Assurance and Sales/Debtor Management and also Sales & Debtor, and Goods Returned Management. The co-sourced internal auditors, RESOLVE, conducted two (2) high level risk and control assessment review on the Sales and Marketing and Credit Control and Collection for Hai-O Enterprise Berhad and Information Technology General Control and Merchandise Management for Sahajidah Hai-O Marketing Sdn. Bhd.

The Group IAD also performed Risk Management and RPT/ RRPT and conflict of Interest reviews during the financial year.

In addition, audit reviews were made at the request of the AC and senior management on specific areas of concern as a follow-up in relation to high-risk areas identified during the course of business. All internal audit reviews were reported to the AC on a quarterly basis.

The Group IAD and co-sourced internal auditors, RESOLVE while maintaining its role to carry out audit programmes at the various business units for its main subsidiaries, had also followed up to review the status of Management actions carried out based on audit recommendations.

The operation cost incurred for the internal audit function of the Group in respect of the financial year ended 30 April 2024 amounted to RM207,289.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD IS PLEASED TO PRESENT TO OUR SHAREHOLDERS THE CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT OF THE COMPANY AND THE GROUP. THIS CG OVERVIEW STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE CG REPORT, WHICH IS AVAILABLE ON THE COMPANY’S WEBSITE AT www.beshom.com. THE CG REPORT PROVIDES DETAILS ON HOW THE GROUP HAS APPLIED EACH PRACTICE AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“MCCG”) DURING THE FINANCIAL YEAR ENDED 30 APRIL 2024 AND UP TO THE DATE OF THIS REPORT.

The Board recognises the importance of the MCCG and is committed towards achieving a high standard of corporate governance practices, values and ethical business conducts. Corporate governance practices shall be the fundamental aspect of the Group’s business dealings and culture.

The CG Overview Statement reports on how the Group has applied the following three principles, its key focus areas and future priorities with references to the principles and practices of the MCCG, having considered the Group’s structure, business environment and industry practices:

- a) Board Leadership and Effectiveness;
- b) Effective Audit and Risk Management; and
- c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Board is satisfied that the practices set out in the MCCG have, in all material aspects, been applied to achieve their intended outcomes which are found to be suitable and appropriate to the Group as set out in this Statement and the CG Report. The departure and non-adoption under the MCCG, the explanation for the departure, the Company’s intended actions and timeframe to address the departure are disclosed in the CG Report.

RESOURCES ON BESHOM’S WEBSITE

The following documents referred to within this Statement are available on our Company’s website at www.beshom.com.

- CG Report
- Board Charter
- Terms of References for Board Committees
- Code of Ethics for Company Directors
- Directors’ Fit and Proper Policy
- Anti-Bribery Policy
- Whistle-Blowing Policy
- Summary of the minutes of general meetings, including Question and Answer session

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

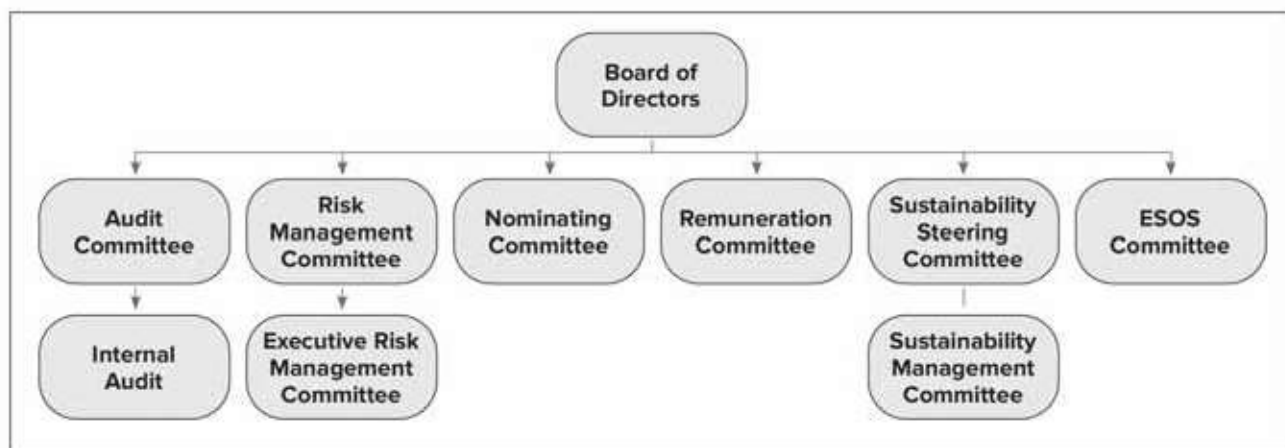
Part I - Board Responsibilities

Intended Outcome 1.0

Every company is headed by a board, which assumes the responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

The Board

The reporting structure of the Company, where the power of the Board is delegated to the relevant Board Committees and the Management of the Company, is depicted below:



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The Board is collectively responsible for the proper stewardship of the Group's business in achieving the objectives and long-term goals of the Company. The functions, roles and responsibilities of the Board are set out in the Board Charter.

The Board recognises the key role it plays in charting the strategic direction of the Group and has assumed the responsibilities in discharging its fiduciary and leadership functions. Matters that require prior review and approval by the Board are set out in the agenda of the annual meeting calendar. Pursuant to Clauses 129 and 134 of the Company's Constitution, questions arising at any Board meetings or decisions of the Board shall be decided by a majority of votes of the Directors present, each Director having one (1) vote. In the case of an equality of votes, the Chairman shall have a second or casting vote provided always that the Chairman of a meeting at which only two (2) directors are present or at which only two (2) Directors are competent to vote on the questions at issue shall not have a second or casting vote, or alternatively, circular resolutions must be signed by a majority of the Directors. Minutes of Board meetings are circulated to the Management and Directors for comments to ensure that the discussions of the meetings are accurately captured before tabling to the Board for confirmation.

To ensure the effective discharge of its functions and responsibilities, the Board delegates powers of the Board to the Board Committees, namely the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee, Sustainability Steering Committee and ESOS Committee to oversee the Group's affairs in accordance with their respective Terms of Reference. All proceedings, matters arising, deliberations in terms of the issues discussed, and recommendations made by the Board Committees at their respective meetings are recorded in the minutes by the Company Secretaries, confirmed by the Board Committees, signed by the Chairman of the respective Committees, and reported to the Board. Upon invitation, Management representatives are present at the Board Committees' meetings to provide additional insight on matters to be discussed during the said Committee meetings, if required.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Board Activities in the Financial Year Ended 30 April 2024 and Future Priorities**

The following is a summary of key matters addressed by the Board either directly or via its respective Board Committees in FY2024 and up to the date of this Report: -

FOCUS AREA	ACTIVITIES
Strategic Plans and Sustainability	<ul style="list-style-type: none"> Reviewed and approved the Group's business plans, strategies and Budget for FY2024. Assessed Management's performance to determine whether the business is being properly managed. Reviewed the KPIs of the Group Managing Director, Group Executive Director and Senior Management. The KPIs comprise both qualitative and quantitative measurements, including the key sustainability matters of the 3 main business segments. Reviewed the Sustainability strategies and policies and updated the status of key sustainability matters of the Group. Reviewed and discussed business and project proposals of the Group. Reviewed and approved strategic investment proposal of the Group. Together with Management, continued assess the slowdown in the general economy, rising interest rates and inflationary pressures affected the Group's business performance, and reviewed the strategies or countermeasures to combat the risks while accessing opportunities across the business divisions.
Governance & Financial Reporting	<ul style="list-style-type: none"> Reviewed the composition and skills of the Board and Board Committees, the performance and effectiveness of the Board, Board Committees and individual Directors during the course of the annual assessments exercise, including the Directors' fit & proper policy, diversity policy and tenure of Independent Directors policy to serve on Board. Noted and approved the changes in the composition of the Board. Reviewed and approved the reconstitution of the Audit Committee (AC), Risk Management Committee (RMC), Remuneration Committee (RC) and Sustainability Steering Committee (SSC) and to fill in the casual vacancy of AC within three (3) months. Reviewed the Register of Related Party/ Recurrent Related Party Transactions, Conflict of interest/ Potential Conflict of Interest situations and shares purchased pursuant to the renewal of share-buy-back authority. Reviewed and approved the annual report, quarterly results and audited financial statements. Reviewed the solvency position of the Company and approved dividend payments. Received regular updates, such as emerging changes to regulations, Bursa Listing Requirements and updates/ guidance from the relevant authorities.
Risk Management & Internal Control	<ul style="list-style-type: none"> Reviewed principal business risks and ensured the implementation of mitigating measures and internal controls. Assessed the effectiveness of internal controls in respect of the Anti-Bribery Framework and to determine areas for improvement. Reviewed internal audit findings and Management responses. Reviewed and approved the Statement on Risk Management and Internal Control for inclusion in the Annual Report. Reviewed the report of the External Auditors.

Looking ahead to Financial Year Ending 30 April 2025: -

In the current financial year, the Board will: -

- Focus on strategies to ensure that the Group's business will be resilient and sustainable for the medium and long term. The strategic plan of the Group includes strategies on economic, environmental and social considerations underpinning sustainability;
- Drive a culture that prioritises compliance, internal control, risk management practices and sustainability governance to build a strong and resilient organisation;
- Review, discuss and evaluate strategic project proposals of the Group; and
- Together with Management, continue to assess and manage the impact of the current weak market condition, rising inflationary pressures as well as any significant new challenges.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Succession Planning

The Board recognises that succession planning is an ongoing process designed to ensure that the Group identifies and develops a talent pool of personnel through mentoring, training and job rotation for high level management positions that become vacant due to retirement, resignation, death or disability and new business opportunities.

Intended Outcome 2.0

There is a demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Chairman and Chief Executive Officer (CEO)

The position of Chairman and CEO are held by different individuals. There is also a clear distinction of responsibilities between the Chairman and the Group Managing Director to maintain a balance of authority and accountability.

The Chairmanship is held by Mr. Ng Chek Yong, who is also the Senior Independent Non-Executive Director. The Chairman provides overall leadership to the Board. He is primarily responsible for the orderly conduct and function of the Board to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. His duties include providing leadership to the Board, ensuring that the Board carries out its responsibilities in the best interest of the Group and that all the key issues are discussed in a timely manner. The Chairman is also tasked to facilitate active discussion and participation by all Directors and ensure that sufficient time is allocated for the discussion of all relevant issues at Board meetings.

Mr. Tan Keng Kang, the Group Managing Director has also assumed the role as CEO of the Group. He is principally responsible for implementing and executing corporate strategies, policies and decisions adopted by the Board and overseeing the overall business operations.

Pursuant to the MCGG, where the CEO or executive directors form part of the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues. During FY2024, the private session among the Non-Executive Directors was held on 3 August 2023.

The roles and responsibilities of Board members, Committees and Management are clearly defined in the Board Charter.

Company Secretary

The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They are competent in carrying out their work and play supporting and advisory roles to the Board. They ensure adherence and compliance to the procedures and regulatory requirements from time to time. They also ensure that meetings are properly convened and deliberations at meetings are accurately captured and minuted.

Board Charter

To enhance accountability, the Board Charter which clearly sets out the roles, functions, composition, operation and processes of the Board was developed and replaced with the Directors' Handbook, which was established in 2010.

The Board Charter spells out the governance structure, authority and reserved matters for the Board whilst that for the respective Board Committees are spelt out in their respective terms of reference which are available on the Company's website at www.beshom.com under the Investor Relations section. The Board Charter and the Terms of Reference of the relevant Board Committees were updated and enhanced in August 2023 among others, to include the amendments pursuant to the Main Market listing requirements ("MMLR") on conflict of interest ("COI") and other amendments. The scope of the Audit Committee's review of COI situations expands to include those that arose, may arise or persist and the measures taken to resolve, eliminate, or mitigate the COI.

The Board Charter will be periodically reviewed and updated to consider the needs of the Company as well as new rules, regulations and laws that may impact the discharge of the Board's duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Access to Information and advice**

The Board is given the meetings schedule a year ahead at the start of each calendar year so that the Directors can plan ahead to allocate time for attending such meetings.

Notice of meetings set out the agenda and accompanied by the relevant meeting materials are given to the Directors in advance within a reasonable period to enable the Directors to review, seek additional information or clarification of the subject matters to be deliberated at the Board and Board Committees meetings.

The Chairman of the respective Board Committees would brief the Board on salient matters deliberated at such Committee meetings.

The Board meets at least once every three (3) months. During the financial year ended 30 April 2024, the Board met six (6) times with a 100% attendance rate. Senior Management staff were invited to attend the Board meetings to provide the Board with operational, management and financial details.

The following table is the attendance at the Board meetings and Board Committees meetings held during FY2024:

Directors	Number of Meetings Held in FY2024					
	Board	AC	RC	NC	RMC	SSC
Executive Directors						
Tan Keng Kang	6/6	-	-	-	-	1/1
Hew Von Kin	6/6	-	-	-	2/2	1/1
Non-Executive Directors *						
Ng Chek Yong	6/6	-	-	-	-	-
Soon Eng Sing	6/6	5/5	2/2	3/3	-	-
Professor Hajjah Ruhanas Binti Harun	6/6	-	-	3/3	-	-
Foong Yein Fun (<i>appointed on 1 March 2024</i>)	1/1	1/1	-	-	-	-
Tan Beng Ling (<i>retired on 26 September 2023</i>)	2/2	2/2	1/1	-	1/1	1/1
Chia Kuo Wui (<i>resigned on 31 December 2023</i>)	4/4	4/4	2/2	-	0/2	1/1
Tay Bee Koo (<i>resigned on 5 April 2024</i>)	6/6	2/2	-	-	1/1	-

* excluded Dato' Lee Teck Hua who was appointed to the Board on 19 July 2024.

The Board has unrestricted access to all staff for any information pertaining to the Group's affairs and may also seek independent professional advice at the expense of the Company as they deem necessary in furtherance of their duties. Any Director who wishes to seek independent professional advice in the course of discharging his/her duties may raise the request during Board meetings or convey the request through the Senior Management or Company Secretaries for consideration of the Board at a Board meeting to be held.

In addition, the Board is also briefed and updated on the latest amendments to the relevant regulatory requirements from time to time by the Company Secretaries during Board meetings.

Intended Outcome 3.0

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Code of Ethics and Whistle-Blowing Policy

The Board is committed to maintain a corporate culture which engenders ethical conduct. The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia ("CCM") which can be viewed from CCM's website at www.ssm.com.my and the Company's website at www.beshom.com. The Code of Ethics provides guidance to the Directors of the Company in performing their duties as it aims to establish a standard of ethical behaviour based on trustworthiness and values as well as uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administration of a company.

The Board is also guided by the new Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries ("Guidelines") issued by the Securities Commission ("SC") on 30 July 2020 and the revised Guidelines dated 12 April 2021 ("revised Guidelines") in discharging their fiduciary duties. The Guidelines set out guidance on the duties and responsibilities of boards in the company's group structures and requirements for establishing a group-wide framework to enable, among others, oversight of the group performance and the implementation of corporate governance policies. The revised Guidelines serve as a guide for BESHOM and its subsidiaries and their directors in establishing a group governance framework. It highlights salient features of the group governance framework such as setting the tone for leadership, alignment of strategies and establishing policies and procedures of the group. The Guidelines are available at the SC's website at www.sc.com.my.

The Group has also established an internal policy which is formalised through the Company's Code of Ethics and Business Conduct ("Business Code"). The employees of the Group are required to adhere to the principles and practices outlined in the Business Code in performing their duties and responsibilities. The areas covered include the following:-

• Whistle-Blowing Policy	• Anti-Bribery & Anti-Corruption
• Related Party Transactions, Recurrent Related Party Transactions, Conflict of Interest	• Health & Safety and Environment
• Company Property and Intellectual Property	• Purchasing & Financial Code of Ethics
• Dealing with Company shares / Insider Trading	• Gift & Entertainment

The Internal Business Code is available on our internal portal which is accessible by all directors and employees.

The Company has adopted a Whistle-Blowing Policy which is disseminated to employees on the Company's internal portal. The Whistle-Blowing Policy which states the appropriate communication and feedback channels to facilitate whistleblowing can also be accessed at the Company's website at www.beshom.com.

The Whistle-Blowing Policy is reviewed by the Company periodically or at least once in three years.

Anti-Bribery & Anti-Corruption

BESHOM Group has a zero-tolerance approach to bribery. BESHOM Group takes the upholding of its anti-bribery stance across the Group's business seriously. It expects the same from stakeholders, both internal and external to the Group's businesses, extending to all the Group's business dealings and transactions in all countries in which it operates. All suppliers and business associates must adhere to BESHOM Group's Anti-Bribery Policy.

Directors' Fit and Proper Policy

In June 2022, the Board established the Directors' Fit and Proper Policy (FPP), to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the appointed position in the most effective manner. The Directors' FPP is accessible on our website and is also incorporated in the Board Charter.

Intended Outcome 4.0

The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long term strategy and success.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Sustainability Governance Framework**

BESHOM has in place a Sustainability Governance Framework to guide and manage sustainability-related matters as part of its existing corporate governance structure. The sustainability strategies emphasized the 5 key Sustainability Focus Areas, namely “Economy, Governance, People, Product and Planet” under the sustainability pillars “Environment, Social, and Governance”.

The Board of BESHOM is ultimately responsible to ensure that sustainability is incorporated in the strategic directions of the Group, including approving and overseeing the implementation of the Group’s Sustainability Strategy and Policy.

The Board is supported by the Sustainability Steering Committee (SSC), which is chaired by the Group Managing Director. Members of the SSC comprise the Group Executive Director cum CFO and the Chairman of the Company. The role of the SSC includes developing sustainability strategies, goals, and performance indicators and recommending them for the Board’s approval. The SSC also reviews the Group’s stakeholder management process and overall management of sustainability matters carried out by the Sustainability Management Committee and the Sustainability Task Force.

Name	Directorship	Attendance in FY2024
		No. of meeting
Chairperson: Tan Keng Kang	Group Managing Director	1/1
Members: Hew Von Kin	Group Executive Director cum Group Chief Financial Officer	1/1
Ng Chek Yong <i>(appointed as a member on 25 June 2024)</i>	Senior Independent Non-Executive Director	-
Chia Kuo Wui <i>(ceased to be a member and director on 31 December 2023)</i>	Independent Non-Executive Director	1/1
Tan Beng Ling <i>(ceased to be a member and director on 26 September 2023)</i>	Independent Non-Executive Director	1/1

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Sustainability Governance Structure**Board of Directors**

- Endorses the Group’s sustainability strategy and commitment statement
- Approves the Sustainability Report and its contents

Sustainability Steering Committee (SSC)

- Proposes the sustainability strategy to the Board
- Reviews the material sustainability matters identified and prioritised by the SMC
- Engages the departments involved in the SMC and oversees the progress of sustainability initiatives and projects that are in place across different departments

Sustainability Management Committee (SMC)

- Undertakes sustainability initiatives aligned with the Group’s sustainability strategy
- Records and manages data that reflect the Group’s year-on-year performance against economic, environmental, and social parameters
- Identifies and prioritises the material sustainability matters that are relevant to the Group and the stakeholders

Sustainability Task Force (STF) and Employees

- Executes sustainability initiatives and collects sustainability data
- Executes internal controls to manage sustainability matters

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Sustainability Governance Framework (Continued)

We remain committed to building a sustainable business that brings long-term, shared value creation to our stakeholders. We will continue to manage and ensure that the Group's businesses consider the environmental, social, economic and governance aspects in paving the path for a more sustainable future.

As the interest and needs of each stakeholder vary, we adopt a process to assess and facilitate effective and efficient stakeholder engagement. Amongst others, the assessment considers the nature of their relationships with our business and how these relationships impact BESHOM and our stakeholders, and vice versa.

During the FY2024, we continued our engagement with suppliers through a Sustainability Survey to better understand the possible sustainability issues related to our group's supply chain and have better knowledge of how suppliers addressed the issues on social, environmental and the governance aspects.

Sustainability Strategies and Key Performance Indicators

We integrate and align our sustainability process with the Group's strategic management, including ensuring sustainability strategies are aligned with our business strategies and identifying specific key performance indicators ("KPIs") for Management to drive sustainability performance.

In FY2024, the evaluation for Group Managing Director and Group Executive Director have included the performance and effectiveness assessment on sustainability, particularly sustainability matters involving business operations of the 3 main business segments, i.e. MLM, Wholesale and Retail segments and other material sustainability matters on group-wide basis.

With the ever-growing emphasis on sustainability as well as the increased expectations for the Group to behave responsibly, the Board will continue to engage with subject matter experts from external and internal and attend relevant trainings to ensure that the Board have the knowledge to support the Company in enhancing its sustainability focus and formulating sustainability strategy.

Recognising the recent changes to the MMLR, we are taking necessary steps to enhance our internal processes, including data collection processes, to support the MMLR's disclosure requirements. Aware of the urgency to address climate-related impacts on our businesses, we are making additional efforts to measure and understand our exposure to climate-related risks and opportunities. During the FY2024, the Group organised meetings/training sessions for internal management personnel to discuss the Taskforce on Climate-related Financial Disclosures ("TCFD") and to identify potential climate-related risks and opportunities for the Group. These initiatives enable internal management personnel to better understand climate-related risks and opportunities and implement appropriate actions to address them.

Part II - Board Composition

Intended Outcome 5.0

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and Insights.

Currently, the Board comprises members from diverse backgrounds which provide the Group with diverse views and a wealth of expertise, advice and experiences. The profiles of the Directors are provided on pages 10 to 14.

Our Board has seven (7) members, comprising two (2) Executive Directors and five (5) Independent Non-Executive Directors. This complies with Paragraph 15.02 of the MMLR which requires at least one-third (1/3) of the board to be Independent Directors as well as Practice 5.2 of the MCCG that requires at least half of the board comprises independent directors. In the event of any vacancy in the Board of Directors resulting in non-compliance with Para 15.02(3) of the MMLR, the Company must fill the vacancy within 3 months. Currently, 71.4% of our directors are independent while the female representation is 28.6% with two (2) women directors.

The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Non-Executive Directors do not participate in the day-to-day management of the Group. They play a significant role in providing unbiased and independent views, advices and decisions while taking into account the interest of relevant stakeholders including minority shareholders of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Tenure of Independent Director**

The Board is aware of the good practice that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and that an Independent Director may continue to serve the Board if the Independent Director is redesignated as a Non-Independent Non-Executive Director upon completion of nine (9) years tenure. The Board has, vide its meeting held in July 2022, adopted the 9-year policy for the tenure of Independent Directors to serve on the Board.

As at 30 April 2024, none of the tenure of Independent Directors exceeds a cumulative term limit of 9 years.

Intended Outcome 6.0

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Nominating Committee

The Board has delegated to the Nominating Committee ("NC") the responsibility to establish, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors, including the assessment on the effectiveness of the Board as a whole, the performance of each individual Director and the Board Committees, including tenure of each independent director, the term of office, and performance of the Audit Committee, Risk Management Committee, Remuneration Committee and its members on an annual basis. All assessments and evaluations carried out by the NC in the discharge of all its functions are properly documented.

The Terms of Reference of NC was last updated on 3 August 2023. The NC comprises exclusively of Independent Non-Executive Directors. The members are as follows: -

Name	Directorship	Attendance in FY2024
		No. of meeting
Chairperson: Professor Hajjah Ruhanas Binti Harun	Independent Non-Executive Director	3/3
Member: Soon Eng Sing	Independent Non-Executive Director	3/3

The Terms of Reference of the NC is available on our website at www.beshom.com.

The NC meets at least once a year with additional meetings to be convened, if necessary. During the financial year under review, the NC met three (3) times with a 100% attendance rate.

The NC has developed criteria for the assessment of the Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Group and his/her involvement in any significant transaction with the Group according to the criteria set in the Main Market Listing Requirements ("MMLR") of Bursa Securities.

As an annual practice, all the Independent Non-Executive Directors have provided their annual confirmations of independence to the Board based on the Company's criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR.

The Board had assessed and concluded that all the Independent Non-Executive Directors of the Company, namely, Ng Chek Yong, Soon Eng Sing, Professor Hajjah Ruhanas Binti Harun and Foong Yein Fun have demonstrated independence in their conduct and behaviour which are essential indicators, and that each of them is independent of the Company's management and free from any business or other relationships which could interfere with the exercise of their independent judgement or the ability to act in the best interest of the Company. For the newly appointed Independent Non-Executive Director, Dato' Lee Teck Hua, the assessment was conducted prior to his appointment on 19 July 2024.

The NC also assesses the training needs of Directors for continuous education purpose, evaluates expected time commitment of the Directors and establishes protocols for the Board to accept new directorships.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Nomination and Election Process of Directors

The NC is responsible for recommending candidates to the Board to fill a vacancy arising from resignation, retirement or other reasons, or if there is a need to appoint additional directors with the required skill or profession to the Board to close the competency gap in the Board as identified by the NC. Upon receipt of the proposal, the NC is responsible for conducting an assessment and evaluation of the proposed candidate. Upon completion of the assessment and evaluation of the proposed candidate, the NC would make its recommendation to the Board. The selection and appointment process for new director(s) is as follows: -

Selection & Appointment Process for New Director						
1. Analyse and identify needs of the Board	2. Source Candidate	3. Conduct interaction with candidate	4. Nominate candidate to the Board	5. Board approval	6. Appointment process	7. Orientation Program for new director

Board Diversity Policy

The Group does not practice discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of Board members and Key Senior Management.

The Board recognises that the mix of the Board members in terms of age, ethnicity and gender can provide diverse perspectives, experience and expertise required to achieve an effective Board.

The Board has considered the Board Diversity and agreed that it is of utmost importance that the Board comprises the best qualified individuals who possess the requisite knowledge, experience, independence, foresight and good judgement to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Company and shareholders.

The Nominating Committee is responsible for reviewing and assessing the composition and performance of the Board as well as identifying appropriately qualified persons to be a member of the Board. In designing the composition of the Board, the Nominating Committee will consider the benefits of diversity from several aspects including age, ethnicity, gender, physical / mental ability and other characteristics as stated in the FPP or to fill the gap of the directors' skill matrix.

The NC keeps the Board's balance of skills, knowledge, experience and the length of service of each board member under constant review. The NC takes into consideration the use of independent sources in identifying suitably qualified candidates should there be a need to appoint additional or new director(s). The NC will conduct proper screening and selection of candidates prior to the appointment of any new director.

The NC having considered the criteria, suitability and experience of Ms. Foong Yein Fun and Dato' Lee Teck Hua, has recommended their appointment to the Board as Independent Non-Executive Directors on 1 March 2024 and 19 July 2024, respectively.

The assessment relating to the reappointment of directors was reviewed by the NC and recommended to the Board for approval on 23 July 2024. Based on the results of the evaluation conducted on their fitness and propriety in line with the FPP, performance and calibre and the annual assessment and evaluation of the Board for the financial year ended 30 April 2024, the Board had recommended the re-election of directors pursuant to Clause 97 and Clause 119 of the Company's Constitution to the shareholders for approval at the 4th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Directors' Training**

The Board acknowledges that continuous education is essential for its members to gain insight into the state of economy, technological advances, regulatory updates and management strategies.

The following are the training programmes, seminars, workshops and briefings attended by Directors during the financial year ended 30 April 2024: -

No.	Topics	NCY	TKK	HVK	SES	Hajjah Ruhanas	FYF
1.	ESG Workshop			√			
2.	Behavioral Psychology		√				
3.	How to Develop Operational Resilience in your Organization		√				
4.	Global Sustainability Development Goals (SDGS) with Local Environmental, Social & Governance Integration			√			
5.	Anti-Bribery & Anti-Corruption Training	√			√	√	√
6.	ASEAN Workshop on Sustainable Development					√	
7.	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers			√		√	
8.	Sustaining ESG Momentum, Maintaining and Improving Performance For The Long Term	√					
9.	Sustainability in the Digital Age					√	
10.	Self-Healing Network: The Future of Autonomous Operations	√					
11.	Shaping Tomorrow's Cyber Security Landscape					√	
12.	Board Oversight of Climate Risks and Opportunities			√			
13.	FTSE4 Good Bursa Malaysia Index & Centralised Sustainability Intelligence (CSI) Platform			√			
14.	Bursa Malaysia's Enhanced Conflict of Interest (COI) Disclosure Requirements – Understanding and Navigating Its Changes			√			
15.	The Human Factor of Cyber Risk in Cybersecurity			√			
16.	Decoding New Tax Measures in 2024 Budget			√			
17.	MADANI Budget 2024: Navigating Emerging Tax & Legal Issues			√			
18.	One Vision, Endless Achievements		√	√			
19.	Climate Change in Business Sustainability, Reporting, and Data Collection		√				
20.	Introduction to Internet of Things (IOT) – Technologies and Challenges	√					
21.	Cyber Security Awareness Briefing			√			

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Directors' Training (Continued)

No.	Topics	NCY	TKK	HVK	SES	Hajjah Ruhanas	FYF
22.	Fireside Chat with the Former Governors: Central Banking in an evolving International Financial System					√	
23.	Strategic, Talent, CashFlow	√					
24.	What you need to know about the Bursa Amended Listing Requirements on Conflict of Interest	√					
25.	Safety & Health Awareness Briefing			√			
26.	Bursa Malaysia Mandatory Accreditation Programme Part I ⁽ⁱⁱⁱ⁾						√

Notes:

- (i) NCY (Ng Chek Yong), TKK (Tan Keng Kang), HVK (Hew Von Kin), SES (Soon Eng Sing), Hajjah Ruhanas (Hajjah Ruhanas Binti Harun), FYF (Foong Yein Fun);
- (ii) Excluded Tan Beng Ling who retired on 26 September 2023, Chia Kuo Wui who resigned on 31 December 2023, Tay Bee Koo who resigned on 5 April 2024 and Dato' Lee Teck Hua who was appointed to the Board on 19 July 2024;
- (iii) FYF completed the Bursa Malaysia Mandatory Accreditation Programme Part I on 16 May 2024;
- (iv) Dato' Lee Teck Hua completed the Bursa Malaysia Mandatory Accreditation Programme Part I on 6 April 2023 and the Bursa Mandatory Accreditation Programme Part II - Leading for Impact on 7 May 2024.

The Directors are encouraged to participate in other relevant training programmes to further enhance their knowledge and skills in discharging their responsibilities more effectively.

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Intended Outcome 6.0

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Evaluation and Assessment

The process of assessing the Directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director, including the Independent Non-Executive Directors.

The criteria used, among others, for the annual assessment of individual Directors include an assessment of their roles, duties, responsibilities, competency, expertise and contribution. For the Board and Board Committees, the criteria used include, among others, composition, structure, accountability, responsibilities, adequacy of information and processes. In general, the assessment covers: -

- Individual board member's understanding of the Company's mission and strategic plan;
- Board members' understanding and knowledge of the Group's business and performance and application of good governance principles to create sustainable shareholder's value;
- Board's independence in the process of decision making;
- In the case of Independent Non-Executive Directors, the directors' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors and whether the directors have any conflict of interest or potential conflict of interest with the Company and/or its subsidiaries.

In line with Guidance 6.1 of the MCCG, the questionnaires on the annual assessment of the effectiveness of the Board and individual directors also included, among others, the evaluation of their:

- willingness and ability to critically challenge and ask the right questions;
- character and integrity in dealing with potential conflict of interest situation, if any;
- commitment to serve the Company; and
- confidence to stand up for a point of view.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Evaluation and Assessment (Continued)**

In respect of the assessment for the financial year ended 30 April 2024 which was internally facilitated together with the external Company Secretary, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory. The Board was also satisfied that the Board's composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and the mix of skills was adequate.

Part III - Remuneration**Intended Outcome 7.0**

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Intended Outcome 8.0

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Remuneration Committee

The Remuneration Committee ("RC") is principally responsible for setting the policy framework and making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors and key Senior Management.

The remuneration packages of the Executive Directors and key Senior Management have been structured to attract and retain Directors and key Senior Management of the right calibre to manage the Group effectively. The recommendation of remuneration of the Executive Directors and key Senior Management is measured by, amongst others, the Directors' contribution, commitment, responsibilities and expertise, while rewards are linked to the Company's and individual's performance which comprise financial, non-financial and operational targets. The Executive Directors abstained from deliberation on their own remuneration at Board meetings.

In the case of Non-Executive Directors, the remuneration philosophy is to establish a remuneration structure that is commensurate with the seniority, experience, contribution, level of responsibilities and representation in Board Committees by a particular Non-Executive Director. The remuneration and benefits payable to the Non-Executive Directors would be tabled to the shareholders for approval at the forthcoming 4th AGM. The Directors who are also the shareholders shall abstain from voting at the forthcoming 4th AGM on resolutions pertaining to their Directors' fees and benefits.

The Terms of Reference of the RC which includes the Remuneration Policies was updated in May 2022 and is available on the Company's website at www.beshom.com.

Presently, the RC comprises wholly Non-Executive Directors, all of whom are Independent.

Name	Directorship	Attendance in FY2024
		No. of meeting
Chairperson: Soon Eng Sing	Independent Non-Executive Director	2/2
Members: Professor Hajjah Ruhana Binti Harun (appointed as a member on 5 January 2024)	Independent Non-Executive Director	-
Chia Kuo Wui (ceased to be a member and director on 31 December 2023)	Independent Non-Executive Director	2/2
Tan Beng Ling (ceased to be a member and director on 26 September 2023)	Independent Non-Executive Director	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Remuneration Committee (Continued)

During the financial year ended 30 April 2024, the RC held two (2) meetings with a 100% attendance rate. The RC has reviewed the remuneration packages of the Executive Directors and key Senior Management staff based on Key Performance Indicators and performance appraisals carried out by the Group Managing Director before recommending to the Board for its consideration and approval. The respective Directors abstained from deliberating and voting on their own remuneration at the Board of Directors' Meetings.

The Directors' fees, both Executive and Non-Executive, would be tabled to the shareholders for approval at the forthcoming 4th AGM.

Directors' Remuneration

The details of the remuneration of Directors for the financial year ended 30 April 2024 are as follows:

Company	Directors' fee (RM)	Salaries, Allowances, Bonuses, Incentives ^{N1} (RM)	Benefits in-Kind ^{N2} (RM)	Other Emoluments ^{N3} (RM)	Total (RM)
Executive Directors					
Tan Keng Kang	20,000	425,000	-	51,559	496,559
Hew Von Kin	20,000	384,190	-	15,831	420,021
Sub-Total	40,000	809,190	-	67,390	916,580
Non-Executive Directors*					
Ng Chek Yong	20,000	124,000	-	5,543	149,543
Soon Eng Sing	20,000	101,000	-	11,479	132,479
Hajjah Ruhanas Binti Harun	20,000	67,050	-	3,143	90,193
Foong Yein Fun (appointed on 1 March 2024)	3,333	10,300	-	1,493	15,126
Tan Beng Ling (retired on 26 September 2023)	8,142	37,750	-	2,539	48,431
Chia Kuo Wui (resigned on 31 December 2023)	13,333	60,200	-	6,532	80,065
Tay Bee Koo (resigned on 5 April 2024)	18,634	63,033	-	2,926	84,593
Sub-Total	103,442	463,333	-	33,655	600,430
Grand Total	143,442	1,272,523	-	101,045	1,517,010

* excluded Dato' Lee Teck Hua who was appointed to the Board on 19 July 2024.

^{N1} Allowances comprised monthly fixed allowance, meeting allowance and other allowances.

^{N2} Benefits-in-Kind comprised provision of Company's motor vehicle and others.

^{N3} Other Emoluments comprised of contribution for Employer's Provident Fund, Social Security Welfare and Employment Insurance Scheme.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**Directors' Remuneration (Continued)**

Group	Directors' fee (RM)	Salaries, Allowances, Bonuses, Incentives ^{N1} (RM)	Benefits in-Kind ^{N2} (RM)	Other Emoluments ^{N3} (RM)	Total (RM)
Executive Directors					
Tan Keng Kang	45,000	1,095,400	8,800	136,861	1,286,061
Hew Von Kin	29,000	889,150	9,326	37,366	964,842
Sub-Total	74,000	1,984,550	18,126	174,227	2,250,903
Non-Executive Directors*					
Ng Chek Yong	20,000	124,000	-	5,543	149,543
Soon Eng Sing	20,000	101,000	-	11,479	132,479
Hajjah Ruhanas Binti Harun	20,000	67,050	-	3,143	90,193
Foong Yein Fun (appointed on 1 March 2024)	3,333	10,300	-	1,493	15,126
Tan Beng Ling (retired on 26 September 2023)	8,142	37,750	-	2,539	48,431
Chia Kuo Wui (resigned on 31 December 2023)	16,000	60,200	-	6,532	82,732
Tay Bee Koo (resigned on 5 April 2024)	18,634	63,033	-	2,926	84,593
Sub-Total	106,109	463,333	-	33,655	603,097
Grand Total	180,109	2,447,883	18,126	207,882	2,854,000

* excluded Dato' Lee Teck Hua who was appointed to the Board on 19 July 2024.

^{N1} Allowances comprised monthly fixed allowance, meeting allowance and other allowances.

^{N2} Benefits-in-Kind comprised provision of Company's motor vehicle and others.

^{N3} Other Emoluments comprised of contribution for Employer's Provident Fund, Social Security Welfare and Employment Insurance Scheme.

Saved as disclosed above, there were no other remuneration paid for services rendered by any Directors to the Company and the Group for the financial year ended 30 April 2024.

The Directors who are shareholders of the Company had abstained from voting at the previous 3rd AGM and shall abstain from voting at the forthcoming 4th AGM on resolutions pertaining to their Directors' fees, benefits and their respective re-election as Directors.

Remuneration of Key Senior Management

In consideration of the competitive landscape, the Board made a strategic decision regarding the disclosure of remuneration of our Key Senior Management. While acknowledging the recommended practice outlines in the MCCG, the Board believes that full individual disclosure could potentially disadvantage the Group in this competitive industry.

The aggregate remuneration of the Key Senior Management (excluding Group Executive Directors) for the financial year ended 30 April 2024, is as follows: -

Group	Directors' fee (RM)	Salaries, Allowances, Bonuses, Incentives (RM)	Benefits in-Kind ^{N2} (RM)	Other Emoluments ^{N3} (RM)	Total (RM)
Key Senior Management ^{N1}	3,000	584,516	6,600	72,460	666,576

^{N1} Key Senior Management team comprises of Mr. Tham Yoke Lon (General Manager of MLM segment) and Mr. Philip Teo Kheng Leong (General Manager of Retail segment).

^{N2} Benefits-in-Kind comprised provision of company's motor vehicle and others.

^{N3} Other Emoluments comprised of contribution for Employer's Provident Fund, Social Security Welfare and Employment Insurance Scheme.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - Audit Committee

Intended Outcome 9.0

There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

The Audit Committee comprises wholly of Non-Executive Directors, all of whom are Independent. The composition of the Audit Committee, including its roles and responsibilities, is set out on pages 43 to 48 of this Annual Report.

The Chairman of the Audit Committee and the Chairman of the Board are held by different persons.

All members of the Audit Committee are financially literate as they keep themselves abreast with the latest developments in accounting and auditing standards and the impact to the Group through briefings by Management and External Auditors.

Assessment of suitability and independence of External Auditors

Through the Audit Committee, the Board has established a transparent and professional relationship with the Company's Internal and External Auditors.

The Company's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial statements. In the course of their audit of the Group's financial statements, the External Auditors would highlight to the Audit Committee matters that require the Board's attention. Audit Committee meetings are attended by the External Auditors for purposes of presenting their audit plan and report and presenting their comments on the audited financial statements. At least twice a year, meetings are held without the presence of the Management of the Company to ensure that the External Auditors can freely discuss and express their opinions on any matter to the Audit Committee, and the Audit Committee can be sufficiently assured that Management has fully provided all relevant information and responded to all queries from the External Auditors.

In addition, the External Auditors are invited to attend the AGM of the Company and are required to be available to answer shareholders' questions on the conduct of the statutory audit and the contents of their audit report.

During the financial year, the Audit Committee assessed the performance, suitability and independence of the External Auditors covering, among others, the following areas: -

- (a) Service quality;
- (b) Sufficiency of resources;
- (c) Communication with the Management; and
- (d) Independence, Objectivity and Professionalism

In addition to the above, the Audit Committee had also considered the information presented in the Annual Transparency Report for the year ended 31 December 2023 of the External Auditors in carrying out the External Auditors' assessment.

The Audit Committee has also put in place a policy and revised its Terms of Reference to include a cooling-off period of at least three (3) years before a former partner of the external audit firm could be appointed as a member of the Audit Committee to safeguard the independence of the audit of the financial statements.

The Audit Committee has also taken note of the non-audit services and the fees charged by the External Auditors. The policy on audit and non-audit services is guided by the following principles: -

- (a) the External Auditors may provide audit and non-audit related services that, while outside the scope of the statutory audit, are consistent with the role of auditors;
- (b) the External Auditors should not provide services that are perceived to be materially in conflict with their role as auditors. However, the external auditors may be permitted to provide non-audit services that are not perceived to be materially in conflict with the role of auditors; and
- (c) exceptions may be made to the policy where the variation is in the interest of the Company and arrangements are put in place to preserve the integrity of the external audit process. The Board must specifically approve such exceptions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)**Assessment of suitability and independence of External Auditors (Continued)**

Before appointing External Auditors to undertake non-audit services, considerations should be given to whether this would create a threat to the External Auditors' independence or objectivity. The External Auditors should not be appointed unless appropriate safeguards are present to eliminate or reduce the threat to an acceptable level. The External Auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants in relation to the provision of non-audit services.

The Audit Committee has assessed the independence of KPMG PLT as the External Auditors of the Company as well as reviewed the level of non-audit services rendered by them and after considering the quantum of the fee, which was not material as compared with the total audit fee paid to the External Auditors, concluded and recommended to the Board that the provision of such services did not compromise the External Auditors' independence and objectivity.

The AC also reviewed and assessed the non-assurance services (where applicable), to be undertaken by the affiliated firm of the External Auditors before engagement of these services.

The External Auditors, KPMG PLT, have declared to the Audit Committee their independence in carrying out the audit for the Group and their compliance with relevant ethical requirements at the Audit Committee meeting. Having been satisfied with their performance, technical competency and audit independence, the Audit Committee recommended their fees and suitability for re-appointment to the Board.

The Audit Committee met with the External Auditors three (3) times at the Audit Committee meetings held on 22 June 2023, 28 July 2023 and 25 March 2024 during the financial year ended 30 April 2024. The Audit Committee has allocated a discussion session with the External Auditors without the presence of the Executive Directors and Management at the meetings held on 22 June 2023 and 25 March 2024.

Company's financial statements is a reliable source of information

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, as well as through quarterly announcements of its results to shareholders. These financial statements are drawn up in accordance with the Companies Act 2016, the MMLR, the International Financial Reporting Standards and the Financial Reporting Standards in Malaysia and are reviewed by the Audit Committee prior to approval by the Board. The annual financial statements are subject to audit by independent External Auditors.

The Board, with the assistance of the Audit Committee, takes due care and reasonable steps to ensure that its quarterly and annual financial statements are presented in an accurate manner. The Audit Committee, when reviewing the financial statements, is also required, among others, to focus on significant matters highlighted in the financial statements and significant judgments, estimates or assumptions made by the Management.

The Board is responsible to ensure that financial statements of the Company give a true and fair view of the state of the Company and of the Group as at the end of the reporting period. Accordingly, the Board has prepared the responsibility statement pursuant to the MMLR as outlined on page 67 of this Annual Report.

Part II - Risk Management and Internal Control**Intended Outcome 10.0**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Intended Outcome 11.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Board has formalised a structured risk management framework to determine the Company's level of risk tolerance and to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis.

The Risk Management Committee ("RMC") consists of three (3) members, two (2) of whom are Independent Non-Executive Directors, hence is in compliance with Practice 10.3 - Step Up of the MCGG which requires the RMC to comprise a majority of independent directors. The composition of the RMC is set out on page 69 of the Statement of Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

Part II - Risk Management and Internal Control (Continued)

During the financial year ended 30 April 2024, the RMC held two (2) meetings with a 67% attendance rate.

The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control. The system of internal control practised by the BESHOM Group spans across financial, operational and compliance aspects, particularly to safeguard the Group's assets and hence shareholders' investments. The system of internal control, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The Board has also established an independent internal audit function that reports directly to the Audit Committee. Currently, the Group Internal Audit Department ("Group IAD") comprises of two (2) Senior Executives. The Group IAD is independent from the operational activities of the Group and they do not hold management authority and responsibility over the operations covered in their scope of their audit works. The Group has also co-sourced certain aspects of the internal audit function to an external professional internal audit service provider, namely RESOLVE IR SDN. BHD..

The scope of work covered by the both the internal audit function during the financial year under review is provided in the Statement on Risk Management and Internal Control contained in this Annual Report.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I - Engagement with stakeholders

Intended Outcome 12.0

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

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Investor Relations

An Investor Relations Policy enables the Company to communicate effectively with its shareholders, prospective investors, fund managers, investment analysts and the public, generally with the intention of giving them a clear picture of the Group's performance and operations.

The shareholders and other stakeholders are kept informed of all major developments and performance of the Group through timely quarterly results announcements and various disclosure and announcements made to Bursa Securities through Bursa Link, press releases, the Company's annual report and circular to shareholders, if applicable.

The Company periodically organises briefings and meetings with analysts and fund managers and also facilitates communications through tele-conference to give stakeholders a better understanding of the businesses and developments of the Group. The corporate presentations and interim financial highlights are available at the Company's website www.beshom.com.

To maintain a high level of transparency and effectively address any issues or concerns, the Company maintains a dedicated electronic mail, ir@beshom.com, to which stakeholders can direct their queries for investor relations purposes.

Corporate Disclosure Policy and Procedure

The Group recognises the importance of transparency and accountability in the disclosure of the Group's business activities to its shareholders and investors. The Board has adopted a Corporate Disclosure Policy and Procedure for the Group, which sets out, among others, the scope and extent of disclosure by the various parties within the organisation, timeliness of disclosure as well as assessment of materiality and if it is reasonably expected to have a material effect on the price, value or market activity of any of the Company's securities; or the decision of a member of the Company or an investor in determining his choice of action.

Leverage on Information Technology for effective dissemination of Information

The Group has also leveraged on information technology for broader and effective dissemination of information. It has established an Investor Relations Section within the Corporate website to provide all relevant information, including corporate governance, public announcements, annual reports, financial highlights, corporate information, corporate calendar, dividends history, notice of general meetings, minutes of annual general meeting and others.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)**Part II - Conduct of General Meetings****Intended Outcome 13.0**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

General Meeting

The Board recognises the importance of keeping shareholders, stakeholders and the general public informed on the Group's business, performance and corporate developments. The Annual General Meeting ("AGM") remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the business operations of the Group.

The date of AGM of the Company is normally scheduled annually in September or October and the Directors are notified at the beginning of the calendar year of the scheduled meeting to ensure that all Directors are present to provide a meaningful response to questions addressed to them. The Directors, together with the Senior Management team, external auditors would be present at general meeting(s) to answer queries from the shareholders who participate in the Question and Answer session.

The Notice of AGM will be served to the shareholders of the Company at least 28 days prior to the meeting. The notice of AGM was published in the Annual Report and uploaded on the Company's website upon release to Bursa Securities.

For conducting general meetings, either physical or on a virtual basis, the Board must also ensure that the meeting supports meaningful engagement between the Board, Senior Management and shareholders. This includes having in place the required infrastructure and tools to, among others, encourage interactive participation by shareholders and provide a smooth broadcast of the general meeting if it is to be held on a virtual basis. The virtual meeting facilities have enabled the shareholders of the Company to exercise their right to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote in absentia in accordance with the Company's constitution which allows electronic voting and remote shareholders participation.

The 3rd AGM was held physically on 26 September 2023 in Kuala Lumpur. All resolutions were put to vote by poll.

All Directors attended the 3rd AGM. The Directors, together with the Senior Management team and External Auditors were present at the 3rd AGM and responded to the questions raised by the shareholders during the meeting.

The shareholders are also allowed to submit questions in advance to our IR email before the meeting. Answers to the Questions received prior to the meeting were presented and made visible to all meeting participants during the meeting. All the relevant questions and answers received before and during AGM were published on our corporate website at www.beshom.com within 30 business days after the meeting.

RESPONSIBILITY STATEMENT BY THE BOARD

The Directors are responsible in ensuring that the annual financial statements of the Group are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of Companies Act 2016 and the MMLR.

They are to ensure that the annual financial statements of the Group give a true and fair view of the state of affairs of the Group at the end of the financial year and the results and cash flows for the year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies on going concern basis and applied them consistently;
- made judgements, estimates and assumptions that are prudent and reasonable;
- ensured that applicable approved accounting standards are complied with; and
- put in-place an internal control system to ensure the financial statements are free from material misstatements, whether due to fraud or error.

The Directors have also taken reasonable steps to safeguard the assets of the Group as well as to prevent and detect other irregularities.

This CG Overview Statement was made in accordance with a Resolution of the Board on 20 August 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“the Board”) is committed to maintaining a sound internal control and risk management system and constantly reviewing the adequacy and effectiveness of the system. The Board is pleased to provide the following statement on the state of risk management and internal control of Beshom Holdings Berhad (“BESHOM”/“Company”) and its subsidiaries (“Group”) for the financial year ended 30 April 2024, which has been prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

Board Responsibility

The Board is committed to maintaining a sound system of risk management and internal control and proper management of risk throughout the operations of the Group in order to safeguard shareholders’ investments and assets of the Group. The Board is responsible for determining the overall Group’s level of risk tolerance and constantly review, assess and monitor the effectiveness and adequacy of the internal control system which has been embedded in all aspects of the Group’s activities.

The risk management and internal control system is designed to identify, assess and manage principal risks that may hinder the Group from achieving its strategic goals and business objectives efficiently, effectively and economically instead of eliminating these risks.

The Board takes cognizance of the system’s inherent limitations. Accordingly, the system is designed to manage and provide reasonable, rather than absolute assurance against the risk of failure, material misstatement or loss.

Risk Management Framework

The Board has, through its Risk Management Committee (“RMC”), implemented an Enterprise Risk Management (“ERM”) Framework throughout the Group to provide an integrated risk management infrastructure to identify, respond to and monitor the strategic key enterprise risks in a systematic and on-going approach.

Roles and Responsibilities under the Risk Management Framework

Authority Level	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none">Approves and oversees the ERM Framework and internal control system (incorporating Policies and Scope), including changes or additions.Responsible for determining the overall Group’s level of risk tolerance and review, assess and monitor the effectiveness and adequacy of the risk management and internal control system.
Audit Committee (“AC”) and Risk Management Committee (“RMC”)	<ul style="list-style-type: none">Develops & implements the ERM Framework and internal control system.Reviews the appropriate risk management measures implemented within the Group to ensure the adequacy and effectiveness of the Group’s risk management and internal control system.
Executive Risk Committee (“ERC”)	<ul style="list-style-type: none">Assists the RMC in overseeing risk management through its ERM framework.Ensures that Management and Risk Owners maintain an effective process to identify, evaluate and manage risks.Provides guidance and advice with respect to risk management and monitor risks across the key risk areas.
Management and Risk Owners of Operating Business Units	<ul style="list-style-type: none">Identify and prioritise risks and participate in the Group’s risk identification and assessment process.Ensure risks are identified, managed and regularly assessed and provide regular updates on risks as well as key indicators measuring the extent of the risks.Document the controls and processes to manage the risks of their respective functional areas.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

Roles and Responsibilities under the Risk Management Framework (Continued)

The AC and RMC assist the Board to review the appropriate risk management measures implemented within the Group to ensure the adequacy and effectiveness of the Group's risk management and internal control system.

The major business units are required to document the controls and processes to manage the risks of their functional areas, assess the effectiveness of the system and be sensitive and responsive to any changes to prevent and/or mitigate or minimize any damages to such functional areas.

The RMC of BESHOM was constituted on 12 November 2021 ahead of the transfer of listing status from Hai-O Enterprise Berhad to BESHOM on Main Market of Bursa Securities on 29 November 2021.

The RMC is currently chaired by the Group Executive Director cum Group Chief Financial Officer and its members consist of two (2) Independent Non-Executive Directors as follows:

Name	Directorship	No. of Meetings Attended in FY2024
Chairperson: Hew Von Kin	Group Executive Director cum Group Chief Financial Officer	2/2
Members: Foong Yein Fun <i>(appointed as member on 1 March 2024)</i>	Independent Non-Executive Director	-
Dato' Lee Teck Hua <i>(appointed as member on 19 July 2024)</i>	Independent Non-Executive Director	-
Tan Beng Ling <i>(ceased to be member and director on 26 September 2023)</i>	Independent Non-Executive Director	1/1
Chia Kuo Wui <i>(ceased to be member and director on 31 December 2023)</i>	Independent Non-Executive Director	0/2
Tay Bee Koo <i>(appointed on 27 September 2023 and ceased to be member and director on 5 April 2024)</i>	Independent Non-Executive Director	1/1

The ERC is led by the Group Executive Director and its members comprise of divisional or departmental heads. The ERC assists the RMC in overseeing risk management through its ERM framework.

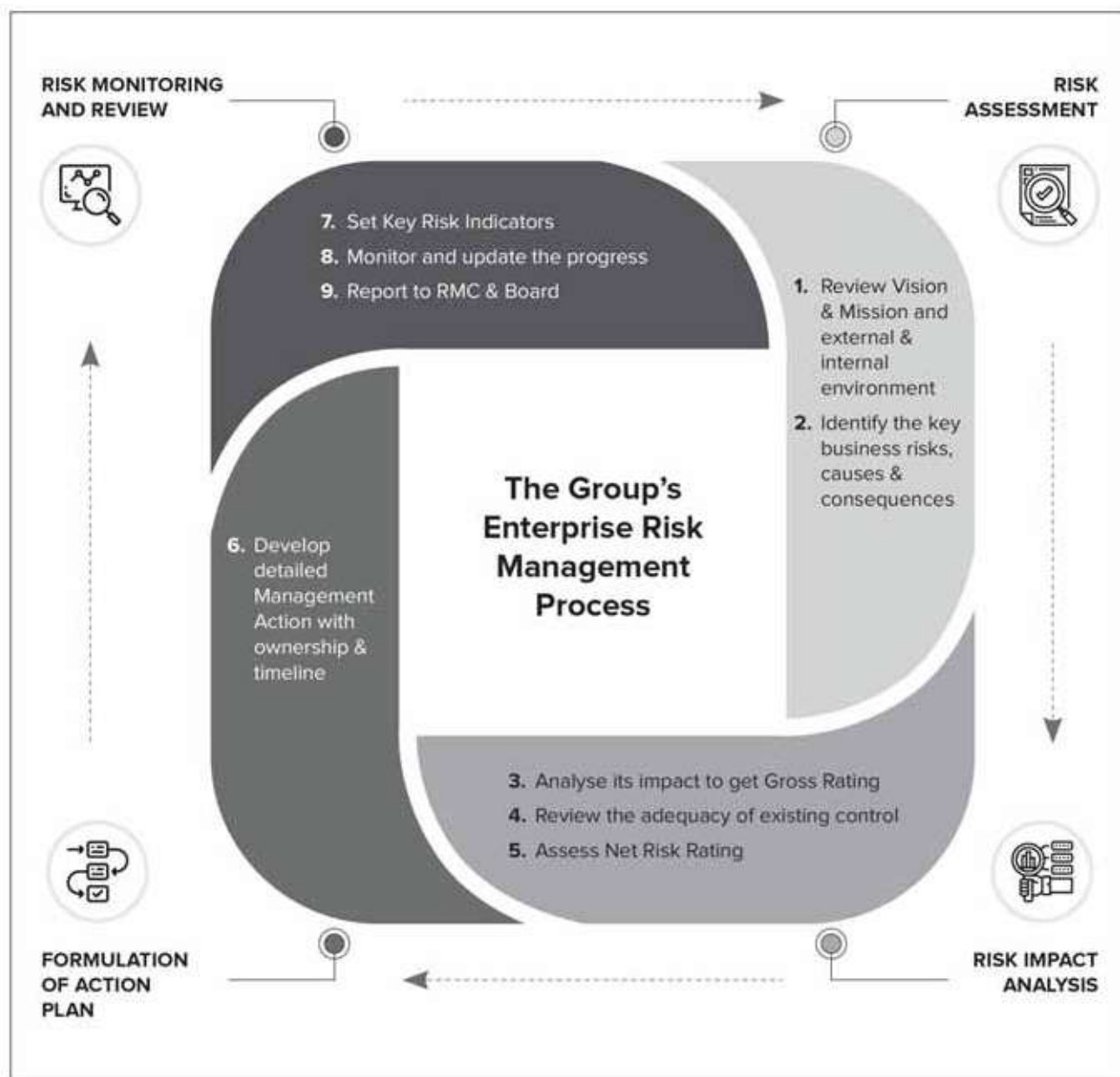
The Group Managing Director was invited to all RMC and ERC meetings held during the financial year ended 30 April 2024. The ERC members and the relevant key risk owners have also been invited to attend the RMC meetings. During the financial year ended 30 April 2024, the RMC had reviewed the risk registers and its status update, deliberated on the key and new risks identified and kept track of management actions or measures taken or proposed to be taken within the stipulated timeline.

During the financial year 2024, two (2) RMC meetings was held on 31 May 2023 and 14 December 2023 respectively with 67% attendance rate. The Chairman of the RMC reports and briefs the Board under a separate agenda at each Board Meeting following their respective meetings on the salient matters deliberated, including among others, the adequacy of the internal control system in managing the risks, the monitoring process carried out by the Management and the RMC. The Company Secretary is the secretary of the RMC.

The Board has put in place an ERM process for Beshom Holdings Berhad and its principal subsidiaries, namely, Hai-O Enterprise Berhad, Sahajidah Hai-O Marketing Sdn. Bhd., Hai-O Raya Bhd. and SG Global Biotech Sdn. Bhd.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)



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The Group's ERM Process comprises four main phases, namely, Risk Assessment, Risk Impact Analysis, Formulation of Action Plan and Risk Monitoring and Review.

Risk Assessment

Risk assessments are conducted for each key business function, activity and process to ensure that they are aligned with the Group's objectives and goals. The identification and management of risk is a continuous process linked to the achievement of the objectives. Any risks arising from these assessments will be identified, analysed and reported to the appropriate functional units.

Risk Impact Analysis

Each risk identified is evaluated and given a gross risk rating based on its impact and probability of occurrence and is evaluated as low, medium or high. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls and mitigating measures taken. All risks identified are evaluated based on appropriate qualitative and quantitative criteria through discussion with the Management and Risk Owners of the Operating Business Units.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

Formulation of Action Plan

The risk register is compiled to facilitate the identification, assessment and on-going monitoring of risks. Action plans and mitigating controls are determined for all the risks identified, evaluated and captured in the risk registers. The risk profiles, control procedures and status of action plans are reviewed at least quarterly and as and when required by the ERC together with the Operating Business Unit Heads.

Risk Monitoring and Review

For each of the risks identified, the risk owner is responsible for ensuring that the recommended risk response actions are carried out within an agreed timeline. The respective risk owners are required to put in place the management actions and control measures, coordinate and communicate with the Risk Coordinator and the Group Internal Auditors to update the Risk Scorecard at least on a semi-annual basis. The Internal Auditors will perform an independent review on the risk and internal control areas and report to the AC on a quarterly basis.

Key Elements of Internal Control

The Group's system of internal control comprises the following key elements:

- 1) An on-going process and framework for identifying, evaluating and managing significant risks faced by the Group which is in place for the year under review and up to the date of approval of this statement for inclusion in the annual report and reviewed by the Directors.
- 2) Clearly documented risk management principles, standard operating procedures and policies to meet operational needs, and communicated to employees.
- 3) The Board conducts quarterly reviews of the Group's performance and financial position at its meetings to ensure that the Group's overall objectives are achieved. At business units and divisional levels, the Management Team holds operational meetings to discuss, review, evaluate and resolve operational, financial and key management issues.
- 4) Each business unit is required to prepare annual budgets to be tabled to the Board for approval. Scheduled operational and management meetings are held to discuss and review business plans, budgets, financial and operational performances of the business units.
- 5) The Code of Ethics and Business Conduct ("Code of Conduct") is implemented within the Group and each employee is contractually bound to abide by the Code of Conduct. This Code serves to guide employees to conduct themselves in the utmost professional manner in dealing with company matters.
- 6) A clearly defined delegation of responsibilities is set for Committees of the Board, the Management Team and business operating units, including assigning appropriate authority levels to the various divisions of the business.
- 7) Insurance coverage and physical safeguards over major assets (property, plant and equipment, investment properties and inventories) are in place to ensure that the assets of the Group are adequately covered against any mishap that may result in material losses to the Group.

Internal Audit Function

The Group Internal Audit Department ("IAD") and the co-sourced Internal auditors, RESOLVE IR Sdn. Bhd. ("RESOLVE") work alongside to continuously provide an independent assessment on the adequacy, effectiveness and reliability of the Group's risk management processes and system of internal controls. The Group IAD and RESOLVE review compliance with policies and procedures, advise executive and operational management on areas for improvement and subsequently review the extent to which its recommendations have been implemented. The Group IAD and RESOLVE also conduct follow up reviews on the implementation status of action plans previously agreed by Management.

The internal audit plan for Group IAD approved by the AC on an annual basis, whereas the internal audit plan by RESOLVE was approved by AC prior to its appointment on 20 December 2023. The results of the audits and recommendations for improvement co-developed with Management, were tabled at the AC meetings for discussion and subsequent assessment. Key and significant risk issues will be escalated to the RMC for deliberation, followed by subsequent monitoring of management actions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

Internal Audit Function (Continued)

The key risk issues are reported to the Board by the Chairman of the RMC at Board meeting scheduled following the RMC meeting held for further deliberation. These include risks at the macro, industry and company specific levels, such as regulatory and compliance risks; the state of the global and domestic economy and the associated risks on key business operations; competitiveness of the marketing plan, data protection, price cutting and fake products, customers retention and expansion of youth market; inventory management, safety & health control, labour shortage, business continuity and corporate liability provision risks.

During the financial year under review, the Group IAD performed control assessment reviews and risk impact analysis on business operations of the Wholesale, Multi-Level Marketing, Retail and Manufacturing segments of the Group. In addition, RESOLVE has performed two (2) internal audit visits for financial year ended 30 April 2024, on our main subsidiaries, Hai-O Enterprise Berhad (Wholesale segment) and Sahajidah Hai-O Marketing Sdn. Bhd. (MLM segment). The internal audit of RESOLVE was conducted using a risk-based approach and was guided by the International Professional Practices Framework ("IPPF"). The details of the audit scope and coverage are elaborated in the Audit Committee Report.

In addition to the above, the Group IAD and RESOLVE conducted quarterly follow up reviews with the respective Heads of Business Units on the implementation status of the audit recommendations made by them respectively.

The Group IAD has assessed the system of internal controls, where applicable, based on the principles of COSO Internal Controls – Integrated Framework ("COSO Framework"). The COSO principles outline five essential components of an effective internal control system, namely (i) Control Environment; (ii) Risk Assessment; (iii) Control Activities; (iv) Information and Communication; and (v) Monitoring. The areas of concerns or emphasis that require Management's immediate or specific attention and monitoring are tabulated in the Key Risk Listing for internal audit focus. Some weaknesses in internal control were identified during the year under review but these were not deemed significant and did not materially impact the business or operations of the Group.

Anti-Bribery Framework

The Group is committed to conduct its businesses in a lawful and ethical manner and maintaining high standards of ethics and integrity. The Anti-Bribery Framework ("ABF") was established on 28 May 2020. The ABF sets out the Group's stance and adopts adequate procedures against bribery activities in its businesses regardless of the country of operation. The ABF was developed based on the five principles of the Ministerial Guidelines, "**T.R.U.S.T**":



The ABF, which comprises the following key policies and controls, has been put in place:

- Anti-Bribery Policy
- Whistle-Blowing Policy
- Code of Business Ethics
- Policy on Facilitation Payment
- Policy on Gift, Entertainment and Hospitality
- Policy on Third-Party Travel
- Policy on Donation and Sponsorship
- Policy on Business Incentives
- Anti-Bribery Procedures for Managing Stakeholders

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

Anti-Bribery Policy

The Anti-Bribery Policy (“ABP”) was established to set out the Company’s expectations for internal and external parties working with, for and on behalf of the Group in upholding the Group’s zero tolerance stance against bribery. Directors, Employees, Suppliers, Distributors, Business Associates, and any third parties working with, for or on behalf of the Group shall adhere to and observe the Group’s anti-bribery stance and relevant provisions, policies, and procedures established by the Group. The Group treats any violation of ABP seriously and will take necessary actions, including, but not limited to, review of employment or appointment, disciplinary action, dismissal, cessation of business relationship, and reporting to the authorities, as is consistent with relevant laws and regulations.

The ABP shall be reviewed by the Company periodically or at least once in three years.

In providing leadership and top-level commitment to the Group’s businesses in managing bribery risks, the respective responsibilities of the Group’s governance bodies are as follows:

Governance Body	Key Responsibilities
Board of Directors (“Board”)	<ul style="list-style-type: none"> Promoting a culture of integrity throughout the Group, including setting the Group’s anti-bribery stance and managing corruption risks of the Group. Ensuring the Group’s vision and long-term business strategy include consideration of ethical business practices. Ensuring the establishment of an internal control system which provides reasonable assurance that the Group’s bribery risks are managed.
Audit Committee (“AC”)	<ul style="list-style-type: none"> Reviewing audit matters pertaining to ABP, including ensuring the inclusion of ABP in the Group’s internal audit scope, and reviewing the effectiveness of the Group’s internal control system pertaining to ABP.
Risk Management Committee (“RMC”)	<ul style="list-style-type: none"> Overseeing the establishment and maintenance of the Group’s ABF including its implementation and performance. Ensuring the Group identifies and manages its key bribery risks areas and reviewing the same. Reviewing the implementation and performance of the Group’s anti-bribery and anti-corruption controls to address key bribery risks.
Management (Including Executive Risk Committee (“ERC”))	<ul style="list-style-type: none"> Establishing, implementing, and maintaining the Group’s ABF. Reviewing the Bribery Risk Assessment annually to identify the Group’s key bribery risk areas. Reporting to the RMC any significant bribery risks. Overseeing the establishment and effective implementation of the Group’s anti-bribery and anti-corruption controls, and reporting their performance to the RMC.
Anti-Bribery Compliance and Support team (“ABCS”), which comprises Company Heads and Heads of Group Functional Departments	<ul style="list-style-type: none"> Provides advice and guidance in relation to the Group’s personnel and business associates in relation to the Group’s ABF and its compliance. Receives reports and reviews incidents and cases of attempted offer or solicitation of bribes as reported via the Group’s internal reporting.
Internal Audit	<ul style="list-style-type: none"> Assists the AC in its review of the design adequacy and operating effectiveness of the Group’s internal controls in relation to ABF.

Bribery Risk Assessment

The Group has established a process for the identification, evaluation, and management of bribery risk areas (“Bribery Risk Management”), focusing on areas where the Group is exposed to a higher risk of bribery. The ERC is responsible for the conduct of the Group’s Bribery Risk Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONTINUED)

Bribery Risk Assessment Methodology

The scope of Bribery Risk Assessment is applicable to all the Group's business operations regardless of country of operations, including all subsidiaries and both active and passive bribery.

The Group's Bribery Risk Assessment approach adopts one that is similar to the Group's risk assessment process for its enterprise-wide risk management. An illustrative summary of the Bribery Risk Assessment approach is as follows:



The Gap Assessment on the Group's current policies and procedures was conducted against the five principles of the Ministerial Guidelines "T.R.U.S.T". The five principles serve as reference points for setting out adequate procedures in relation to Section 17A, MACC Act, 2009. The areas of improvement were recommended during the course of risk assessment for ABF implementation. The Group's risk management and internal control system has been enhanced for managing the Group's bribery risks as part of the ABF.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has reviewed the adequacy and effectiveness of the systems of internal control and risk management that provide reasonable assurance to the Group in achieving its business objectives. The Board has received assurance from the Group Managing Director and Group Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this statement. As the development of a sound system of internal control is an on-going process, the Board and the Management maintain an on-going commitment to ensure necessary actions have been taken to remedy significant weaknesses identified from reviews and continues to take appropriate measures to strengthen the risk management and internal control environment of the Group.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 30 April 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement was approved by the Board on 20 August 2024.

ADDITIONAL CORPORATE DISCLOSURE

UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised by the Company and its subsidiaries from any corporate proposals.

AUDIT AND NON-AUDIT FEES

The fees payable to the external auditors' firm in relation to the audit and non-audit services rendered to the Company and its subsidiaries for the financial year ended 30 April 2024 are as follows:

	The Company RM	The Group RM
Audit fees		
- KPMG PLT	40,000	413,050
- Other auditors	-	53,913
Non-audit fees		
- KPMG PLT	15,000	15,000

MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts of the Company and its subsidiaries, involving Directors', Chief Executive and major shareholders' interests, still subsisting at the end of the financial year.

The Group Managing Director is the Chief Executive who oversees and is primarily responsible for the overall group business operations.

RECURRENT RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 30 to the Financial Statements.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were six (6) Board of Directors' Meetings held during the financial year ended 30 April 2024. The details of attendance of the Directors are as follows: -

Name of Directors	Number of Board Meetings attended by Directors
Ng Chek Yong	6/6 meetings
Tan Keng Kang	6/6 meetings
Hew Von Kin	6/6 meetings
Soon Eng Sing	6/6 meetings
Professor Hajjah Ruhana Binti Harun	6/6 meetings
Foong Yein Fun (<i>appointed on 1 March 2024</i>)	1/1 meeting
Dato' Lee Teck Hua (<i>appointed on 19 July 2024</i>)	-
Tay Bee Koo (<i>resigned on 5 April 2024</i>)	6/6 meetings
Chia Kuo Wui (<i>resigned on 31 December 2023</i>)	4/4 meetings
Tan Beng Ling (<i>retired on 26 September 2023</i>)	2/2 meetings

ADDITIONAL CORPORATE DISCLOSURE

(CONTINUED)

FAMILY RELATIONSHIP OF DIRECTORS AND /OR MAJOR SHAREHOLDERS

There is no family relationship among the Directors and / or major shareholders except that:

- Madam Phan Van Denh is the wife of Mr. Tan Keng Kang.

CONFLICT OF INTEREST WITH THE COMPANY AND ITS SUBSIDIARIES

The Board has established processes for declaring and monitoring actual and potential conflict of interest for Directors, Senior Management and other employees. The Board Charter and Employee Handbook were updated to incorporate the relevant amendments pertaining to the enhancements to conflict of interest disclosures and the expanded scope of the Audit Committee's oversight in relation to reviewing and reporting conflict of interest situations to the Board.

None of the Directors and Key Senior Management have any conflict of interest with the Company and its subsidiaries during the financial year, which is material pursuant to the Main Market Listing Requirements and Companies Act 2016.

A grayscale photograph of a hand holding a pen over a calculator. The background is filled with various financial charts, including line graphs and bar charts, overlaid on a grid. The overall theme is financial analysis and accounting.

Financial

STATEMENTS

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2024.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	10,893,023	11,268,745
Non-controlling interests	85,992	-
	10,979,015	11,268,745

Reserves and provisions

78 There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the amounts of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 30 April 2023 as reported in the Directors' Report of that year, a final dividend of 2 sen per ordinary share amounting to RM6,002,064 declared on 26 September 2023 and paid on 30 November 2023.
- ii) In respect of the financial year ended 30 April 2024, an interim dividend of 1.5 sen per ordinary share totalling RM4,501,574 declared on 21 December 2023 and paid on 14 March 2024.

Subsequent to the end of the current financial year, the Directors recommended a final dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 April 2024.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

Directors of the Company

Directors who served during the financial year until the date of this report are:

Ng Chek Yong
 Tan Keng Kang
 Hew Von Kin
 Soon Eng Sing
 Prof Hajjah Ruhanas Binti Harun
 Foong Yein Fun (Appointed on 1 March 2024)
 Dato' Lee Teck Hua (Appointed on 19 July 2024)
 Tan Beng Ling (Retired on 26 September 2023)
 Chia Kuo Wui (Resigned on 31 December 2023)
 Tay Bee Koo (Resigned on 5 April 2024)

Directors of the subsidiaries

The names of directors of subsidiaries are set out in their respective subsidiary's directors' report and the board deems such information is included in the holding company's directors' report by such reference and shall form part of the holding company's directors' report.

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses and children of the Directors) as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.5.2023	Number of ordinary shares			At 30.4.2024
		Bought	Transferred in/(out)	Sold	
Interests in the Company:					
Tan Keng Kang					
- direct	12,864,793	-	-	-	12,864,793
- indirect	1,158,571	-	-	-	1,158,571
Hew Von Kin					
- direct	416,580	-	-	-	416,580
Soon Eng Sing					
- direct	51,923	-	-	-	51,923
Deemed interests in the Company:					
Tan Keng Kang*	64,425,802	339,300	-	-	64,765,102

* Deemed interested by virtue of the Directors' interests in Akintan Sdn. Bhd., Daritan Sdn. Bhd. and Tan Kai Hee Family Holdings Sdn. Bhd.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

Directors' interests in shares (continued)

	At 1.5.2023	Number of ordinary shares			At 30.4.2024
		Bought	Transferred in/(out)	Sold	
Interests in a subsidiary, Hai-O Raya Bhd.:					
Tan Keng Kang					
- direct	16,000	-	-	-	16,000
- indirect	14,000	-	-	-	14,000
Hew Von Kin					
- direct	3,000	-	-	-	3,000
Deemed interests in a subsidiary, Hai-O Raya Bhd.:					
Tan Keng Kang [^]	64,000	-	-	-	64,000

[^] Deemed interested by virtue of the Directors' interests in Daritan Sdn. Bhd. and Tan Kai Hee Family Holdings Sdn. Bhd.

In accordance with the Companies Act, the interests and deemed interests of the spouses and children of the Directors in the shares of the Company and of its related corporations (other than wholly owned subsidiaries) shall be treated as the interests of the Directors also.

By virtue of their interests in the shares of the Company, Tan Keng Kang are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Beshom Holdings Berhad has an interest.

None of the other Directors holding office at 30 April 2024 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

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Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements and in this report, or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' remuneration

The Directors' remuneration paid to or receivable by the Directors of the Group from the Company and its subsidiaries are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company:				
- Fees	180,109	193,144	143,442	155,144
- Remuneration	2,655,765	2,796,115	1,373,568	1,435,381
	2,835,874	2,989,259	1,517,010	1,590,525
Directors of subsidiaries:				
- Fees	32,123	26,250	-	-
- Remuneration	824,553	672,123	-	-
	856,676	698,373	-	-
	3,692,550	3,687,632	1,517,010	1,590,525

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Treasury shares

During the financial year, the Company repurchased 133,300 of its issued share capital from the open market for a total consideration of RM119,936. The average price for the shares repurchased was RM0.90 per share and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

As at 30 April 2024, the Company held 133,300 (2023: Nil) of its own shares.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, the total amount of indemnity sum insured and premium paid for Directors and officers of the Group and of the Company are RM3,000,000 and RM21,780 respectively. There are no indemnity and insurance purchased for the auditors of the Group and of the Company.

Qualification of subsidiaries's financial statements

The auditors' report on the audit of the financial statements of Company's subsidiaries did not contain any qualification.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 April 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The amount of audit and non-audit fees paid or payable to the external auditors' firm by the Group and the Company for the financial year ended 30 April 2024 are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration:				
Audit fees:				
- KPMG PLT	413,050	400,750	40,000	39,500
- Other auditors	53,913	52,609	-	-
Non-audit fees:				
- KPMG PLT	15,000	15,000	15,000	15,000
	481,963	468,359	55,000	54,500

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Keng Kang
Director

.....
Hew Von Kin
Director

Kuala Lumpur

Date: 20 August 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Property, plant and equipment	3	73,467,612	81,975,783	19,310	24,688
Investment properties	4	48,844,378	42,791,476	-	-
Right-of-use assets	5	11,004,836	10,510,346	-	-
Goodwill	6	84,930	84,930	-	-
Investments in subsidiaries	7	-	-	318,827,659	312,977,659
Investment in an associate	8	-	-	-	-
Investment in a joint venture	9	1,728,955	1,845,778	-	-
Other investments	10	7,572,375	7,300,442	-	-
Trade and other receivables	11	1,583,549	1,650,941	-	-
Deferred tax assets	12	1,969,929	2,006,526	-	-
Total non-current assets		146,256,564	148,166,222	318,846,969	313,002,347
Inventories	13	76,898,677	87,527,276	-	-
Other investments	10	69,157,389	60,472,532	7,926,576	6,590,768
Trade and other receivables	11	15,708,683	16,343,157	90,187	6,028,402
Prepayments		2,136,769	1,870,317	278,838	-
Current tax assets		4,982,223	3,649,402	-	-
Cash and cash equivalents	14	34,510,718	35,153,238	471,651	1,469,391
Total current assets		203,394,459	205,015,922	8,767,252	14,088,561
Total assets		349,651,023	353,182,144	327,614,221	327,090,908
Equity					
Share capital	15	312,977,661	312,977,661	312,977,661	312,977,661
Treasury shares	15	(119,936)	-	(119,936)	-
Reorganisation reserve	15.5	(155,823,146)	(155,823,146)	-	-
Reserves		153,043,189	152,506,693	14,361,949	13,596,842
Equity attributable to owners of the Company		310,077,768	309,661,208	327,219,674	326,574,503
Non-controlling interests		11,843,898	12,110,714	-	-
Total equity		321,921,666	321,771,922	327,219,674	326,574,503

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2024 (CONTINUED)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Liabilities					
Lease liabilities		3,027,624	2,470,967	-	-
Contract liabilities	18	204,261	344,553	-	-
Deferred tax liabilities	12	319,140	308,332	-	-
Total non-current liabilities		3,551,025	3,123,852	-	-
Trade and other payables	16	22,040,163	25,848,735	313,674	339,954
Lease liabilities		1,418,247	1,354,022	-	-
Current tax liabilities		83,157	181,495	80,873	176,451
Provisions	17	253,195	349,600	-	-
Contract liabilities	18	383,570	552,518	-	-
Total current liabilities		24,178,332	28,286,370	394,547	516,405
Total liabilities		27,729,357	31,410,222	394,547	516,405
Total equity and liabilities		349,651,023	353,182,144	327,614,221	327,090,908

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	19	151,131,968	174,228,637	15,459,228	37,211,355
Cost of sales		(88,362,140)	(101,038,647)	-	-
Gross profit		62,769,828	73,189,990	15,459,228	37,211,355
Other income		4,252,218	5,902,829	253,959	108,768
Distribution expenses		(29,782,311)	(30,430,702)	-	-
Administrative expenses		(22,622,845)	(24,007,904)	(4,207,426)	(4,440,419)
Net reversal on impairment of financial instruments		65,483	21,503	-	-
Other expenses		(506,309)	(647,228)	(27,316)	(37,850)
Results from operating activities		14,176,064	24,028,488	11,478,445	32,841,854
Finance income	20	646,537	611,523	34,663	59,833
Finance costs	21	(222,385)	(221,098)	-	-
Net finance income		424,152	390,425	34,663	59,833
Share of loss of equity-accounted joint venture, net of tax		(116,823)	(154,842)	-	-
Profit before tax	22	14,483,393	24,264,071	11,513,108	32,901,687
Tax expense	23	(3,504,378)	(7,489,083)	(244,363)	(238,195)
Profit for the year		10,979,015	16,774,988	11,268,745	32,663,492

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income		371,804	(495,736)	-	-
Foreign currency translation differences for foreign operations		(303,851)	698,178	-	-
Other comprehensive income for the year, net of tax		67,953	202,442	-	-
Total comprehensive income for the year		11,046,968	16,977,430	11,268,745	32,663,492
Profit attributable to:					
Owners of the Company		10,893,023	16,285,082	11,268,745	32,663,492
Non-controlling interests		85,992	489,906	-	-
Profit for the year		10,979,015	16,774,988	11,268,745	32,663,492
Total comprehensive income attributable to:					
Owners of the Company		10,960,976	16,487,524	11,268,745	32,663,492
Non-controlling interests		85,992	489,906	-	-
Total comprehensive income for the year		11,046,968	16,977,430	11,268,745	32,663,492
Basic earnings per ordinary share (sen)	24	3.63	5.43		
Diluted earnings per ordinary share (sen)	24	3.63	5.43		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2024

Group	Note	Attributable to owners of the Company									
		Share capital RM	Treasury shares RM	Translation reserve RM	Non-distributable Capital reserve RM	Reorganisation reserve RM	Fair value Reserve RM	Distributable Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 May 2022		312,977,661	-	28,867	657,192	(155,823,146)	-	159,214,277	317,054,851	12,044,100	329,098,951
Net change in fair value of equity investments designated at fair value through OCI		-	-	-	-	-	(495,736)	-	(495,736)	-	(495,736)
Foreign currency translation differences for foreign operations		-	-	698,178	-	-	-	-	698,178	-	698,178
Total other comprehensive income for the year		-	-	698,178	-	-	(495,736)	-	202,442	-	202,442
Profit for the year		-	-	-	-	-	-	16,285,082	16,285,082	489,906	16,774,988
Total comprehensive income for the year		-	-	698,178	-	-	(495,736)	16,285,082	16,487,524	489,906	16,977,430
Acquisition of additional interests in a subsidiary	31.1	-	-	-	-	-	-	127,092	127,092	(180,292)	(53,200)
Dividends to non-controlling interests of a subsidiary	7.1	-	-	-	-	-	-	-	-	(243,000)	(243,000)
Dividends paid	25	-	-	-	-	-	-	(24,008,259)	(24,008,259)	-	(24,008,259)
Total transactions with owners of the Company		-	-	-	-	-	-	(23,881,167)	(23,881,167)	(423,292)	(24,304,459)
At 30 April 2023		312,977,661	-	727,045	657,192	(155,823,146)	(495,736)	151,618,192	309,661,208	12,110,714	321,771,922

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

Group	Note	Attributable to owners of the Company									
		Share capital RM	Treasury shares RM	Translation reserve RM	Non-distributable Capital reserve RM	Reorganisation reserve RM	Fair value Reserve RM	Distributable Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
At 1 May 2023		312,977,661	-	727,045	657,192	(155,823,146)	(495,736)	151,618,192	309,661,208	12,110,714	321,771,922
Net change in fair value of equity investments designated at fair value through OCI		-	-	-	-	-	371,804	-	371,804	-	371,804
Foreign currency translation differences for foreign operations		-	-	(303,851)	-	-	-	-	(303,851)	-	(303,851)
Total other comprehensive income for the year		-	-	(303,851)	-	-	371,804	-	67,953	-	67,953
Profit for the year		-	-	-	-	-	-	10,893,023	10,893,023	85,992	10,979,015
Total comprehensive income for the year		-	-	(303,851)	-	-	371,804	10,893,023	10,960,976	85,992	11,046,968
Acquisition of additional interests in a subsidiary from non-controlling interests	31.1	-	-	-	-	-	-	79,158	79,158	(114,558)	(35,400)
Dividends to non-controlling interests of a subsidiary	7.1	-	-	-	-	-	-	-	-	(238,250)	(238,250)
Dividends paid	25	-	-	-	-	-	-	(10,503,638)	(10,503,638)	-	(10,503,638)
Purchase of treasury shares	15.4	-	(119,936)	-	-	-	-	-	(119,936)	-	(119,936)
Total transactions with owners of the Company		-	(119,936)	-	-	-	-	(10,424,480)	(10,544,416)	(352,808)	(10,897,224)
At 30 April 2024		312,977,661	(119,936)	423,194	657,192	(155,823,146)	(123,932)	152,086,735	310,077,768	11,843,898	321,921,666

The notes on pages 93 to 139 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2024

Company	Note	<i>Non-distributable</i> Share capital RM	<i>Treasury</i> shares RM	<i>Distributable</i> Retained earnings RM	Total equity RM
At 1 May 2022		312,977,661	-	4,941,609	317,919,270
Profit and total comprehensive income for the year		-	-	32,663,492	32,663,492
Dividends to owner of the Company	25	-	-	(24,008,259)	(24,008,259)
Total transactions with owners of the Company		-	-	(24,008,259)	(24,008,259)
At 30 April 2023/1 May 2023		312,977,661	-	13,596,842	326,574,503
Profit and total comprehensive income for the year		-	-	11,268,745	11,268,745
Purchase of treasury shares	15.4	-	(119,936)	-	(119,936)
Dividends to owner of the Company	25	-	-	(10,503,638)	(10,503,638)
Total transactions with owners of the Company		-	(119,936)	(10,503,638)	(10,623,574)
At 30 April 2024		312,977,661	(119,936)	14,361,949	327,219,674

Note 15

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit before tax	14,483,393	24,264,071	11,513,108	32,901,687
<i>Adjustments for:</i>				
Adjustment of right-of-use assets	(19,224)	-	-	-
Changes in lease payments arising from rent concessions	-	(24,147)	-	-
Depreciation of investment properties	725,800	691,507	-	-
Depreciation of property, plant and equipment	3,178,763	3,089,603	9,227	5,123
Depreciation of right-of-use assets	1,633,079	1,724,198	-	-
Dividend income	(1,093,516)	(808,635)	(11,465,131)	(33,096,038)
Fair value gain on other investments	(948,968)	(793,485)	(29,905)	(6,085)
Finance costs	222,385	221,098	-	-
Finance income	(646,537)	(611,523)	(34,663)	(59,833)
Gain on disposal of other investments	(2,302)	(112,223)	-	-
Gain on disposal of investment properties	(332,194)	-	-	-
Loss/(gain) on disposal of property, plant and equipment	39,984	(1,792,771)	-	-
Net reversal on impairment of trade and other receivables	(65,483)	(21,503)	-	-
Property, plant and equipment written off	6,792	71,239	-	-
Provision for sales campaign	904,796	912,639	-	-
Reversal of provision for goods return	-	(400,000)	-	-
Reversal of provision for restoration cost	-	(7,000)	-	-
Share of loss of equity- accounted joint venture, net of tax	116,823	154,842	-	-
Unrealised foreign exchange (gain)/loss	(136,817)	29,228	-	-
Operating profit/(loss) before working capital changes	18,066,774	26,587,138	(7,364)	(255,146)
Change in inventories	10,607,683	1,816,477	-	-
Change in trade and other receivables and prepayments	499,971	2,431,949	(308,535)	(6,274)
Change in trade and other payables	(4,287,235)	(8,448,341)	(31,526)	68,524
Cash generated from/ (used in) operations	24,887,193	22,387,223	(347,425)	(192,896)
Sales campaign paid	(1,001,201)	(1,015,839)	-	-
Tax paid	(5,779,625)	(10,338,487)	(339,941)	(87,493)
Tax refunded	891,493	157,668	-	-
Interest paid	(222,385)	(221,098)	-	-
Net cash from/(used in) operating activities	18,775,475	10,969,467	(687,366)	(280,389)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities				
Acquisition of investment property	(2,284,000)	-	-	-
Acquisition of other investments	(13,500,000)	(38,354,443)	(1,500,000)	(6,500,000)
Acquisition of property, plant and equipment	(826,640)	(3,284,878)	(3,849)	(13,756)
Dividends received	-	-	11,259,228	33,011,355
Interest received from fixed deposits and repurchase agreements	646,537	611,523	34,663	59,833
Increase in investment in subsidiaries	-	-	(5,850,000)	-
Proceeds from disposal of other investments	6,959,800	31,834,068	400,000	-
Proceeds from disposal of property, plant and equipment	83,044	1,867,781	-	-
Proceeds from disposal of investment properties	1,865,835	-	-	-
Net cash (used in)/from investing activities	(7,055,424)	(7,325,949)	4,340,042	26,557,432
Cash flows from financing activities				
Accretion of equity interest in subsidiaries	(35,400)	(53,200)	-	-
Dividends paid to non-controlling interests of a subsidiary	(238,250)	(243,000)	-	-
Dividends paid	(10,503,638)	(24,008,259)	(10,503,638)	(24,008,259)
Increase/(Decrease) in amounts due to subsidiaries	-	-	5,246	(75,849)
Increase/(Decrease) in amounts due from subsidiaries	-	-	5,967,912	(4,915,073)
Payment of lease liabilities	(1,487,496)	(1,560,239)	-	-
Repurchase of treasury shares	(119,936)	-	(119,936)	-
Net cash used in financing activities	(12,384,720)	(25,864,698)	(4,650,416)	(28,999,181)
Net decrease in cash and cash equivalents	(664,669)	(22,221,180)	(997,740)	(2,722,138)
Effect of exchange rate fluctuations on cash held	22,149	10,667	-	-
Cash and cash equivalents at beginning of the year	35,153,238	57,363,751	1,469,391	4,191,529
Cash and cash equivalents at end of the year	34,510,718	35,153,238	471,651	1,469,391

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Deposit placed with licensed banks	14	24,279,546	24,167,323	250,000	1,000,000
Cash and bank balances	14	10,231,172	10,985,915	221,651	469,391
		34,510,718	35,153,238	471,651	1,469,391

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2024 (CONTINUED)

Cash outflows for leases as a lessee

	Note	2024 RM	Group 2023 RM
Included in net cash from operating activities:			
Interest paid in relation to lease liabilities	21	220,072	221,098
Included in net cash from financing activities:			
Payment of lease liabilities		1,487,496	1,560,239
Total cash outflows for leases		1,707,568	1,781,337

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	Lease liabilities RM
At 1 May 2022	3,731,922
Changes from financing cash flows	
Payment of lease liabilities	(1,560,239)
Net changes from financing cash flows	(1,560,239)
Acquisition of new leases	278,684
Changes in lease payments arising from rent concessions	(24,147)
Remeasurement of lease liabilities	1,396,857
Effect of movements in exchange rates	1,912
At 30 April 2023/1 May 2023	3,824,989
Changes from financing cash flows	
Payment of lease liabilities	(1,487,496)
Net changes from financing cash flows	(1,487,496)
Acquisition of new leases	1,346,171
Remeasurement of lease liabilities	760,317
Effect of movements in exchange rates	1,890
At 30 April 2024	4,445,871

NOTES TO THE FINANCIAL STATEMENTS

Beshom Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Wisma Hai-O
Lot 11995, Batu 2
Jalan Kapar
41400 Klang
Selangor Darul Ehsan

Registered office

Unit 621, 6th Floor, Block A
Kelana Centre Point
No 3 Jalan SS7/19 Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 April 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates and a joint venture. The financial statements of the Company as at and for the financial year ended 30 April 2024 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiary are as stated in Note 7 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 20 August 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

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

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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 and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 May 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 May 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 May 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 May 2027 for the amendments that are effective for annual periods beginning on or after 1 January 2027.

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 and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for non-derivative financial instruments at FVTPL and equity securities at FVOCI which are measured based on the measurement bases of fair value.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, except for financial information relating to operating segments (Note 26) which has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 – lease extension options and incremental borrowing rate of lease
- Note 13 – valuation of inventories
- Note 17 – provisions
- Note 27 – measurement of expected credit loss (“ECL”)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. Changes in material accounting policies**2.1 Material accounting policy information**

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 May 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Laboratory, Warehouse and furniture, and office equipment RM	electrical fittings RM	Renovation RM	Plant and machinery RM	Fire fighting and lift systems RM	Vintage Pu-Er tea RM	Capital work-in-progress RM	Total RM
Cost											
At 1 May 2022	41,364,461	37,270,062	2,491,509	16,146,234	3,365,453	11,989,040	3,345,031	265,933	3,725,066	-	119,962,789
Additions	-	-	318,131	826,026	214,497	810,549	131,825	-	-	983,850	3,284,878
Disposals	-	-	(188,876)	(20,404)	-	-	-	-	(68,063)	-	(277,343)
Reclassification	-	-	-	(55,900)	-	-	-	55,900	-	-	-
Written off	-	-	-	(290,083)	(91,649)	(127,871)	(1)	-	-	-	(509,604)
Effect of movements in exchange rates	-	-	-	5,520	517	9,102	-	-	-	-	15,139
At 30 April 2023/											
1 May 2023	41,364,461	37,270,062	2,620,764	16,611,393	3,488,818	12,680,820	3,476,855	321,833	3,657,003	983,850	122,475,859
Additions	-	18,345	181,710	368,298	97,775	107,466	53,046	-	-	-	826,640
Disposals	-	-	(79,666)	(27,299)	(14,300)	(104,500)	(63,000)	-	-	-	(288,765)
Reclassification	-	-	-	-	-	-	983,850	-	-	(983,850)	-
Written off	-	-	-	(363,218)	(32,741)	(99,784)	-	-	-	-	(495,743)
Transfers to investment property:											
- Offset of accumulated depreciation	-	(668,612)	-	-	-	-	-	-	-	-	(668,612)
- Transfer of carrying amount (Note 4)	(4,551,021)	(1,477,322)	-	-	-	-	-	-	-	-	(6,028,343)
Effect of movements in exchange rates	-	-	-	7,064	662	11,647	-	-	-	-	19,373
At 30 April 2024	36,813,440	35,142,473	2,722,808	16,596,238	3,540,214	12,595,649	4,450,751	321,833	3,657,003	-	115,840,409

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Property, plant and equipment (continued)

Group	Freehold land RM	Buildings RM	Motor vehicles RM	Laboratory, Warehouse and furniture, and office electrical fittings RM			Plant and machinery RM	Fire fighting and lift systems RM	Vintage Pu-Er tea RM	Capital work-in-progress RM	Total RM
				RM	RM	RM					
Depreciation											
At 1 May 2022	-	9,975,505	2,031,702	12,733,867	2,049,383	8,447,630	2,567,130	233,447	-	-	38,038,664
Depreciation for the year	-	761,563	165,537	849,648	262,465	917,668	123,100	9,622	-	-	3,089,603
Disposals	-	-	(188,874)	(13,459)	-	-	-	-	-	-	(202,333)
Reclassification	-	-	-	(17,236)	-	-	-	17,236	-	-	-
Written off	-	-	-	(277,899)	(69,179)	(91,286)	(1)	-	-	-	(438,365)
Effect of movements in exchange rates	-	-	-	5,054	389	7,064	-	-	-	-	12,507
At 30 April 2023/											
1 May 2023	-	10,737,068	2,008,365	13,279,975	2,243,058	9,281,076	2,690,229	260,305	-	-	40,500,076
Depreciation for the year	-	723,201	211,584	861,796	253,543	900,449	218,573	9,617	-	-	3,178,763
Disposals	-	-	(79,664)	(11,523)	(8,342)	(60,958)	(5,250)	-	-	-	(165,737)
Written off	-	-	-	(359,396)	(29,823)	(99,732)	-	-	-	-	(488,951)
Offset of accumulated depreciation on property transferred to investment property	-	(668,612)	-	-	-	-	-	-	-	-	(668,612)
Effect of movements in exchange rates	-	-	-	6,663	555	10,040	-	-	-	-	17,258
At 30 April 2024	-	10,791,657	2,140,285	13,777,515	2,458,991	10,030,875	2,903,552	269,922	-	-	42,372,797
Carrying amounts											
At 1 May 2022	41,364,461	27,294,557	459,807	3,412,367	1,316,070	3,541,410	777,901	32,486	3,725,066	-	81,924,125
At 30 April 2023/											
1 May 2023	41,364,461	26,532,994	612,399	3,331,418	1,245,760	3,399,744	786,626	61,528	3,657,003	983,850	81,975,783
At 30 April 2024	36,813,440	24,350,816	582,523	2,818,723	1,081,223	2,564,774	1,547,199	51,911	3,657,003	-	73,467,612

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Property, plant and equipment (continued)

Company	Furniture and office equipment RM
Cost	
At 1 May 2022	17,320
Additions	13,756
<hr/>	
At 30 April 2023/1 May 2023	31,076
Additions	3,849
<hr/>	
At 30 April 2024	34,925
<hr/>	
Depreciation	
At 1 May 2022	1,265
Depreciation for the year	5,123
<hr/>	
At 30 April 2023/1 May 2023	6,388
Depreciation for the year	9,227
<hr/>	
At 30 April 2024	15,615
<hr/>	
Carrying amounts	
At 1 May 2022	16,055
<hr/>	
At 30 April 2023/1 May 2023	24,688
<hr/>	
At 30 April 2024	19,310
<hr/>	

3.1 Transfer to investment property

During the financial year ended 30 April 2024, certain freehold land and buildings were transferred to investment property because these assets are leased to a third party.

3.2 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. Property, plant and equipment (continued)**3.2 Material accounting policy information (continued)****(b) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Vintage Pu-Er tea are carried at cost and are not depreciated as the residual value is above its cost.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Motor vehicles	5 years
• Laboratory, furniture and office equipment	3 - 10 years
• Warehouse and electrical fittings	10 years
• Renovation	10 years
• Plant and machinery	5 - 12 years
• Fire fighting and lift systems	10 years

4. Investment properties

	2024 RM	Group 2023 RM
Cost		
At the beginning of the year	54,939,063	54,939,063
Additions	2,284,000	-
Disposals	(1,725,302)	-
Transfer from property, plant and equipment (Note 3)	6,028,343	-
At the end of the year	61,526,104	54,939,063
Depreciation		
At the beginning of the year	12,147,587	11,456,080
Depreciation for the year	725,800	691,507
Disposals	(191,661)	-
At the end of the year	12,681,726	12,147,587
Carrying amounts		
At 1 May 2022		43,482,983
At 30 April 2023/1 May 2023		42,791,476
At 30 April 2024		48,844,378

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. Investment properties (continued)

Included in the above are:

	2024 RM	Group 2023 RM
Freehold land	27,987,724	21,152,702
Leasehold land with unexpired period of less than 50 years	450,708	467,683
Leasehold land with unexpired period of more than 50 years	85,950	88,786
Buildings	20,319,996	21,082,305
	48,844,378	42,791,476

Investment properties comprise freehold land, leasehold land and a number of residential and commercial properties that are leased to third parties or are currently vacant.

4.1 Property transferred from property, plant and equipment

During the financial year, certain freehold land and buildings have been transferred from property, plant and equipment to investment property (see note 3), following the said freehold land and buildings were leased to a third party.

4.2 Other income/expenses recognised in profit or loss in relation to investment properties

	2024 RM	Group 2023 RM
Rental income	3,870,063	3,406,967
Direct operating expenses:		
- income generating investment properties	(833,941)	(684,053)
- non-income generating investment properties	(75,375)	(135,334)

4.3 Fair value information

Fair value of investment properties is categorised as follows:

	2024 RM	Group 2023 RM
Level 3		
Freehold land	59,292,828	35,318,553
Leasehold land	1,788,815	2,906,933
Buildings	60,999,082	51,431,472
	122,080,725	89,656,958

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.	Market price of property per square feet ("sq ft") in vicinity compared.	The estimated fair value would increase/(decrease) if market prices of property were higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. Investment properties (continued)**4.3 Fair value information (continued)****Valuation processes applied by the Group for Level 3 fair value**

The Group estimates the fair value of certain investment properties based on the comparison of the Company's investment properties with similar properties that were listed for sale within the same locality or other comparable localities. In addition, there are certain investment properties where fair value is determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of property being valued. Assessment of the fair values of the Group's investment properties is undertaken annually. Any changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

Highest and best use

The Group's investment properties are currently freehold land, leasehold land and buildings. The highest and best use of the land and properties is for rental generation as they are located in the vicinity of the commercial area.

4.4 Material accounting policy information

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment.

5. Right-of-use assets

Group	Land RM	Buildings RM	Total RM
At 1 May 2022	7,034,222	3,512,391	10,546,613
Additions	-	289,184	289,184
Depreciation for the year	(138,922)	(1,585,276)	(1,724,198)
Effect of movements in exchange rates	-	1,890	1,890
Remeasurement of lease liabilities	-	1,396,857	1,396,857
At 30 April 2023/1 May 2023	6,895,300	3,615,046	10,510,346
Additions	-	1,346,171	1,346,171
Adjustment	19,224	-	19,224
Depreciation for the year	(143,695)	(1,489,384)	(1,633,079)
Effect of movements in exchange rates	-	1,857	1,857
Remeasurement of lease liabilities	-	760,317	760,317
At 30 April 2024	6,770,829	4,234,007	11,004,836

5.1 Land

Included in the total carrying amount of land of the Group are:

	Group	
	2024 RM	2023 RM
Leasehold land with unexpired lease period of less than 50 years	918,523	948,014
Leasehold land with unexpired lease period of more than 50 years	5,852,306	5,947,286
	6,770,829	6,895,300

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. Right-of-use assets (continued)

5.2 Extension options

Certain leases of office buildings and retail stores contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Group	Lease liabilities recognised RM	Historical rate of extension options exercised %
Retail stores	4,263,406	100
Office buildings	182,465	100

5.3 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. Goodwill

	2024 RM	Group 2023 RM
At 1 May/30 April	84,930	84,930

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the subsidiaries acquired which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each subsidiary are as follows:

	2024 RM	Group 2023 RM
Chop Aik Seng Sdn. Bhd.	79,390	79,390
Sri Pangkor Credit & Leasing Sdn. Bhd.	5,540	5,540
	84,930	84,930

During the current and previous financial years, no impairment was required as there is no indication that the goodwill may be impaired and the Group expects the entities to generate sustainable profits in the future periods.

As the goodwill is not significant, hence the key assumptions used in determining the value in use have not been disclosed.

6.1 Material accounting policy information**(a) Recognition and measurement**

Goodwill which arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates and joint venture.

(b) Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7. Investments in subsidiaries

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At beginning of the year	312,977,659	312,977,659
Addition	5,850,000	-
At end of the year	318,827,659	312,977,659

During the financial year, the Company has entered into Agreement on Sale and Purchase of Shares with its subsidiary, Hai-O Enterprise Bhd to acquire 100% equity interest in Sahajidah Hai-O Marketing Sdn Bhd, Hai-O Credit & Leasing Sdn. Bhd., SG Global Biotech Sdn. Bhd. and BH Wellness Sdn. Bhd. for a total cash consideration of RM5,850,000. The acquisition was completed following the completion of the shares transfer during the financial year. Sahajidah Hai-O Marketing Sdn Bhd, Hai-O Credit & Leasing Sdn. Bhd., SG Global Biotech Sdn. Bhd. and BH Wellness Sdn. Bhd are now direct subsidiaries of the Company.

The said acquisition of equity interest above does not result in any changes to the shareholding structure of the Company.

Details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Direct subsidiaries of Beshom Holdings Berhad				
BH Wellness Sdn. Bhd. *	Malaysia	Wholesaling and retailing of food and beverage products, healthcare and wellness product	100	-
Hai-O Credit & Leasing Sdn. Bhd. and its subsidiary:	Malaysia	Hire purchase, leasing of machinery and equipment, insurance agent and investment holding	100	-
Sri Pangkor Credit & Leasing Sdn. Bhd.	Malaysia	Licensed money lender and insurance agent	100	-
Hai-O Enterprise Berhad ("HOEB")	Malaysia	Wholesaling and retailing of herbal medicines, healthcare products, wellness and beauty products, investment holding activities and property holding activities	100	100
Sahajidah Hai-O Marketing Sdn. Bhd. and its subsidiary:	Malaysia	Multi-level direct marketing and investment holding	100	-
Sahajidah Hai-O Marketing (EM) Sdn. Bhd. *	Malaysia	Dormant	100	-
SG Global Biotech Sdn. Bhd. and its subsidiary:	Malaysia	Manufacturing of healthcare and pharmaceutical products and investment holding	100	-
QIS Research Laboratory Sdn. Bhd.	Malaysia	Manufacturing of healthcare and pharmaceutical products, research and laboratory services	100	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7. Investments in subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Subsidiaries of HOEB:				
BH Wellness Sdn. Bhd. *	Malaysia	Dormant	-	100
Grand Brands (M) Sdn. Bhd.	Malaysia	General importer, exporter and commission agent	100	100
Hai-O Credit & Leasing Sdn. Bhd. and its subsidiary:	Malaysia	Hire purchase, leasing of machinery and equipment, insurance agent and investment holding	-	100
Sri Pangkor Credit & Leasing Sdn. Bhd.	Malaysia	Licensed money lender and insurance agent	-	100
Hai-O Energy (M) Sdn. Bhd. *	Malaysia	Dormant	100	100
Hai-O (Hong Kong) Investment Limited * and its subsidiary:	Hong Kong	Investment holding and trading of birds' nests	100	100
Hai-O (Guangzhou) Trading Ltd *, #	China	Trading of medicine, health and related products	100	100
Hai-O Medicine Sdn. Bhd.	Malaysia	Trading of Chinese herbs and medicine	100	100
Hai-O (PG) Sdn. Bhd. *	Malaysia	Dormant	95.29	95.29
Hai-O Properties Sdn. Bhd. * and its subsidiary:	Malaysia	Property holding and investment holding	100	100
Hai-O Development Sdn. Bhd. *	Malaysia	Dormant	60	60
Hai-O Raya Bhd. ^	Malaysia	Retail chain stores	68.53	68.13
Kinds Resource Sdn. Bhd.	Malaysia	Trading of Chinese herbs	100	100
Sahajidah Hai-O Marketing Sdn. Bhd. and its subsidiary:	Malaysia	Multi-level direct marketing and investment holding	-	100
Sahajidah Hai-O Marketing (EM) Sdn. Bhd. *	Malaysia	Dormant	-	100
Samariatan Sdn. Bhd. and its subsidiary:	Malaysia	Investment holding	70.32	70.32
Chop Aik Seng Sdn. Bhd.	Malaysia	Trading of tea and other beverages	70.32	70.32
Sea Gull Advertising Sdn. Bhd. *	Malaysia	Dormant	100	100
SG Global Biotech Sdn. Bhd. and its subsidiary:	Malaysia	Manufacturing of healthcare and pharmaceutical products and investment holding	-	100
QIS Research Laboratory Sdn. Bhd.	Malaysia	Manufacturing of healthcare and pharmaceutical products, research and laboratory services	-	100

NOTES TO THE FINANCIAL STATEMENTS

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7. Investments in subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Subsidiaries of HOEB: (continued)				
Tea Reserves Sdn. Bhd. *	Malaysia	Retail sale of tea over the Internet and other general business channel	100	100
Vintage Wine Sdn. Bhd. *	Malaysia	Import and trading of Wine	100	100
Yan Ou Holdings (M) Sdn. Bhd. and its subsidiary:	Malaysia	Trading and processing of birds' nests and investment holding	60	60
Yan Ou Marketing (Intl) Sdn. Bhd.	Malaysia	Trading and distribution of birds' nests and its related products and other healthcare products	60	60

* Not audited by KPMG PLT, Malaysia or other KPMG International member firms.

^ During the financial year, the Group had acquired additional 3,000 shares and 9,000 shares of RM2.80 and RM 3.00 per share, respectively in Hai-O Raya Bhd, through several acquisitions from non-controlling owners for a total cash consideration of RM35,400. These acquisitions increased the equity shareholding of the Group in Hai-O Raya Bhd from 68.13% to 68.53%.

The statutory financial year end of this subsidiary was 31 December 2023 and it does not coincide with the Group. However, the Company has consolidated the financial position and results of this subsidiary based on the audited financial statements made up to the financial year end of the Group. The Company has been granted approval from the Companies Commission of Malaysia pursuant to Section 247(7) of the Companies Act 2016 for this subsidiary to continue adopting a financial year end that does not coincide with the financial year end of the Group.

NOTES TO THE FINANCIAL STATEMENTS

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7. Investments in subsidiaries (continued)**7.1 Non-controlling interests in subsidiaries**

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2024	Hai-O Raya Bhd. RM	Other subsidiaries with immaterial NCI RM	Total RM
NCI percentage of ownership interest and voting interest	31.47%		
Carrying amount of NCI	8,995,404	2,848,494	11,843,898
Profit/(Loss) allocated to NCI	92,161	(6,169)	85,992

Summarised financial information before intra-group elimination**As at 30 April**

Non-current assets	13,736,338
Current assets	26,136,870
Non-current liabilities	(3,519,962)
Current liabilities	(7,769,184)
Net assets	28,584,062

Year ended 30 April

Revenue	34,725,673
Profit for the year and total comprehensive income	292,852

Cash flows from operating activities	628,643
Cash flows used in investing activities	(387,641)
Cash flows used in financing activities	(2,360,090)

Net decrease in cash and cash equivalents	(2,119,088)
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Dividends paid to NCI	238,250
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NOTES TO THE FINANCIAL STATEMENTS

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7. Investments in subsidiaries (continued)

7.1 Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

2023	Hai-O Raya Bhd. RM	Other subsidiaries with immaterial NCI RM	Total RM
NCI percentage of ownership interest and voting interest	31.87%		
Carrying amount of NCI	9,255,434	2,855,280	12,110,714
Profit/(Loss) allocated to NCI	660,753	(170,847)	489,906

Summarised financial information before intra-group elimination

As at 30 April

Non-current assets	13,378,172
Current assets	26,779,160
Non-current liabilities	(2,902,026)
Current liabilities	(8,214,096)

Net assets 29,041,210

Year ended 30 April

Revenue	39,015,613
Profit for the year and total comprehensive income	2,073,276

Cash flows from operating activities	2,612,323
Cash flows used in investing activities	(4,294,774)
Cash flows used in financing activities	(2,448,576)

Net decrease in cash and cash equivalents (4,131,027)

Dividends paid to NCI 243,000

7.2 Significant restrictions

There are no significant restrictions applying to any assets of the Group other than those disclosed elsewhere in the financial statements.

7.3 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

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8. Investment in an associate

	Group	
	2024 RM	2023 RM
Unquoted shares, at cost	1,251,095	1,251,095
Share of post-acquisition reserves	(1,251,095)	(1,251,095)
	-	-

Details of the associate are as follows:

Name of entity	Principal place of business	Nature of the relationship	Effective ownership interest and voting interest	
			2024 %	2023 %
PT Hai-O Indonesia	Indonesia	Multi-level direct marketing	40	40

Unrecognised share of losses

The Group had not recognised loss related to an associate totalling RM381,237 in financial year 2024 (2023: RM56,635) and RM914,874 (2023: RM533,637) cumulatively. The Group has no obligation in respect of these losses since the Group's share of losses exceed its interest in the associate.

In view of the associate is not material to the Group and hence, no further disclosures are provided.

8.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

9. Investment in a joint venture

	Group	
	2024 RM	2023 RM
Unquoted shares, at cost	760,000	760,000
Share of post-acquisition reserves	968,955	1,085,778
Group's share of net assets	1,728,955	1,845,778

Peking Tongrentang (M) Sdn. Bhd. ("PKT"), the only joint arrangement in which the Group participates, is principally engaged in providing traditional Chinese physician services and retail of traditional Chinese medicine in Malaysia.

PKT is structured as a separate entity and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in PKT as a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. Investment in a joint venture (continued)

The following table summarises the financial information of PKT, as adjusted for any differences in accounting policies.

	Group	
	2024 RM	2023 RM
Percentage of ownership interest	40%	40%
Percentage of voting interest	40%	40%
Summarised financial information		
As at 30 April		
Non-current assets	6,910,017	6,887,189
Current assets	738,830	607,966
Non-current liabilities	(1,887,426)	(1,887,426)
Current liabilities	(1,439,034)	(993,285)
Net assets	4,322,387	4,614,444
Year ended 30 April		
Loss for the year and total comprehensive expense	(292,058)	(387,105)
Included in the total comprehensive expense are:		
Revenue	1,712,149	1,802,219
Depreciation	(44,924)	(41,250)
Interest expense	(94,082)	(108,636)
Group's share of results for the year ended 30 April		
Group's share of loss and total comprehensive expense	(116,823)	(154,842)

9.1 Material accounting policy information

Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses.

10. Other investments

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Financial assets at fair value through profit or loss:					
- quoted shares in Malaysia		479	350	-	-
- unquoted shares		11,920	111,920	-	-
Financial assets at fair value through other comprehensive income :					
- quoted shares in Malaysia	10.1	7,559,976	7,188,172	-	-
		7,572,375	7,300,442	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

10. Other investments (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Financial assets at fair value through profit or loss:				
- unit trusts in Malaysia	69,157,389	60,472,532	7,926,576	6,590,768
	76,729,764	67,772,974	7,926,576	6,590,768

10.1 Equity investment designated at fair value through other comprehensive income

The Group designated certain investments in equity securities shown above as fair value through other comprehensive income because these investments in equity securities represent investments for strategic business collaboration.

	Fair value at 30 April
Group	
2024	
Orgabio Holdings Berhad	7,559,976
2023	
Orgabio Holdings Berhad	7,188,172

10.2 Material accounting policy information

(a) Equity investments not held for trading

At initial recognition, the Group irrevocably elect to present subsequent changes in the fair value of certain investments in other comprehensive income. This election is made on an investment-by-investment basis.

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11. Trade and other receivables

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Trade					
Hire purchase receivables	11.1	889,653	750,737	-	-
Loan receivables	11.2	693,896	900,204	-	-
		1,583,549	1,650,941	-	-
Current					
Trade					
Trade receivables		12,176,133	13,512,631	-	-
Less: Impairment allowance		(772,795)	(841,271)	-	-
		11,403,338	12,671,360	-	-
Hire purchase receivables	11.1	418,100	277,794	-	-
Loan receivables	11.2	397,083	370,444	-	-
Amount due from an associate	11.3	1,038,290	1,038,290	-	-
Less: Individual impairment allowance		(1,038,290)	(1,038,290)	-	-
		-	-	-	-
Amount due from a joint venture	11.3	1,190,338	593,520	-	-
		13,408,859	13,913,118	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. Trade and other receivables (continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current					
Non-trade					
Amount due from an associate	11.3	2,221,703	2,218,710	-	-
Less: Individual impairment allowance		(2,221,703)	(2,218,710)	-	-
		-	-	-	-
Amounts due from subsidiaries	11.3	-	-	32,692	6,000,604
		-	-	32,692	6,000,604
Other receivables		1,698,514	2,016,701	55,495	25,798
Less: Individual impairment allowance		(903,258)	(903,258)	-	-
Deposits		795,256	1,113,443	55,495	25,798
		1,504,568	1,316,596	2,000	2,000
		2,299,824	2,430,039	90,187	6,028,402
		15,708,683	16,343,157	90,187	6,028,402
		17,292,232	17,994,098	90,187	6,028,402

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11.1 Hire purchase receivables

Hire purchase receivables are receivable as follows:

	Group	
	2024 RM	2023 RM
Less than one year	497,394	342,039
Between one and five years	981,816	838,510
	1,479,210	1,180,549
Less: Unearned interest charges	(171,457)	(152,018)
	1,307,753	1,028,531
Carrying amount:		
Current	418,100	277,794
Non-current	889,653	750,737
	1,307,753	1,028,531

The Group's financing tenor for hire purchase receivables ranges from 24 months to 84 months (2023: 24 months to 84 months). The average remaining period of maturity as at the financial year end was 48 months (2023: 50 months). The effective interest rates during the financial year generally ranged from 5.57% to 8.14% (2023: 5.57% to 8.14%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. Trade and other receivables (continued)**11.2 Loan receivables**

Loan receivables are receivable as follows:

	Group	
	2024 RM	2023 RM
Less than one year	482,430	464,482
Between one and five years	774,175	1,014,544
	1,256,605	1,479,026
Less: Unearned interest charges	(165,626)	(208,378)
	1,090,979	1,270,648
Carrying amount:		
Current	397,083	370,444
Non-current	693,896	900,204
	1,090,979	1,270,648

The Group's financing tenor for loan receivables ranges from 12 months to 84 months (2023: 18 months to 84 months). The average remaining period of maturity as at the financial year end was 54 months (2023: 51 months). The effective interest rates during the financial year generally ranged from 5.29% to 15.99% (2023: 5.29% to 15.99%) per annum.

11.3 Related party balances

The trade balances due from an associate and a joint venture are subject to negotiated trade terms.

The non-trade balances due from an associate and subsidiaries are unsecured, interest free and repayable on demand.

12. Deferred tax assets/(liabilities)**Recognised deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	-	-	(4,127,591)	(2,864,763)	(4,127,591)	(2,864,763)
Right-of-use assets	-	-	(1,506,655)	(532,172)	(1,506,655)	(532,172)
Lease liabilities	1,458,851	575,823	-	-	1,458,851	575,823
Provisions	57,407	80,544	-	-	57,407	80,544
Capital allowance carry-forwards	497,625	61,693	-	-	497,625	61,693
Reinvestment allowance carry-forwards	-	51,566	-	-	-	51,566
Tax losses	1,233,664	236,353	-	-	1,233,664	236,353
Other deductible temporary differences	4,037,488	4,089,150	-	-	4,037,488	4,089,150
Tax assets/(liabilities)	7,285,035	5,095,129	(5,634,246)	(3,396,935)	1,650,789	1,698,194
Set off of tax	(5,315,106)	(3,088,603)	5,315,106	3,088,603	-	-
Net tax assets/(liabilities)	1,969,929	2,006,526	(319,140)	(308,332)	1,650,789	1,698,194

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024 RM	2023 RM
Property, plant and equipment	(3,283)	(139,998)
Capital allowance carry-forwards	171,057	237,804
Tax loss carry-forwards	9,042,573	8,658,059
Right-of-use assets	-	(21,073)
Reinvestment allowance carry-forwards	214,858	-
Lease liabilities	2,470	20,014
Provisions	60,211	150,420
Others	(9,793)	8,609
	9,478,093	8,913,835

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which certain Group entities can utilise the benefits therefrom.

The deductible temporary differences do not expire except for certain tax loss carry-forwards which will expire in ten (10) years (2023: ten (10) years) under the current tax legislation of Malaysia are as follows:

	Group	
	2024 RM	2023 RM
Unutilised tax losses expiring in:		
- 2028	6,061,636	6,071,074
- 2029	627,159	627,159
- 2030	341,383	341,383
- 2031	444,247	444,247
- 2032	471,129	471,174
- 2033	356,032	703,022
- 2034	740,987	-
	9,042,573	8,658,059

Movement in temporary differences during the year

Group	Recognised in profit		Recognised in profit		At 30.4.2024 RM
	At 1.5.2022 RM	or loss (Note 23) RM	At 30.4.2023/ 1.5.2023 RM	or loss (Note 23) RM	
Property, plant and equipment	(2,138,936)	(725,827)	(2,864,763)	(1,262,828)	(4,127,591)
Right-of-use assets	(829,374)	297,202	(532,172)	(974,483)	(1,506,655)
Lease liabilities	881,971	(306,148)	575,823	883,028	1,458,851
Provisions	201,312	(120,768)	80,544	(23,137)	57,407
Capital allowance carry-forwards	93,492	(31,799)	61,693	435,932	497,625
Tax losses	-	236,353	236,353	997,311	1,233,664
Reinvestment allowance carry-forwards	51,566	-	51,566	(51,566)	-
Other deductible temporary differences	3,868,948	220,202	4,089,150	(51,662)	4,037,488
	2,128,979	(430,785)	1,698,194	(47,405)	1,650,789

12.1 Temporary mandatory relief from deferred tax accounting

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. Inventories

	Group	
	2024 RM	2023 RM
<i>At cost:</i>		
Raw materials	1,368,044	1,609,143
Packaging materials	394,884	478,345
Finished goods and trading goods	68,438,402	77,852,065
Goods in transit	883,392	1,024,626
	71,084,722	80,964,179
<i>At net realisable value:</i>		
Finished goods and trading goods	5,813,955	6,563,097
	76,898,677	87,527,276
Recognised in profit or loss:		
Inventories recognised as cost of sales	69,683,141	76,638,750
Inventories written off	419,577	368,741

The written off is included in cost of sales.

13.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

14. Cash and cash equivalents

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits placed with licensed banks	24,279,546	24,167,323	250,000	1,000,000
Cash and bank balances	10,231,172	10,985,915	221,651	469,391
	34,510,718	35,153,238	471,651	1,469,391

15. Capital and reserves**15.1 Share capital**

	Group and Company			
	Amount 2024 RM	Number of shares 2024	Amount 2023 RM	Number of shares 2023
Issued and fully paid ordinary shares with no par value classified as equity instruments:				
At 1 May/30 April	312,977,661	300,103,232	312,977,661	300,103,232

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. Capital and reserves (continued)

15.2 Capital reserve

The capital reserve comprises gain arising from disposal of property, plant and equipment and quoted investments in the previous financial years.

15.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

15.4 Treasury shares

The shareholders of the Company, by resolutions passed in general meetings held in previous financial years, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 133,300 of its issued share capital from the open market for a total consideration of RM119,936. The average price for the shares repurchased was RM0.90 per share and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

15.5 Reorganisation reserve

The reorganisation reserve at the consolidated financial statements represents the difference between the legal capital of the Company (accounting acquiree) and HOEB (accounting acquirer).

116 16. Trade and other payables

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Trade					
Trade payables		9,385,306	11,080,913	-	-
Non-trade					
Amounts due to subsidiaries	16.1	-	-	11,966	6,720
Other payables		2,006,799	2,626,887	19,188	12,041
Deposits received		4,029,342	4,185,091	-	1,800
Accrued expenses		6,618,716	7,955,844	282,520	319,393
		12,654,857	14,767,822	313,674	339,954
		22,040,163	25,848,735	313,674	339,954

16.1 Related party balances

The non-trade balances due to subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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17. Provisions

Group	Sales campaign RM	Goods return RM	Restoration cost RM	Total RM
At 1 May 2022	438,800	400,000	10,500	849,300
Provisions made during the year	912,639	-	10,500	923,139
Provisions used during the year	(1,015,839)	-	-	(1,015,839)
Reversal of provisions made	-	(400,000)	(7,000)	(407,000)
At 30 April 2023/1 May 2023	335,600	-	14,000	349,600
Provisions made during the year	904,796	-	-	904,796
Provisions used during the year	(1,001,201)	-	-	(1,001,201)
At 30 April 2024	239,195	-	14,000	253,195

Sales campaign

The Group organises various sales campaign programmes for its eligible distributors. Under the respective sales campaigns, eligible distributors are entitled to overseas or local trips subject to meeting certain qualifying performance targets. A provision of sales campaign incentive is recognised at the end of each reporting period for eligible distributors based on the Group's estimated qualifiers and quoted tour fares for the sales campaign programmes.

Goods return

The Group provides pre-agreed return period on products sold by the Group. A provision is recognised at the end of each reporting period for goods return based on the Group's past experience on the level of goods returned. During the previous financial year, the provision on goods return was no longer required as the probability of occurrence is unlikely.

Restoration cost

Provision made was in respect of the Group's obligation to restore the leased store at the end of its tenancy agreement.

18. Contract liabilities

	Group	
	2024 RM	2023 RM
Non-current		
Contract liabilities	204,261	344,553
Current		
Contract liabilities	383,570	552,518
	587,831	897,071

The contract liabilities primarily relate to the multi-level marketing membership fee received from the members of a subsidiary, which revenue is recognised over a period of 1 to 3 years.

NOTES TO THE FINANCIAL STATEMENTS

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18. Contract liabilities (continued)

Significant changes to contract liabilities balances during the year are as follows:

	Group RM
At 1 May 2022	594,334
Net movement during the year	302,737
At 30 April 2023/1 May 2023	897,071
Net movement during the year	(309,240)
At 30 April 2024	587,831

19. Revenue

Group	2024 RM	2023 RM
Revenue from contracts with customers		
- Sale of goods	145,525,376	168,583,315
- Multi-level marketing ("MLM") membership fee	685,236	1,754,788
- Commissions	558,096	387,748
	146,768,708	170,725,851
Other revenue		
- Hire purchase and finance lease income	93,905	20,161
- Interest income	165,382	192,727
- Dividend income	164,710	204,203
- Rental income	3,939,263	3,085,695
	4,363,260	3,502,786
Total revenue	151,131,968	174,228,637

Company	2024 RM	2023 RM
Revenue		
- Dividend income	11,259,228	33,011,355
- Management fee income	2,820,000	2,820,000
- Administrative and support charges income	1,380,000	1,380,000
Total revenue	15,459,228	37,211,355

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

19. Revenue (continued)

19.1 Disaggregation of revenue

Group	Wholesale		Reportable segments Multi-level marketing ("MLM")		Retail		Other non-reportable segments		Total	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers										
- Sale of goods	58,319,573	59,751,752	50,826,287	68,579,667	34,728,398	39,013,709	1,651,118	1,238,187	145,525,376	168,583,315
- MLM membership fee	-	-	685,236	1,754,788	-	-	-	-	685,236	1,754,788
- Commissions	-	-	505,234	337,163	-	-	52,862	50,585	558,096	387,748
Other revenue	58,319,573	59,751,752	52,016,757	70,671,618	34,728,398	39,013,709	1,703,980	1,288,772	146,768,708	170,725,851
	-	-	-	-	-	-	4,363,260	3,502,786	4,363,260	3,502,786
	58,319,573	59,751,752	52,016,757	70,671,618	34,728,398	39,013,709	6,067,240	4,791,558	151,131,968	174,228,637
Timing and recognition										
At a point in time	58,319,573	59,751,752	51,331,521	68,916,830	34,728,398	39,013,709	1,703,980	1,288,772	146,083,472	168,971,063
Overtime	-	-	685,236	1,754,788	-	-	-	-	685,236	1,754,788
	58,319,573	59,751,752	52,016,757	70,671,618	34,728,398	39,013,709	1,703,980	1,288,772	146,768,708	170,725,851

NOTES TO THE FINANCIAL STATEMENTS

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19. Revenue (continued)

19.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of goods - <i>Wholesale</i>	Revenue is recognised when controls of the goods have been transferred to the customers.	Credit period of 90 days from invoice date.	Early payment discounts for certain customers.	The Group allows return for goods sold with conditions.	Not applicable.
Sale of goods - <i>Retail</i>	Revenue is recognised when controls of the goods have been transferred to the customers.	No credit period given.	Not applicable.	The Group allows return for goods sold subject to section 41 and 42 of The Consumer Protection Act 1999.	Not applicable.
Sale of goods - <i>MLM</i>	Revenue is recognised when controls of the goods have been transferred to the customers.	No credit period given.	There are two types of performance bonus i.e. group effort related performance bonus and personal effort related performance bonus. Personal effort related performance bonus is a reduction of transaction price, whilst group effort related performance bonus is a consideration paid to or payable to customers for the provision of distinct services.	The Group allows return for goods sold subject to a cooling off period of ten working days pursuant to The Direct Sales and the Anti-Pyramid Scheme Act 1993 section 23(1)(b).	Not applicable.
MLM membership	Revenue is recognised overtime according to the membership period.	No credit period given.	Not applicable.	Not applicable.	Not applicable.
Commissions	Revenue is recognised at a point in time when controls of the goods have been transferred to the customers.	No credit period given.	Not applicable.	Not applicable.	Not applicable.

19.3 Transaction price allocated to the remaining performance obligations

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

NOTES TO THE FINANCIAL STATEMENTS

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20. Finance income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from fixed deposits and short term deposits	646,537	611,523	34,663	59,833

21. Finance costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on lease liabilities	220,072	221,098	-	-
Other finance costs	2,313	-	-	-
	222,385	221,098	-	-

22. Profit before tax

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax is arrived at after charging/ (crediting):				
Auditors' remuneration:				
Audit fees:				
- KPMG PLT	413,050	400,750	40,000	39,500
- Other auditors	53,913	52,609	-	-
Non-audit fees:				
- KPMG PLT	15,000	15,000	15,000	15,000
Material expenses/ (income)				
Changes in lease payments arising from rent concessions	-	(24,147)	-	-
Depreciation of investment properties	725,800	691,507	-	-
Depreciation of property, plant and equipment	3,178,763	3,089,603	9,227	5,123
Depreciation of right-of-use assets	1,633,079	1,724,198	-	-
Inventories written off	419,577	368,741	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees' Provident Fund	2,882,228	2,928,695	290,639	331,078
- Wages, salaries and others	27,317,132	28,036,140	3,260,297	3,461,384
Property, plant and equipment written off	6,792	71,239	-	-
Provision for sales campaign	904,796	912,369	-	-
Reversal for provision goods return	-	(400,000)	-	-
Reversal for provision of restoration cost	-	(7,000)	-	-
Net foreign exchange differences:				
- Unrealised	(136,817)	29,228	-	-
- Realised	(883,245)	(616,149)	-	-
Dividend income from:				
- Subsidiaries	-	-	(11,259,228)	(33,011,355)
- Unit trusts	(1,093,516)	(808,635)	(205,903)	(84,683)
Fair value gain on other Investments	(948,968)	(793,485)	(29,905)	(6,085)
Loss/(Gain) on disposal of:				
- Property, plant and equipment	39,984	(1,792,771)	-	-
- Other investments	(2,302)	(112,223)	-	-
- Investment properties	(332,194)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

22. Profit before tax (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax is arrived at after charging/ (crediting): (continued)				
Material expenses/(income) (continued)				
Management fees receivable from:				
- Subsidiaries	-	-	(2,820,000)	(2,820,000)
- Others	(40,200)	(40,200)	-	-
Administrative charges receivable from subsidiaries	-	-	(1,380,000)	(1,380,000)
Rental income from investment properties	(3,870,063)	(3,406,967)	-	-
Net reversal on impairment of financial instruments				
Financial assets at amortised cost:				
- Trade receivables	(68,476)	(8,752)	-	-
- Other receivables	2,993	(12,751)	-	-
	(65,483)	(21,503)	-	-

23. Tax expense

Recognised in profit or loss

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense				
Current year	3,764,825	7,313,191	248,784	241,498
Over provision in prior years	(307,852)	(254,893)	(4,421)	(3,303)
Total current tax recognised in profit or loss	3,456,973	7,058,298	244,363	238,195
Deferred tax expense				
Origination and reversal of temporary differences	380,806	(303,151)	-	-
(Over)/Under provision in prior years	(333,401)	733,936	-	-
Total deferred tax recognised in profit or loss (Note 12)	47,405	430,785	-	-
Total income tax expense	3,504,378	7,489,083	244,363	238,195
Reconciliation of tax expense				
Profit before tax	14,483,393	24,264,071	11,513,108	32,901,687
Income tax calculated using Malaysian tax rate of 24%	3,476,014	5,823,377	2,763,146	7,896,405
Non-deductible expenses	1,007,057	1,458,379	237,269	288,142
Tax exempt income	(425,847)	(402,302)	(2,751,631)	(7,943,049)
Effect of deferred tax assets not recognised	135,422	130,586	-	-
(Over)/Under provision in prior years	(641,253)	479,043	(4,421)	(3,303)
Effect of lower real property gains tax rate at 10%	(47,015)	-	-	-
	3,504,378	7,489,083	244,363	238,195

NOTES TO THE FINANCIAL STATEMENTS

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24. Earnings per ordinary share**Basic and diluted earnings per ordinary share**

The calculation of basic and diluted earnings per ordinary share at 30 April 2024 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2024 RM	2023 RM
Profit attributable to ordinary shareholders	10,893,023	16,285,082
Weighted average number of ordinary shares		
	Group	
	2024	2023
Issued ordinary shares at beginning of the year	300,103,232	300,103,232
Effect of treasury shares held	(14,509)	-
Weighted average number of ordinary shares at end of the year	300,088,723	300,103,232
Basic and diluted earnings per ordinary share (sen)	3.63	5.43

The diluted earnings per share is presented the same as basic earnings per share given that the Group does not have any dilutive potential ordinary share.

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25. Dividends

Dividends recognised by the Group:

	Sen per share	Total amount RM	Date of payment
2024			
Final 2023 ordinary	2	6,002,064	30 November 2023
First Interim 2024 ordinary	1.5	4,501,574	14 March 2024
		10,503,638	
2023			
Final 2022 ordinary	5	15,005,162	30 November 2022
First Interim 2023 ordinary	3	9,003,097	16 March 2023
		24,008,259	

After the end of the reporting period, the final dividend recommended by the Directors in respect of the financial year ended 30 April 2024 is 1.5 sen per ordinary share. The final dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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26. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing systems and strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Managing Director) reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Wholesale* - Wholesaling and trading in herbal medicines, healthcare products, wellness and beauty products, herbs and tea.
- *Multi-level Marketing* - Operating multi-level direct selling of health food, healthcare products, wellness products and beauty products.
- *Retail* - Operating retail chain stores.
- *Investment holding* - Investment holding.

The wholesaling and trading of herbal medicines, healthcare products, wellness and beauty products, herbs and tea are managed by a few different segments within the Group. These operating segments are aggregated to form a reportable segment as Wholesale due to the similar nature and economic characteristics of the products. The nature and methods of distribution of the products for these divisions are similar.

Other non-reportable segments comprise operations related to manufacturing, leasing of machinery and equipment, licensed money lender, insurance agent, property holding and investment in a joint venture. None of these segments met the quantitative thresholds for reporting segments in 2024 and 2023.

There are varying levels of integration between Wholesale, Multi-level Marketing and Retail reportable segments. This integration includes sales and transfers of inventories and shared distribution services, respectively. Inter-segment pricing is determined on negotiated commercial terms.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the key results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities comprise operating liabilities and include items such as taxation and trade and other payables.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. Operating segments (continued)

Group	Wholesale RM'000	Multi- level Marketing RM'000	Retail RM'000	Investment Holding RM'000	Other non- reportable segments RM'000	Total RM'000
2024						
Segment profit	6,890	1,292	349	11,513	3,746	23,790
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	58,320	52,017	34,729	-	6,066	151,132
Inter-segment revenue	38,123	169	(3)	15,459	4,961	58,709
Share of loss of equity-accounted joint venture	-	-	-	-	(117)	(117)
Depreciation	(1,357)	(1,449)	(1,877)	(9)	(846)	(5,538)
<i>Not included in the measure of segment profit but provided to CODM:</i>						
Finance income	281	243	82	35	6	647
Finance cost	-	(10)	(212)	-	-	(222)
Dividend income	177	396	154	206	160	1,093
Tax expense	(3,147)	143	(165)	(244)	(91)	(3,504)
Segment assets	179,469	81,667	38,820	8,753	40,942	349,651
<i>Included in the measure of segment assets is:</i>						
Additions to non-current assets other than financial instruments and deferred tax assets	2,506	178	1,751	4	17	4,456
Segment liabilities	10,952	8,816	6,554	383	1,024	27,729

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. Operating segments (continued)

Group	Wholesale RM'000	Multi- level Marketing RM'000	Retail RM'000	Investment Holding RM'000	Other non- reportable segments RM'000	Total RM'000
2023						
Segment profit	33,178	8,236	2,774	32,902	2,969	80,059
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	59,752	70,672	39,014	-	4,791	174,229
Inter-segment revenue	67,914	61	2	37,211	5,321	110,509
Share of loss of equity-accounted joint venture	-	-	-	-	(155)	(155)
Depreciation	(1,253)	(1,491)	(1,946)	(5)	(810)	(5,505)
<i>Not included in the measure of segment profit but provided to CODM:</i>						
Finance income	207	247	97	60	1	612
Finance cost	-	(16)	(205)	-	-	(221)
Dividend income	129	347	57	85	191	809
Tax expense	(4,602)	(1,953)	(697)	(238)	1	(7,489)
Segment assets	178,324	85,769	38,905	8,113	42,071	353,182
<i>Included in the measure of segment assets is:</i>						
Additions to non-current assets other than financial instruments and deferred tax assets	1,412	1,546	506	14	96	3,574
Segment liabilities	12,803	11,175	5,709	509	1,214	31,410

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. Operating segments (continued)**Reconciliation of operating segments' profit or loss**

	Group	
	2024 RM'000	2023 RM'000
Profit or loss		
Total profit or loss for operating segments	23,790	80,059
Elimination of inter-segment profits	(9,307)	(55,795)
Tax expense	(3,504)	(7,489)
Consolidated profit for the year	10,979	16,775

Geographical segments

The Group's reportable segments are managed and operated predominantly in Malaysia (country of domicile). Hence, no further presentation of geographical segments is provided.

Major customers

The Group does not have any customers with revenue equal or more than 10% of the Group's total revenue.

27. Financial instruments**27.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9
- (b) Amortised cost ("AC")
- (c) Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")

2024	Carrying amount RM	FVTPL RM	AC RM	FVOCI – EIDUIR RM
Financial assets				
Group				
Other investments	76,729,764	69,169,788	-	7,559,976
Trade and other receivables	17,292,232	-	17,292,232	-
Cash and cash equivalents	34,510,718	-	34,510,718	-
	128,532,714	69,169,788	51,802,950	7,559,976

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.1 Categories of financial instruments (continued)

2024	Carrying amount RM	FVTPL RM	AC RM	FVOCI – EIDUIR RM
Financial assets				
Company				
Other investments	7,926,576	7,926,576	-	-
Trade and other receivables	90,187	-	90,187	-
Cash and cash equivalents	471,651	-	471,651	-
	8,488,414	7,926,576	561,838	-
Financial liabilities				
Group				
Trade and other payables	(22,040,163)	-	(22,040,163)	-
Company				
Trade and other payables	(313,674)	-	(313,674)	-
2023				
Financial assets				
Group				
Other investments	67,772,974	60,584,802	-	7,188,172
Trade and other receivables	17,994,098	-	17,994,098	-
Cash and cash equivalents	35,153,238	-	35,153,238	-
	120,920,310	60,584,802	53,147,336	7,188,172
Company				
Other investments	6,590,768	6,590,768	-	-
Trade and other receivables	6,028,402	-	6,028,402	-
Cash and cash equivalents	1,469,391	-	1,469,391	-
	14,088,561	6,590,768	7,497,793	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)**27.1 Categories of financial instruments (continued)**

2023	Carrying amount RM	FVTPL RM	AC RM	FVOCI – EIDUIR RM
Financial liabilities				
Group				
Trade and other payables	(25,848,735)	-	(25,848,735)	-
Company				
Trade and other payables	(339,954)	-	(339,954)	-

27.2 Net gains and losses arising from financial instruments

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Net gains/(losses) on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	2,044,786	1,714,343	235,808	90,768
Equity instruments designated at fair value through other comprehensive income:				
- Recognised in other comprehensive income	371,804	(495,736)	-	-
Financial assets at amortised cost	1,476,123	661,133	34,663	59,833
Financial liabilities at amortised cost	523,545	771,702	-	-
	4,416,258	2,651,442	270,471	150,601

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27.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, advances to an associate and a joint venture. The Company's exposure to credit risk arises principally from advances to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.4 Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group over a long period of time. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any trade receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the current and previous reporting periods by geographic region was predominantly domestic.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 45 to 90 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 150 days past due.

Loss rates are based on actual credit loss experience over the past year. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 April 2024.

Group	Gross carrying amount RM	Loss allowances RM	Net balance RM
2024			
Not past due	12,854,210	(15,188)	12,839,022
Past due 1 – 30 days	1,047,250	(34,821)	1,012,429
Past due 31 – 60 days	297,308	(11,347)	285,961
Past due more than 60 days	1,448,129	(593,133)	854,996
	15,646,897	(654,489)	14,992,408
Credit impaired			
Individually impaired	1,156,596	(1,156,596)	-
	16,803,493	(1,811,085)	14,992,408

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

Group	Gross carrying amount RM	Loss allowances RM	Net balance RM
2023			
Not past due	14,199,050	(34,209)	14,164,841
Past due 1 – 30 days	858,006	(25,653)	832,353
Past due 31 – 60 days	335,191	(40,283)	294,908
Past due more than 60 days	911,623	(639,666)	271,957
	16,303,870	(739,811)	15,564,059
Credit impaired			
Individually impaired	1,139,750	(1,139,750)	-
	17,443,620	(1,879,561)	15,564,059

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

Group	RM
Balance at 1 May 2022	1,888,313
Net remeasurement of loss allowance	(8,752)
Balance at 30 April 2023/1 May 2023	1,879,561
Net remeasurement of loss allowance	(68,476)
Balance at 30 April 2024	1,811,085

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group has satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Other receivables

Credit risks on other receivables are mainly arising from the amounts due from the Group's and the Company's existing long-term business partner and suppliers and deposits paid for office buildings and utilities. The Group and the Company monitor the payments of these partner and suppliers regularly and are confident of the ability of the partner and suppliers to repay the balances owing. The deposits will be received at the end of each contractual terms.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, except for total balances of RM3,124,961 (2023: RM3,121,968) which are deemed not recoverable and impaired, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.4 Credit risk (continued)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured advances to an associate. The Group monitors the results of the associate regularly.

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries and an associate are not recoverable.

Investment

At the end of the reporting period, the Group invested in quoted shares, unquoted shares and unit trusts which are from reputable institution. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on these investments and there are no indicators that these investment may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

27.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables and lease liabilities.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Discount rate	Contractual cash flows RM	Under 1 year RM	1 – 2 years RM	2 – 5 years RM	More than 5 years RM
2024							
<i>Non-derivative financial liabilities</i>							
Lease liabilities	4,445,871	5.60%	4,910,404	1,608,807	1,382,009	1,855,038	64,550
Trade and other payables	22,040,163	-	22,040,163	22,040,163	-	-	-
	26,486,034		26,950,567	23,648,970	1,382,009	1,855,038	64,550
Company							
2024							
Trade and other payables	313,674	-	313,674	313,674	-	-	-
Group							
2023							
<i>Non-derivative financial liabilities</i>							
Lease liabilities	3,824,989	4.15% - 5.60%	4,194,789	1,520,770	1,126,269	1,524,700	23,050
Trade and other payables	25,848,735	-	25,848,735	25,848,735	-	-	-
	29,673,724		30,043,524	27,369,505	1,126,269	1,524,700	23,050
Company							
2023							
Trade and other payables	339,954	-	339,954	339,954	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows. The Company is not exposed to foreign currency risk as its transactions are denominated in RM. The Company is also not exposed to interest rate risk and other price risk.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to these risks are primarily Australian Dollar ("AUD"), Chinese Renminbi ("RMB"), Japanese Yen ("JPY"), Pound Sterling ("GBP"), U.S. Dollar ("USD"), Singapore Dollar ("SGD") and Euro ("EUR").

Risk management objectives, policies and processes for managing the risk

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The Group did not enter into any forward foreign exchange contracts in the current and previous financial years.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Trade and other receivables RM	Cash and cash equivalents RM	Trade and other payables RM	Total RM
Balances recognised in the statement of financial position				
Group				
2024				
Chinese Renminbi	65,900	4,425,880	(456,142)	4,035,638
Japanese Yen	-	-	(143,580)	(143,580)
U.S. Dollar	80,752	1,384,016	(1,706,962)	(242,194)
Singapore Dollar	715,464	37,878	-	753,342
Net exposure	862,116	5,847,774	(2,306,684)	4,403,206
2023				
Australian Dollar	-	-	(93,092)	(93,092)
Chinese Renminbi	65,900	4,218,144	(603,479)	3,680,565
Japanese Yen	-	-	(108,658)	(108,658)
Pound Sterling	-	-	(429,696)	(429,696)
U.S. Dollar	80,540	2,607,303	(661,706)	2,026,137
Singapore Dollar	699,132	36,141	-	735,273
Euro	-	-	(133,854)	(133,854)
Net exposure	845,572	6,861,588	(2,030,485)	5,676,675

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.1 Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk mainly arises from transactions of the Group which are denominated in AUD, RMB, JPY, GBP, USD, SGD and EUR.

A 5% (2023: 5%) strengthening of RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

	Group	
	2024 RM	2023 RM
AUD	-	3,537
RMB	(153,354)	(139,861)
JPY	5,456	4,129
GBP	-	16,328
USD	9,203	(76,993)
SGD	(28,627)	(27,940)
EUR	-	5,086

A 5% (2023: 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

27.6.2 Interest rate risk

Other than hire purchase receivables and loan receivables as disclosed in Note 11, investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy that its interest-bearing financial investments are on a fixed rate basis.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial assets	26,678,278	26,466,502	250,000	1,000,000
Lease liabilities	(4,445,871)	(3,824,989)	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.6 Market risk (continued)

27.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

27.6.3 Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis which are managed by financial institutions. All buy and sell decisions are approved by the Directors of the Group entities.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI. ("FMBKLCI").

A 10% (2023: 10%) strengthening in FBMKLCI at the end of the reporting period would have increased fair value gain or loss by RM755,998 (2023: RM718,817) for investments classified as fair value through other comprehensive income. A 10% (2023: 10%) weakening in FMBKLCI would have had equal but opposite effect on other comprehensive income.

27.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of non-current trade receivables also reasonably approximate fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2024						
Financial assets						
Group						
Quoted shares	7,560,455	-	-	7,560,455	7,560,455	7,560,455
Unquoted shares	-	-	11,920	11,920	11,920	11,920
Unit trusts	-	69,157,389	-	69,157,389	69,157,389	69,157,389
	7,560,455	69,157,389	11,920	76,729,764	76,729,764	76,729,764
Company						
Unit trusts	-	7,926,576	-	7,926,576	7,926,576	7,926,576
2023						
Financial assets						
Group						
Quoted shares	7,188,522	-	-	7,188,522	7,188,522	7,188,522
Unquoted shares	-	-	111,920	111,920	111,920	111,920
Unit trusts	-	60,472,532	-	60,472,532	60,472,532	60,472,532
	7,188,522	60,472,532	111,920	67,772,974	67,772,974	67,772,974
Company						
Unit trusts	-	6,590,768	-	6,590,768	6,590,768	6,590,768

Level 1 fair value

The fair value of quoted shares is derived from quoted price (unadjusted) by reference to the stock exchange which they are listed on.

Level 2 fair value

The fair value of unit trusts is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either direction).

Level 3 fair value

The fair value of unquoted shares is derived from the adjusted net asset of the investee companies' financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

27. Financial instruments (continued)

27.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

28. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group has a strong cash pool and hence does not rely on any significant loans and borrowings.

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

29. Capital and other commitments

Group	2024 RM	2023 RM
Capital expenditure and other commitments		
Property, plant and equipment		
Approved, contracted but not provided for	4,989,729	2,402,666

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. Related parties**Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 16.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
A. Subsidiaries				
Dividend income	-	-	11,259,228	33,011,355
Management fees income	-	-	2,820,000	2,820,000
Administrative and support charges income	-	-	1,380,000	1,380,000
B. Joint venture				
Sale of goods	(728,723)	(510,215)	-	-
Rental income from properties	(357,696)	(357,696)	-	-
C. Key management personnel *				
Directors of the Company:				
- Fees	180,109	193,144	143,443	155,144
- Remuneration	2,655,765	2,796,115	1,373,567	1,435,381
	2,835,874	2,989,259	1,517,010	1,590,525
Directors of subsidiaries:				
- Fees	32,123	26,250	-	-
- Remuneration	824,553	672,123	-	-
	856,676	698,373	-	-
Total	3,692,550	3,687,632	1,517,010	1,590,525

* Excludes Benefit-In-Kind

31. Acquisition of non-controlling interests**2024****31.1 Acquisition of non-controlling interests**

During the financial year, the Group had acquired additional 3,000 shares and 9,000 shares of RM2.80 and RM 3.00 per share, respectively in Hai-O Raya Bhd. through several acquisitions from non-controlling owners for a total cash consideration of RM35,400. These acquisitions increased the equity of the Group in Hai-O Raya Bhd. from 68.13% to 68.53%.

The Group recognised a decrease in non-controlling interests of RM1 14,558 and an increase in retained earnings of RM79,158 in respect of the above transactions.

2023**31.2 Acquisition of non-controlling interests**

During the financial year 2023, the Group had acquired additional 19,000 shares of RM2.80 per share in Hai-O Raya Bhd. through several acquisitions from non-controlling owners for a total cash consideration of RM53,200. These acquisitions increased the equity of the Group in Hai-O Raya Bhd. from 67.50% to 68.13%.

The Group recognised a decrease in non-controlling interests of RM180,292 and an increase in retained earnings of RM127,092 in respect of the above transactions.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 83 to 139 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Keng Kang
Director

.....
Hew Von Kin
Director

Kuala Lumpur

Date: 20 August 2024

STATUTORY DECLARATION

140 PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Tan Keng Kang**, the Director primarily responsible for the financial management of Beshom Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 83 to 139 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Keng Kang, NRIC: 760601-14-5689 at Kuala Lumpur in the Federal Territory on 20 August 2024.

.....
Tan Keng Kang

Before me:

Balwant Singh (W857)
Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BESHOM HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beshom Holdings Berhad, which comprise the statements of financial position as at 30 April 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 83 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition in the appropriate accounting period

Refer to Note 19 – Revenue and Note 26 – Operating segments.

The key audit matter

The Group's Multi-Level Marketing ("MLM") segment is engaged in the business of direct selling of health food and beverages, healthcare products, wellness and beauty products. This segment is one of the largest revenue contributors to the Group.

There is a risk that the revenue is recognised when controls of the goods have not been transferred to the members during the financial year, thereby causing the revenue to be overstated.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BESHOM HOLDINGS BERHAD (CONTINUED)

Key Audit Matters (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the configurations of the Information Technology application controls relating to the MLM system. We assessed the relevant reports generated by the system that evidences whether goods ordered by members were delivered as at the end of the financial year.
- Based on the reports, we evaluated whether sales were recognised in the correct accounting period by testing selected samples of sales to acknowledged delivery orders.
- On a sampling basis, we sent confirmation to stockists to evaluate the balance of goods held by them.
- On a sampling basis, we performed sales cut off test on the sales transactions recorded in the months of April 2024 and May 2024.
- We reviewed goods return report for abnormal trend of goods return from stockist and enquired management for the reason, if any.

Valuation of inventories

Refer to Note 13 – Inventories.

The key audit matter

The Group holds a large amount of inventories to cater for its Retail, Wholesale and MLM businesses. Inventories represented one of the largest category of assets in the statement of financial position, at RM76,898,677 as at 30 April 2024.

There is a significant degree of judgment involved in assessing the level of write down required for slow moving inventories in order to determine that inventories are stated at the lower of cost and net realisable value ("NRV").

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained the stock movement reports prepared by management and tested the accuracy of the data compiled by management.
- For inventories with no or minimal movement, we assessed and challenged management's assessments of NRV.
- For inventories which have expired, we tested whether these inventories have been fully written off.
- On a sampling basis, we evaluated whether the inventories were stated at the lower of cost and NRV by comparing the cost to sale price less cost to sell of these inventories.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BESHOM HOLDINGS BERHAD (CONTINUED)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BESHOM HOLDINGS BERHAD (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 20 August 2024

Chan Kim Hing
Approval Number: 03737/04/2025 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

AS AT 2 AUGUST 2024

Number of Shares Issued	:	300,103,232 ordinary shares (inclusive of 140,300 treasury shares)
Issued Share Capital	:	RM312,977,661
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

Analysis of Shareholdings

Size of Holdings	No. of Shareholders	No. of Shares	% of Shares
Less than 100	1,529	44,447	0.02
100 - 1,000	1,324	477,047	0.16
1,001 - 10,000	5,573	21,770,394	7.26
10,001 - 100,000	2,457	64,983,914	21.66
100,001 - 14,998,146 (Less than 5% of issued shares*)	246	137,355,721	45.79
14,998,147 and above (5% and above of issued shares*)	3	75,331,409	25.11
Total exclude Treasury shares	11,132	299,962,932	100.00

* Excluding a total of 140,300 shares bought back by BESHOM and retained as treasury shares as at 2 August 2024.

THIRTY LARGEST SHAREHOLDERS

Name	No. of Shares	% of Shares
1. Tan Kai Hee Family Holdings Sdn Bhd	32,787,229	10.93
2. Akintan Sdn Bhd	26,397,475	8.80
3. Excellant Communication Sdn Bhd	16,146,705	5.38
4. Tan Keng Kang	12,864,793	4.29
5. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chia Kee Siong	10,120,920	3.37
6. Atlantis Marque Sdn Bhd	9,605,769	3.20
7. Daritan Sdn Bhd	5,580,398	1.86
8. Key Development Sdn Berhad	3,894,230	1.30
9. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chen Tam Chai	3,529,450	1.18
10. Chan Mei Xian	3,102,384	1.03
11. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	2,873,388	0.96
12. Tan Puah Khin @ Tan Puan Hee	2,835,021	0.95
13. Chin Chin Sing @ Tan Cheng Beng	2,625,379	0.88
14. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Yoke Fong	2,092,126	0.70
15. Oon Teik Chye	2,076,248	0.69
16. Tan Keng Song	1,940,000	0.65

ANALYSIS OF SHAREHOLDINGS

AS AT 2 AUGUST 2024 (CONTINUED)

Name	No. of Shares	% of Shares
17. Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 1)	1,800,550	0.60
18. Kong Shiuh Yong	1,787,400	0.60
19. Huang, Chin-Chueh	1,665,408	0.56
20. Milo McConaghy	1,595,076	0.53
21. Amy McConaghy	1,592,665	0.53
22. Citigroup Nominees (Asing) Sdn Bhd CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,592,273	0.53
23. Chong Foong Foong	1,563,600	0.52
24. Triple Momentum Sdn. Bhd.	1,551,892	0.51
25. Lim Siew Oon	1,407,306	0.47
26. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chia Kuo Wui	1,378,142	0.46
27. Teoh Jun Seong	1,350,000	0.45
28. Soh Choo @ Soh Ai Choo	1,314,102	0.44
29. Khoo Bee @ Khoo Bee Guat	1,086,230	0.36
30. Phan Van Denh	878,271	0.29
Total	159,034,430	53.02

ANALYSIS OF SHAREHOLDINGS

AS AT 2 AUGUST 2024 (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 2 August 2024)

Name	Direct Holdings		Indirect Holdings	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Kai Hee Family Holdings Sdn Bhd	32,787,229	10.93	31,977,873 ^(note a)	10.66
2. Akintan Sdn Bhd	26,397,475	8.80	-	-
3. Excellant Communication Sdn Bhd	16,146,705	5.38	-	-
4. Tan Keng Kang	12,864,793	4.29	65,923,673 ^(note b)	21.98
5. Phan Van Denh	878,271	0.29	77,910,195 ^(note c)	25.98

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 2 August 2024)

Name	Direct Holdings		Indirect Holdings	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Keng Kang	12,864,793	4.29	65,923,673 ^(note b)	21.98
2. Hew Von Kin	416,580	0.14	-	-
3. Soon Eng Sing	51,923	0.02	-	-
4. Professor Hajjah Ruhanas Binti Harun	-	-	-	-
5. Ng Chek Yong	-	-	-	-
6. Foong Yein Fun	-	-	-	-
7. Dato' Lee Teck Hua	-	-	-	-

a) Deemed interested by virtue of its substantial interest in Akintan Sdn. Bhd. and Daritan Sdn. Bhd. in BESHOM respectively.

b) Deemed interested by virtue of his substantial interest in Tan Kai Hee Family Holdings Sdn. Bhd., Akintan Sdn. Bhd., Daritan Sdn. Bhd. and through the direct and indirect interest of his family members in BESHOM respectively.

c) Deemed interested through the direct and indirect interest of her spouse.

In the subsidiaries

By virtue of his interest in shares in the Company, Tan Keng Kang is also deemed to be interested in shares of the subsidiaries to the extent the Company has an interest.

Interests in subsidiary company, Hai-O Raya Bhd.

(According to the Register of Members as at 2 August 2024)

Name	Direct Holdings		Indirect Holdings	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Keng Kang	16,000	0.53	78,000 ^(note d)	2.60
2. Hew Von Kin	3,000	0.10	-	-

d) Deemed interested by virtue of his interest in Tan Kai Hee Family Holdings Sdn. Bhd., Daritan Sdn. Bhd. and through the direct and indirect interest of his spouse in Hai-O Raya Bhd. respectively.

TOP 10 PROPERTIES

AS AT 30 APRIL 2024

No.	Location	Description	Date of Acquisition	Land/ Floor Area (sg.ft.)	Tenure	Existing Use	Age (year)	Date of Expiry	Net book value as at 30/04/2024 (RM)
1.	Lot 3203, 3205, 6724, 44128, 98804, 98805 and 102078 3 1/4 mile, Jalan Kapar 41400 Klang, Selangor	Industrial premises comprises of 8 buildings and some miscellaneous structures and other land improvements	21 Dec 2007	1,211,187	Freehold	Office, warehouse & a portion being left as vacant land	Range from 20 to 55	-	42,187,750
2.	Geran 7155/M1 Menara Hai-O, Jalan Bukit Bintang 55100 Kuala Lumpur	Shoplots, Office lots at Ground, 1st, 6th, 8th & 9th floor, 4 units of apartments & 284 number of car park bays (2nd - 6th floor)	22 Aug 1995, 29 Dec 1997, 01 May 1999 & 05 Feb 2001	86,721	Freehold	Shoplots, Offices Residential & Car park	46	-	13,544,638
3.	GM 18673, Lot 17874, No. 1388 Mukim Kapar, Jalan Kapar, Batu 2, 41400 Klang, Selangor	2 single storey detached buildings	14 Sept 2010	118,422	Freehold	Office & Warehouse	14	-	12,530,994
4.	Geran 60815 - Lot 4093, Geran 74962 - Lot 1802, Geran 17405 - Lot 1791, Geran 74980 - Lot 4114, Mukim Setul, Daerah Seremban, Negeri Sembilan	Land	3 June 2014	1,145,268	Freehold	Orchard farm	10	-	9,101,916
5.	Geran Mukim 33364, Lot 11995 Mukim of Kapar, 1-1/2 Miles 41400 Klang, Selangor	Factory/ Warehouse & 6 storey building	05 June 1982 & 20 Sept 1997	102,472	Freehold	Office & Warehouse	41 & 27	-	7,680,884
6.	Geran 21337 - Lot 113, Geran 21338 - Lot 114, Geran 20431 - Lot 204, Geran 20432 - Lot 205, Daerah Melaka Tengah, Kawasan Bandar XX, No. 53A & 53B, Jalan Bendahara, No. 48A, Jalan Bunga Raya, No. 41A & 41B, Jalan Bendahara, 75100 Melaka	5 contiguous units of 5 storey terraced shop houses/ office and a single storey warehouse	10 Aug 2017	14,689	Freehold	Shoplot, warehouse & a portion is vacant	Range from 36 to 46	-	5,986,963
7.	PN 10263, Lot 39828, Mukim Kuala Lumpur, No. 19, 19-M, 19-1 & 19-2, Jalan 2/90, Taman Pertama, Cheras 56100, Kuala Lumpur	3 storey shop office (with mezzanine floor)	15 May 2017	1,539	Leasehold for 99 years	Shop	46	29 Sept 2077	2,848,413
8.	Geran 502799 Lot 198459, Geran 502800 Lot 198460, Mukim Plentong, No. 103 & 105, Jalan Tanjong 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	2 units of 3 storey shop office	22 Jun 2016	9,900	Freehold	Shop	11	-	2,652,293
9.	Geran 18157, Lot 49671 Mukim Kapar, Tempat 3 1/4 Jalan Kapar, Daerah Klang, 41400 Negeri Selangor	Agriculture land	23 Feb 2023	83,420	Freehold	Agriculture land	1	-	2,284,000
10.	Garden City Business Centre PT 15752 Unit No. C01/2 - C12/2 Phase 2B Taman Dagang Jalan Ampang 68000 Kuala Lumpur	12 units of office lots (2nd floor)	20 Oct 1995	18,708	Leasehold for 99 years	Offices	29	20 Oct 2084	2,095,002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 4th Annual General Meeting of the Company will be held at the Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Thursday, 26 September 2024 at 11.30 a.m. to transact the following business: -

AGENDA

- | | | |
|----|---|---|
| 1. | To lay before the Meeting the Audited Financial Statements for the financial year ended 30 April 2024 and the Reports of the Directors and Auditors thereon. | Refer to
Explanatory Note |
| 2. | To re-elect the following Directors who are retiring by rotation pursuant to Clause 119 of the Company's Constitution: -
i. Mr. Hew Von Kin
ii. Professor Hajjah Ruhanas Binti Harun | Resolution 1
Resolution 2 |
| 3. | To re-elect the following Directors who are retiring pursuant to Clause 97 of the Company's Constitution: -
i. Ms. Foong Yein Fun
ii. Dato' Lee Teck Hua | Resolution 3
Resolution 4 |
| 4. | i. To approve the payment of Directors' fees amounting to RM143,443 for the financial year ended 30 April 2024.

ii. To approve the payment of Directors' remuneration and benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM600,000 until the next Annual General Meeting of the Company. | Resolution 5

Resolution 6 |
| 5. | To declare a final single tier dividend of 1.5 sen per ordinary share for the financial year ended 30 April 2024. | Resolution 7 |
| 6. | To re-appoint Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 8 |

As Special Business: -

7. To consider and if thought fit, to pass the following ordinary resolutions: -

ORDINARY RESOLUTION I

- i. **To authorise the allotment and issuance of shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and waiver of pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 59 of the Company's Constitution**

Resolution 9

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Act") and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit and in the interest of the Company, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, approval be and is hereby given to the Company to waive the statutory pre-emptive rights conferred upon the shareholders of the Company and that the Board is exempted from the obligation to offer such New Shares first to the existing shareholders of the Company arising from any issuance of the New Shares pursuant to the Mandate."

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

ORDINARY RESOLUTION II

ii. Proposed Share Buy-Back by the Company

Resolution 10

“THAT subject to the rules, regulations and orders made pursuant to the Companies Act, 2016 (“the Act”), provisions of the Company’s Constitution and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Board be and is hereby authorised to purchase the Company’s shares (“BESHOM Shares”) through Bursa Securities (“Proposed Share Buy-Back”) subject to the following:-

- a. the maximum number of BESHOM Shares which may be purchased and/or held as treasury shares by the Company at any point in time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total number of issued shares of the Company;
- b. the maximum fund to be allocated by the Company for the purpose of purchasing the BESHOM Shares shall not exceed the aggregate of the retained profits of the Company;
- c. the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities; and
- d. upon completion of the purchase(s) of the BESHOM Shares by the Company, the Board be and is hereby authorised to retain the BESHOM Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders and/or re-sold on Bursa Securities and/or subsequently cancelled and in other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND that the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the BESHOM Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

8. To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 4th Annual General Meeting to be held on 26 September 2024, a final single tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 April 2024 will be paid on 28 November 2024. The entitlement date for the dividend payment is on 20 November 2024.

A Depositor shall qualify for the entitlement to the dividend only in respect of: -

- (a) Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 20 November 2024 in respect of transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Cynthia Gloria Louis (SSM PC No. 201908003061) (MAICSA 7008306)
Chew Mei Ling (SSM PC No. 201908003178) (MAICSA 7019175)
Company Secretaries

Selangor Darul Ehsan
 28 August 2024

Notes:

1. *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 19 September 2024 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 4th AGM.*
2. *A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him save for a member who is an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
3. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.*
5. *The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 4th AGM or at any adjournment thereof, as follows:*
 - (i) **In hard copy form** - *The original instrument appointing a proxy ("Form of Proxy") must be deposited with KPMG Management & Risk Consulting Sdn. Bhd. at the Concourse, KPMG Tower, No.8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia.*
 - (ii) **By electronic means** - *The Form of Proxy can also be lodged electronically through email to support_convneagm@kpmg.com.my or at <https://convneagm.my/beshomagm2024>. Please follow the procedures provided in the Administrative Guide of the 4th AGM for submission of the Form of Proxy electronically.*
6. *If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our 4th AGM by yourself, please write in to support_convneagm@kpmg.com.my to revoke the earlier appointed proxy not less than forty-eight (48) hours before the meeting.*
7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.*

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

Explanatory Notes to Ordinary and Special Business

Item 1 of the Agenda

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the audited financial statements. Hence, this item 1 of the Agenda is not put forward for voting.

Ordinary Resolutions 1, 2, 3 and 4

For proposed Ordinary Resolutions 1 and 2, in determining the eligibility of the Directors standing for re-election at the forthcoming 4th AGM pursuant to Clause 119 of the Company's Constitution, the Nominating Committee (NC) performed assessments on each of the retiring Directors based on the following criteria:

- i) Assessment on the performance of directors and effectiveness of the Board as a whole;
- ii) Assessment on the performance of the members of the Board Committees;
- iii) Assessment on the independence of the Independent Directors;
- iv) Assessment on the fit and proper of the directors including any conflict of interest or potential conflict of interest situations, in line with the Directors' Fit and Proper Policy of the Company; and
- v) Assessment on the tenure of service of the Independent Directors and composition of the Board.

For the proposed Ordinary Resolutions 3 and 4, Ms. Foong Yein Fun and Dato' Lee Teck Hua are subject for retirement at the forthcoming 4th AGM pursuant to Clause 97 of the Company's Constitution, which states that *"the Directors of the Company who were appointed during the year shall retire and shall be eligible for re-election subject to the approval of the shareholders at the forthcoming AGM of the Company"*.

The NC was satisfied with the performance of the retiring Directors in discharging their duties and responsibilities professionally and objectively in the best interest of the Company and shareholders. The retiring Directors have met the criteria of character, integrity, experience, competence and time commitment in discharging their roles in line with the Directors' Fit and Proper Policy of the Company. The retiring directors do not have any conflict of interest or potential conflict of interest with the Group. The Independent directors have complied with the independence criteria as set by the Bursa Malaysia and confirmed that they are able to exercise independent judgement under all circumstances.

Based on the above, the Board endorsed the NC's recommendation on re-election of the retiring directors.

Ordinary Resolution 5

Payment of the Directors' fees for the financial year ended 30 April 2024 amounting to RM143,443 will be made by the Company if the proposed Ordinary Resolution 5 is passed at the forthcoming Annual General Meeting.

Ordinary Resolution 6

The Directors' remuneration and benefits (excluding Directors' fees) comprises emoluments and other benefits payable to the Non-Executive Directors from 26 September 2024 until the next Annual General Meeting of the Company. For newly appointed Non-Executive Director, the Directors' remuneration and benefits (excluding Directors' fees) are payable from the date of appointment during the year. The remuneration and benefits are recommended to commensurate with the Directors' commitment, experiences and expertise for discharging their duties.

Description	Emoluments and other benefits
Fixed Allowance	Approximately RM35,000 per month in total
Meeting attendance allowance	RM1,000 to RM2,000 depends on the number of meeting(s) held on the same day
Board Committee Chairman / Member	RM12,000 to RM24,000 per annum
Other benefits	Group Medical & Personal Accident and Corporate Liability Insurance, training benefits, Employer's Statutory Contribution, ESOS and other benefits

Payment of the Directors' remuneration and benefits will be made by the Company as and when incurred if the proposed Ordinary Resolution 6 is passed.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

Ordinary Resolution 8

The Board, through the Audit Committee had conducted assessment on the external auditors' performance and competency taken into consideration of the audit quality, resource capacity, independence and the 2023 Annual Transparency Report in terms of KPMG's governance and leadership structure, as well as the measures undertaken by the firm to uphold audit quality and manage risks. Having satisfied with the assessment of competency in its work and independence when carrying out its duties and responsibilities, the Board recommends the re-appointment of Messrs. KPMG PLT as Auditors of the Company and seek members' approval at the 4th AGM of the Company.

Ordinary Resolution 9 – Mandate to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and waiver of pre-emptive rights

The Directors did not issue any new shares pursuant to the existing Mandate which will lapse at the conclusion of the 4th AGM.

The proposed resolution is to seek members' approval to issue new shares pursuant to Sections 75 and 76 of the Companies Act 2016. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placement of shares, funding for future investment project(s) and/or business expansion and/or working capital and/or acquisitions or the issuance of shares as a consideration for the acquisition of assets.

Ordinary Resolution 10 - Proposed Share Buy-Back by the Company

The Ordinary Resolution, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting. For further information on the Proposed Share Buy-Back, please refer to the Share Buy-Back Statement dated 28 August 2024 accompanying the Annual Report 2024.

PERSONAL DATA PRIVACY

By lodging of a completed Form of Proxy to KPMG Management & Risk Consulting Sdn. Bhd. for appointing a proxy(ies) and/ or representative(s) to attend and vote in person at the 4th Annual General Meeting and any adjournment thereof, a member of the Company is hereby:

- 1) consented to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 4th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 4th Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "Purposes");
- 2) warranted that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes ("Warranty"); and
- 3) agreed that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Following is the statement made pursuant to paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad. As at date of this notice, there are no individuals who are standing for election.

- 1) The Directors who are retiring by rotation pursuant to Clause 119 of the Company's Constitution, are as follows: -
 - i. Mr. Hew Von Kin
 - ii. Professor Hajjah Ruhanas Binti Harun
- 2) The Directors, who are retiring pursuant to Clause 97 of the Company's Constitution are as follows:-
 - i. Ms. Foong Yein Fun
 - ii. Dato' Lee Teck Hua

The details of the four (4) Directors seeking for re-election are set out in the Directors' profiles appearing on pages 11 to 14 of the Annual Report.

- 3) Details of attendance of Directors at Board Meetings held during the financial year ended 30 April 2024 are set out on page 75 of the Annual Report.
- 4) Place, Date and Time of the 4th Annual General Meeting are as follows: -

Place : Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No.35, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.
 Date : 26 September 2024 (Thursday)
 Time : 11:30 a.m.

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BESHOM

FORM OF PROXY

BESHOM HOLDINGS BERHADRegistration No.: 202101001114 (1401412-A)
(Incorporated in Malaysia)

CDS Account No. _____

No. of ordinary shares held _____

I/We _____

NRIC No. (New) _____ (Old) _____ / Company No. _____

of _____

email address _____ contact number _____

being a member / members of **BESHOM HOLDINGS BERHAD** hereby appoint the following person(s):-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
*And/ or failing him/ her (delete as appropriate)			

For a member who is an exempt authorised nominee with omnibus account, please state the details of the proxies as above if more than two (2) on your letterhead and to attach the same to this Form of Proxy.

or failing him/her/them, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the **4th Annual General Meeting** of the Company will be held on at Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Thursday, 26 September 2024 at 11.30 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:-

RESOLUTIONS		FOR	AGAINST
Resolution 1	Re-election of Mr. Hew Von Kin as a Director.		
Resolution 2	Re-election of Professor Hajjah Ruhanas Binti Harun as a Director.		
Resolution 3	Re-election of Ms. Foong Yein Fun as a Director.		
Resolution 4	Re-election of Dato' Lee Teck Hua as a Director.		
Resolution 5	Approval for the payment of Directors' fees for the financial year ended 30 April 2024.		
Resolution 6	Approval for the payment of Directors' remuneration and benefits (excluding Directors' fees) to the Non-Executive Directors until the next Annual General Meeting of the Company.		
Resolution 7	Declaration of a final single tier dividend of 1.5 sen per ordinary share.		
Resolution 8	Re-appointment of Messrs. KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Resolution 9	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights.		
Resolution 10	Proposed Share Buy-Back by the Company.		

Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy may vote or abstain from voting at his/her/their discretion.

Date: _____

Signature(s)/ Common Seal of Shareholders

Notes:

1. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 19 September 2024 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 4th AGM.
2. A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him save for a member who is an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding of the 4th AGM or at any adjournment thereof, as follows:
 - (i) **In hard copy form** - The original instrument appointing a proxy ("Form of Proxy") must be deposited with KPMG Management & Risk Consulting Sdn. Bhd. at the Concourse, KPMG Tower, No.8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia.
 - (ii) **By electronic means** - The Form of Proxy can also be lodged electronically through email to support_conveneagm@kpmg.com.my or at <https://conveneagm.my/beshomagm2024>. Please follow the procedures provided in the Administrative Guide of the 4th AGM for submission of the Form of Proxy electronically.
6. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our 4th AGM by yourself, please write in to support_conveneagm@kpmg.com.my to revoke the earlier appointed proxy not less than forty-eight (48) hours before the meeting.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

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Affix
Stamp

B E S H O M

Beshom Holdings Berhad

Registration No. 202101001114 (1401412-A)

KPMG Management & Risk Consulting Sdn. Bhd.

Registration no. 198601000916 (150059-H)

Concourse, KPMG Tower,
No.8, First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor, Malaysia

www.beshom.com

BESHOM HOLDINGS BERHAD

Registration No. 202101001114 (1401412-A)

Unit 621, 6th Floor, Block A, Kelana Centre Point, No.3, Jalan SS7/19,
Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel. No. : 03-7880 9699 Fax No. : 03-7880 8699
Email : info@beshom.com