

B E S H O M

THE BEST STARTS FROM HOME

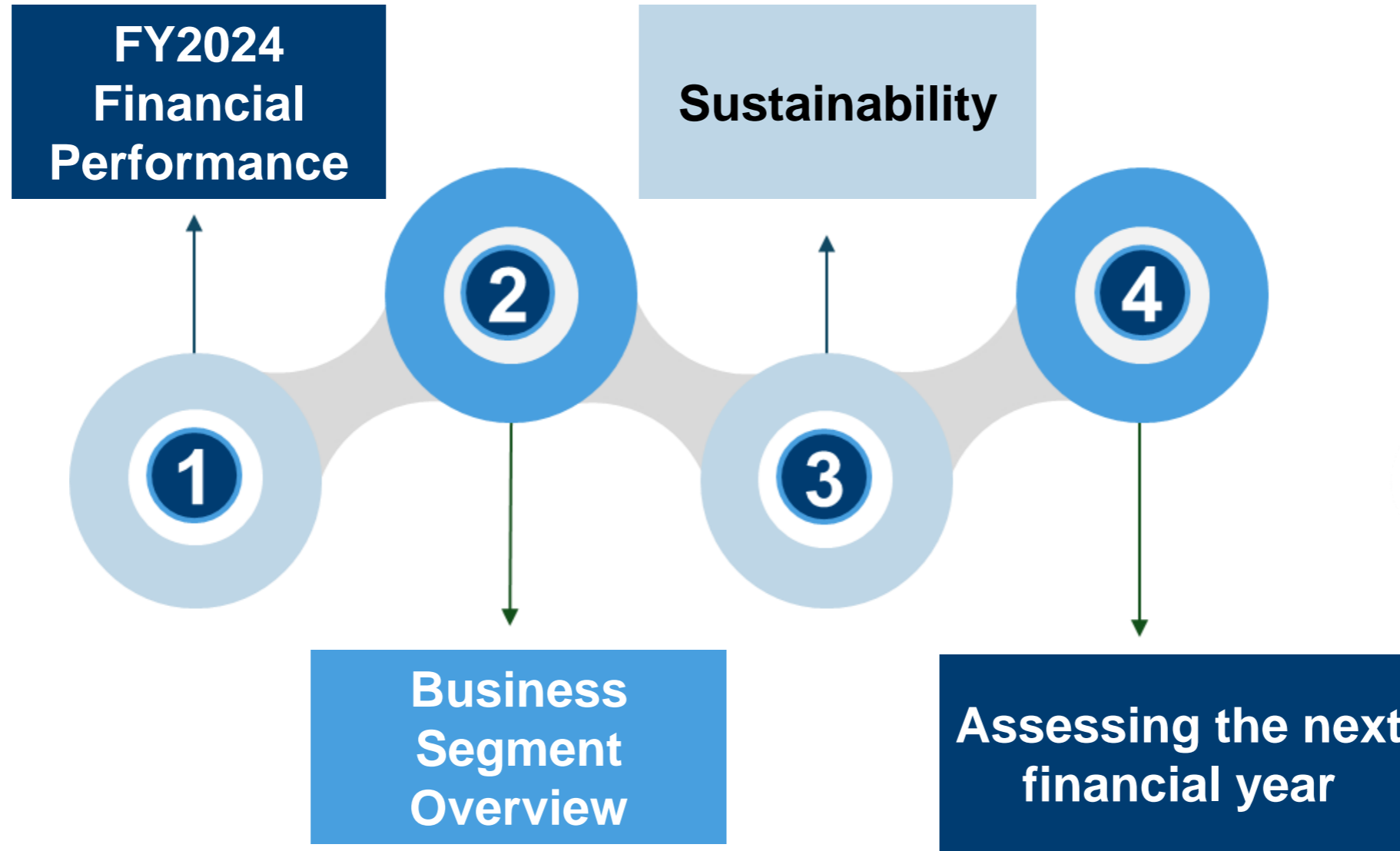
BESHOM HOLDINGS BERHAD

Registration No. 202101001114 (1401412-A)

4TH ANNUAL
GENERAL MEETING
26 SEPTEMBER 2024

Decades of Milestones

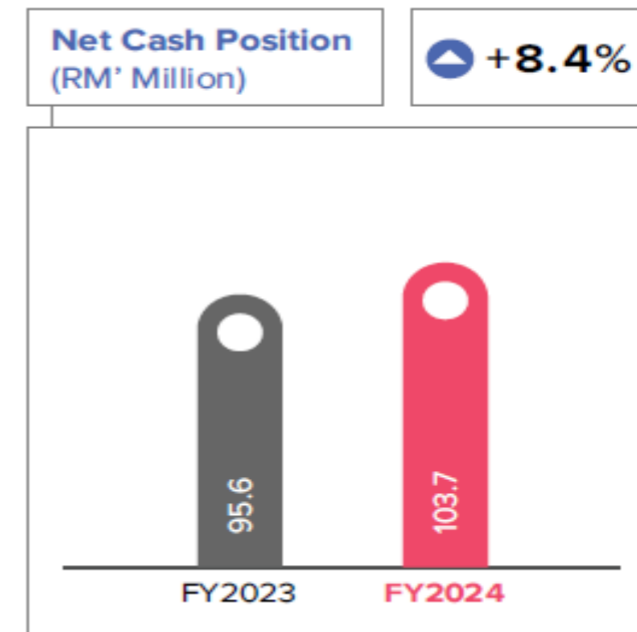
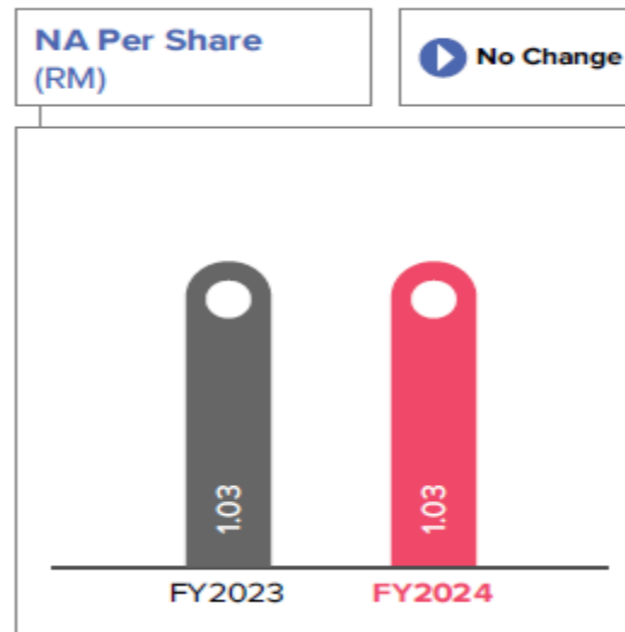
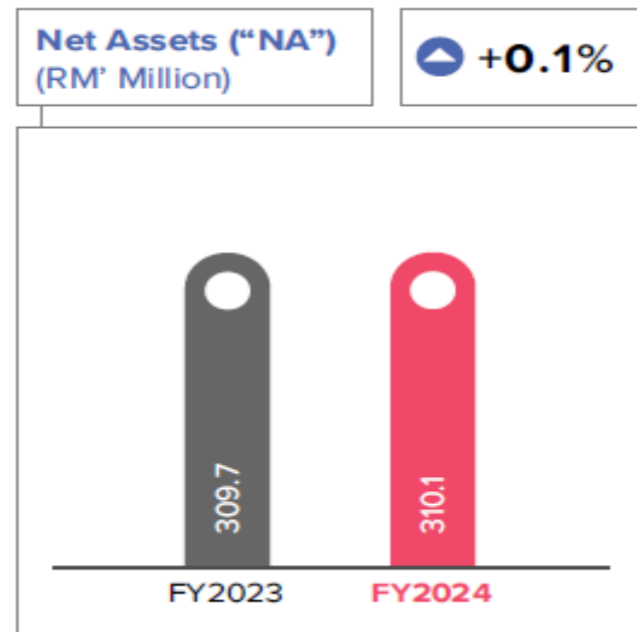
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Financial Performance Highlights



“The financial performance of the Group was challenged by the current operating environment. BESHOM was not immune to these headwinds, but all our business segments continued to record profits albeit at a more moderated level and the financial position of the Group remained robust”



Business Segment Overview

- The consolidated BESHOM Group operates an integrated business model that includes MLM, Wholesale, Retail business and complemented by other businesses
- Our “Hai-O” branding is a household name and continues to act as our key brand ambassador as a trusted traditional health food supplier



- Recovery in the MLM segment post COVID-19 has been more challenging. Spending by MLM members continues to adjust due to a volatile monetary regime and inflationary pressures.
- The segment revenue declined by approximately 26.4%, from RM70.7 million in FY2023 to RM52.0 mil, and recorded a PBT of RM1.5 mil in F2024.
- The segment's performance was largely attributed to the shrinkage in purchasing power of distributors, lower operating margins due to rising production, packaging and logistic costs and also higher rebates were offered members to promote sales.
- The MLM segment continued to focus on its 3 business pillars, i.e. People, Promotion and Products and continued with cost discipline and resource optimisation measures.



MULTI-LEVEL MARKETING SEGMENT



Segment Revenue


RM52.0
million

VS FY2023
 **RM18.7 mil**
or **26.4%**



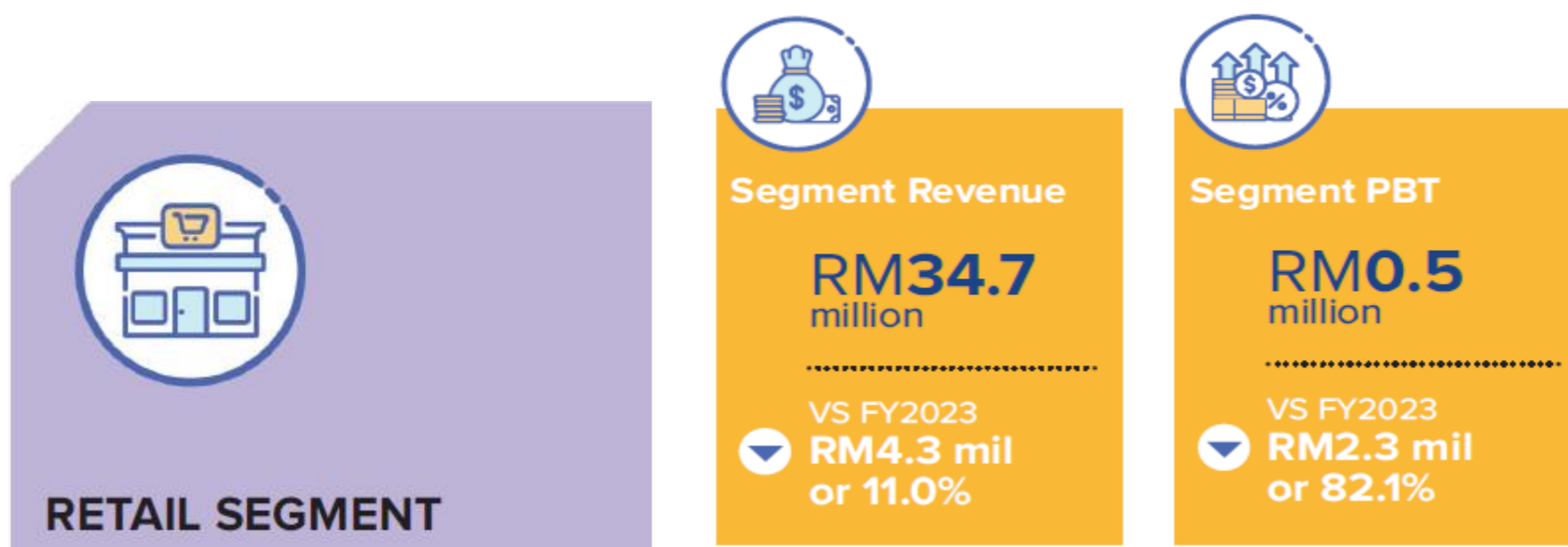
Segment PBT

RM1.5
million

VS FY2023
 **RM5.9 mil**
or **79.7%**



- 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 segment decreased marginally by 2.3% to RM58.3 mil, while PBT for FY2024 is RM8.5 mil
- The revenue was impacted by the sales of Chinese medicated tonic and vintage tea. The PBT suffered a higher impact from unfavourable import and logistics costs, as well as the depreciation of Ringgit
- Expected to face a challenging financial year, the segment implemented several strategic plans to avert a material decline in revenue, including collaborative marketing and brand building, such as rebranding and repackaging strategy to refresh the product image.



- The Retail segment faced persistent challenges due to evolving consumer buying behaviour over the past few years
- The segment posted a revenue of RM34.7 mil and a PBT of RM0.5 mil
- The segment's topline revenue was affected by weak consumer spending. However, profitability of the segment was mainly affected by high operating cost, comprising rental for retail outlets, utilities and staff costs
- For FY2024, the segment focused on creating more attractive promotions for customers to visit and spend time in our retail outlets and continued to introduce value-focused products to support our customers to save on everyday expenses without compromising their wellbeing

Sustainability

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

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



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.

Assessing the next financial year

- The retail sector is expected to face challenges due to the increase in the SST, weak consumer spending, elevated inflation, and fuel subsidy rationalization; but partially offset by pay rise for civil servants and the return of international tourists
- 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
- Transformational strategic measures are at the forefront of our priority:
 - ▶ To enhance members recruitment and retention programs
 - ▶ To expand the Group's presence beyond the local market
 - ▶ To partner with dynamic startup companies that possess retail technology innovations and technical talent to enhance market positioning
- We are committed to strengthening our organizational capacity for continuous improvement and to fundamentally realign our business strategies and operations to ensure long-term sustainability.



The background of the slide features two white birds, possibly swans or herons, in flight. They are positioned diagonally, with one bird in the upper right and another in the lower left. The background is a bright, hazy white with a faint rainbow visible on the left side. The text 'THANK YOU' is centered in a bold, blue, sans-serif font.

THANK YOU