

**BESHOM HOLDINGS BERHAD**  
**Registration No. 202101001114 (1401412-A)**  
(Incorporated in Malaysia)

MINUTES of the 3<sup>rd</sup> Annual General Meeting of the Company held at the Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Tuesday, 26 September 2023 at 11.30 a.m.

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PRESENT : Ng Chek Yong – Chairman  
Tan Keng Kang – Group Managing Director  
Hew Von Kin – Group Executive Director cum Group Chief Financial Officer  
Tan Beng Ling – Independent Non-Executive Director  
Chia Kuo Wui – Independent Non-Executive Director  
Soon Eng Sing – Independent Non-Executive Director  
Professor Hajjah Ruhanas binti Harun – Independent Non-Executive Director  
Tay Bee Koo-Independent Non-Executive Director

IN ATTENDANCE : Irene Chew - Company Secretary

Shareholders, Proxies & Invitees

As per Attendance List.

1. **QUORUM**

The Chairman extended a warm welcome to all the shareholders, Board of Directors, proxies, and authorised representatives to the 3<sup>rd</sup> AGM. Upon confirming the presence of a quorum, the Meeting was called to order at 11.30 a.m.

2. **INTRODUCTION OF THE BOARD MEMBERS**

The Chairman introduced the members of the Board, Management, Company Secretary and External Auditors who were present at the meeting venue.

3. **NOTICE**

As the Notice convening the Meeting was circulated to the shareholders within the prescribed period, the Notice convening the Meeting was taken as read.

Next, the Chairman reported that the Company had received 345 valid proxies carrying 82,732,175 shares or representing 27.57% of the Company's total number of issued shares.

4. **POLLING AND ADMINISTRATIVE GUIDE**

The Meeting was informed that voting for proposed resolutions 1 to 9 will be carried out by poll in line with Bursa's Listing Requirements. KPMG Management & Risk Consulting Sdn. Bhd. has been appointed as the Poll Administrator and Quantegic Services Sdn. Bhd, an independent scrutineer has been appointed to validate the votes.

The Chairman informed that to facilitate the e-voting process, shareholders/ proxies may proceed to vote on the proposed resolutions as set out in the notice of AGM and submit their votes anytime hereafter until the closure of the voting session which will be notified

to all shareholders/proxies.

The Chairman thereafter invited the Poll Administrator to brief the Meeting on the Electronic Poll voting process.

**5. PRESENTATION ON COMPANY'S PERFORMANCE AND RESULTS FOR FYE30/4/2023**

The Company Secretary was invited to present the overview of the Company's financial performance, summary of the business segment performance and the outlook of the Group for the next financial year. The Presentation slides are attached as **Appendix I**.

**6. QUESTIONS RECEIVED FROM THE MINORITY SHAREHOLDERS WATCH GROUP**

The Meeting was informed that the Company had received a letter from the Minority Shareholders Watch Group ("MSWG") dated 18 September 2023. The Chairman invited the Company Secretary to read out the questions and the Company's responses, which are attached as **Appendix II**.

**7. REPORTS AND AUDITED FINANCIAL STATEMENTS ("AFS") FOR THE YEAR ENDED 30 APRIL 2023 ("FYE 30 APRIL 2023")**

The Chairman proceeded with the first item on the agenda.

The AFS for the FYE 30 April 2023 and the Reports of the Directors and Auditors having been circulated to all the shareholders within the prescribed period were taken as read.

The Meeting then opened the floor for questions and answers. The questions/comments raised at the AGM were responded by the Board as follows:

- 1) Mr Sai Chong Yeh, a shareholder enquired on the rationale for the change of the Company's name to Beshom Holdings Berhad ("Beshom") for listing on Bursa Malaysia Securities Berhad and the plan to improve the share price of the Company.
  - i) Mr Hew, the Group Executive Director cum Group Chief Financial Officer, on behalf of the Board clarified that the transfer of listing status to Beshom Holdings Berhad ("BESHOM") is in line with the internal reorganisation exercise undertaken by the Group in 2021. The internal reorganisation among others, aims to separate the investment holding function and the operating business, wherein BESHOM became the investment holding company whilst Hai-O Enterprise Berhad ("HOE") continues to operate the existing businesses. There is no change to the business activities of HOE's subsidiaries. The Group continues to use the "Hai-O" branding as our brand ambassador in our business activities. The Group Internal Reorganisation exercise, involving the streamlining of subsidiary companies aims to provide the BESHOM group with the ease and flexibility needed to expand both existing business operations and new business segments when opportunities arise.
  - ii) Mr Hew informed that the share price of the Company is primarily driven by the overall performance of the Group, the prevailing market conditions and external factors such as interest rates and inflation which would substantially impact consumer discretionary spending. Mr Hew added that the Company is committed to prioritize long-term shareholder returns over short-term setbacks.

Management is dedicated in implementing all necessary measures to enhance the Company's business operations and overall performance.

- 2) Mr Ooi Cheng Kooi, a proxy observed that the packaging of the products in the gift pack given to the shareholders did not contain halal certification logo. He enquired if this could affect the business of the Group.

Mr Hew clarified that for non-halal products such as products containing Traditional Chinese Medicine elements could not obtain halal certification. However, one of our top-selling products, Min Kaffe, has obtained halal certification. Mr Hew explained that the process of obtaining halal certification is complicated and involves an assessment by the Jabatan Kemajuan Islam Malaysia ("JAKIM") on the manufacturing process and factory. The Company is only permitted to include the halal certification logo in the packaging after approval has been obtained.

- 3) Mr Leo Ann Puat ("Mr Leo"), a shareholder expressed his gratitude to the Company for a comprehensive update given to the shareholders. He enquired on the Company's outlook and strategies for the next 5 years. Mr Leo suggested that the Company should consider rebranding the retail outlets to enhance footfall and to attract younger market.

The Chairman thanked Mr Leo for his comments and observations and invited Mr Hew to address Mr Leo's question.

Mr. Hew provided insights to the Company's outlook for the next financial year, acknowledging the challenges posed by factors such as US-China trade tensions, inflation, and high-interest rates impacting disposable income. Despite these uncertainties, the Company remains committed to implement strategic measures to enhance its business operations. These measures include among others, plans to open 2 to 3 Retail outlets annually, introducing a wider range of products, food and beverage and Fast-Moving Consumer Goods (FMCG) products, and expanding customer accounts through modern trade channels.

The Wholesale and Retail divisions have recorded an improvement in their performance in the current financial year as outlined in the Annual Report. On the rebranding of the retail outlets, the Company is currently actively looking into the matter, including the proposed new design outlook, appointment of consultant etc.

There being no further questions raised by the shareholders, the Chairman proceeded with the next agenda.

#### **8. RE-ELECTION OF MS TAY BEE KOO WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 1)**

In accordance with Clause 97 of the Company's Constitution, Ms Tay Bee Koo was due to retire and being eligible, has offered herself for re-election. Her profile was provided on page 14 of the Annual Report.

Ordinary Resolution 1 was proposed by the Chairman and seconded by Ms Julie Tan Chwee Sin.

**9. RE-ELECTION OF MR NG CHEK YONG WHO RETIRES PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 2)**

As the Chairman is the subject matter of the resolution, he handed the Chair to Mr Tan Keng Kang ("KK Tan").

Mr KK Tan thanked the Chairman and tabled the resolution on re-election of Mr Ng Chek Yong who retires in accordance with Clause 119 of the Company's Constitution. The profile of Mr Ng was provided on page 10 of the Annual Report.

Ordinary Resolution 2 was proposed by Mr KK Tan and seconded by Ms Tan Siew Ze.

There being no questions raised by the shareholders, Mr KK Tan returned the Chair to Mr Ng to proceed with the rest of the resolutions of the AGM.

**10. RE-ELECTION OF MR TAN KENG KANG WHO RETIRES PURSUANT TO CLAUSE 119 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 3)**

In accordance with Clause 119 of the Company's Constitution, Mr Tan Keng Kang was due to retire and being eligible, has offered himself for re-election. His profile was provided on page 11 of the Annual Report.

Ordinary Resolution 3 was proposed by the Chairman and seconded by Mr Fong Foo Keong.

Before the Meeting proceeds with the next agenda, the Chairman informed that Ms. Tan Beng Ling, our Independent Director, has expressed her intention not to seek for re-election. As such, Ms. Tan will retire at the conclusion of this AGM. On behalf of the Board, the Chairman expressed the Company's sincere appreciation to Ms Tan for her contributions to the Group and wish her all the best in her future endeavours.

**11. PAYMENT OF DIRECTORS' FEES (ORDINARY RESOLUTION 4)**

The Company had proposed a payment of Directors' fees of RM155,144 for the financial year ended 30 April 2023.

The Meeting was informed that the Directors who are also the shareholders of the Company would abstain from voting on this resolution.

Ordinary Resolution 4 was proposed by Ms Julie Tan Chwee Sin and seconded by Mr Fong Foo Keong.

**12. THE PAYMENT OF DIRECTORS' REMUNERATION AND BENEFITS (EXCLUDING DIRECTORS' FEES) TO NON-EXECUTIVE DIRECTORS (ORDINARY RESOLUTION 5)**

The Company had proposed a Directors' remuneration and benefits (excluding Directors' fees) to Non-Executive Directors up to an amount of RM700,000 from 27 September 2023 until the next Annual General Meeting of the Company.

It was highlighted that the Non-Executive Directors who are also shareholders of the Company would abstain from voting on this resolution.

Ordinary Resolution 5 was proposed by Ms Julie Tan Chwee Sin and seconded by Mr Fong Foo Keong.

**13. FINAL SINGLE TIER DIVIDEND OF 2 SEN (ORDINARY RESOLUTION 6)**

The Directors had recommended that a final single tier dividend of 2 sen per ordinary share for the financial year ended 30 April 2023 be paid.

Ordinary Resolution 6 was proposed by Ms Julie Tan Chwee Sin and seconded by Mr Fong Foo Keong.

**14. RE-APPOINTMENT OF AUDITORS (ORDINARY RESOLUTION 7)**

The resolution on the re-appointment of Messrs KPMG PLT as Auditors of the Company until the conclusion of the next AGM and to authorize the Directors to fix their remuneration was tabled.

Messrs KPMG PLT had given their consent to seek for re-appointment and no other nominations were received by the Company.

Ordinary Resolution 7 was proposed by Mr Fong Foo Keong and seconded by Mr Vicky Cheng.

**15. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS OVER NEW ORDINARY SHARES UNDER SECTION 85 OF THE COMPANIES ACT 2016 (ORDINARY RESOLUTION 8)**

The next agenda was to seek the shareholders' authority for the allotment of shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and waiver of pre-emptive rights over new ordinary shares under Section 85 of the Companies Act 2016.

Ordinary Resolution 8 was proposed by Ms Ngee Geok Choo and seconded by Ms Julie Tan Chwee Sin.

**16. PROPOSED SHARE BUY-BACK BY THE COMPANY (ORDINARY RESOLUTION 9)**

The Chairman informed that Ordinary Resolution 9 was to seek the approval from the shareholders for a Shareholders' Mandate to buy back the Company's shares.

Ordinary Resolution 9 was proposed by Ms Jessica Lim and seconded by Mr Fong Foo Keong.

**17. QUESTIONS AND ANSWERS SESSION (PRE-MEETING)**

The Company Secretary informed that there were no questions received from shareholders and proxies prior to the AGM.

**18. VOTING SESSION**

At 12.35 p.m., the Chairman reminded shareholders to vote as the voting session would continue for another 5 minutes.

At 12.40 p.m., the Chairman announced that the voting session for the 3<sup>rd</sup> AGM had ended.

The Meeting was then adjourned for 20 minutes to facilitate the validation of votes cast by the Scrutineers.

**19. ANNOUNCEMENT OF POLL RESULTS**

The Chairman called the Meeting to order at 1.00 p.m. for the declaration of the poll results. The Company Secretary was invited to announce the poll results which has been verified by the Independent Scrutineer as follows:-

Resolution	For		Against	
	Number of shares	%	Number of shares	%
<b>Resolution 1</b>	97,568,865	99.9988	1,193	0.0012
<b>Resolution 2</b>	97,569,198	99.9988	1,193	0.0012
<b>Resolution 3</b>	84,691,767	100.0000	0	0
<b>Resolution 4</b>	84,227,053	99.9897	8,672	0.0103
<b>Resolution 5</b>	97,447,316	99.9501	48,624	0.0499
<b>Resolution 6</b>	97,531,601	100.0000	0	0
<b>Resolution 7</b>	97,567,204	100.0000	0	0
<b>Resolution 8</b>	97,548,106	99.9940	5,867	0.0060
<b>Resolution 9</b>	97,773,145	99.9950	4,856	0.0050

A copy of the poll results is attached as per **Appendix III**.

The Chairman declared all resolutions that were put to the Meeting duly carried.

**20. CLOSURE**

The Meeting was declared closed at 1.10 p.m. with a vote of thanks to the Chair.



**B E S H O M**

THE BEST STARTS FROM HOME

**BESHOM HOLDINGS BERHAD**

Registration No. 202101001114 (1401412-A)

**ANNUAL  
GENERAL MEETING**

**26 SEPTEMBER 2023**

**SUSTAINABILITY IS A JOURNEY**

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# Financial Performance Highlights

Revenue

**RM174.2** million

Total Equity

**RM309.7** million

PBT

**RM24.3** million

Dividend Per Share

**5** sen

Net Assets Per Share

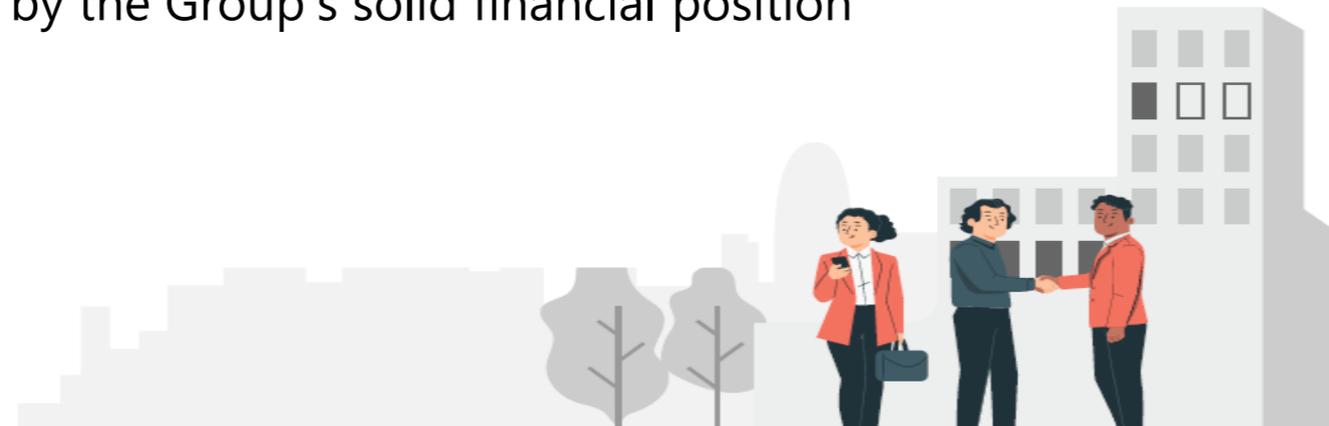
**RM1.03**



**“Despite the expectations of a rebound in the global economy with the worst pandemic crisis behind us, the operating environment remains challenging”**

**“As we embraced normalcy that most of the COVID-19 restrictions being uplifted, we were nevertheless faced with other economic uncertainties”**

- FY2023 was another challenging year and our financial performance reflected the challenging trading environment, primarily due to uncertainties in the global political and economic environment
- Financial performance was disrupted by low consumer confidence in the face of high interest rates which affected the ability and willingness to spend, supply chain bottlenecks and the weakening of RM
- However, we continue to maintain an unbroken track record of profitability supported by the Group’s solid financial position



# Business Segment Overview

- No significant changes in the nature of the principal activities of the Group during the financial year
- Following the successful completion of our internal reorganisation on 29 Nov 21, BESHOM has become the investment holding entity assuming the listing status
- Major business operating entities are segmented into:





- Remains as the anchor revenue and profit contributor of the Group despite its financial performance for FY2023
- The MLM segment delivered Revenue of RM70.7 million ( FY2022 : RM115.4 million) and PBT of RM7.4 million (FY2022 : RM21.1 million)
- The financial performance was due to lower distributor base, weakening of members' purchasing power and emergence of other casual employment options
- Our distributor base comprises more than 75% female and > 50% are within the age group 31-45.
- During the financial year, the MLM segment rolled out several activities to motivate, attract and retain distributors



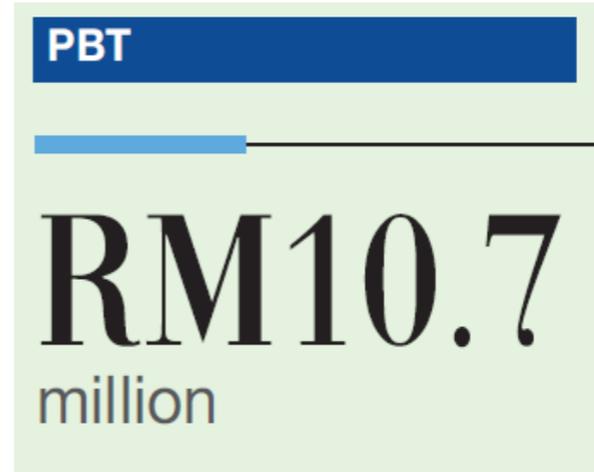
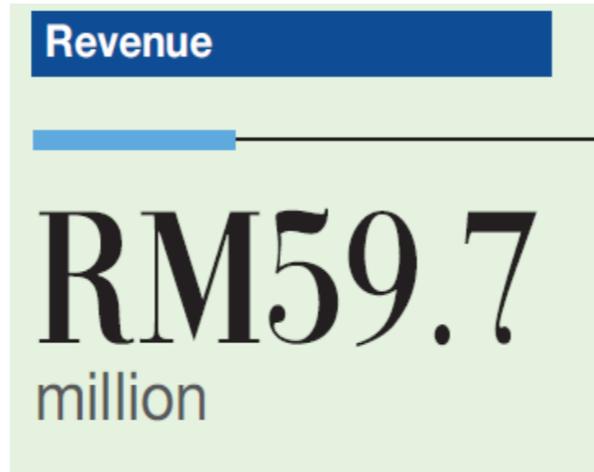
MOTIVATE



ATTRACT



RETAIN



- Wholesale segment is the largest profit contributor for FY2023
- Revenue improved by RM6.6 million (+12.4%) but PBT decreased by RM1.7 million (-13.7%)
- Sales improved largely due to aggressive promotional activities and incentives scheme but we incurred higher sales and marketing costs
- The Wholesale segment implemented the following market positioning initiatives for FYE 2023:



**PRODUCT  
DEVELOPMENT**



**NETWORK POSITIONING  
AND EXPANSION**



**MARKETING  
ACTIVITIES**



## RETAIL

### Revenue

**RM39.0**  
million

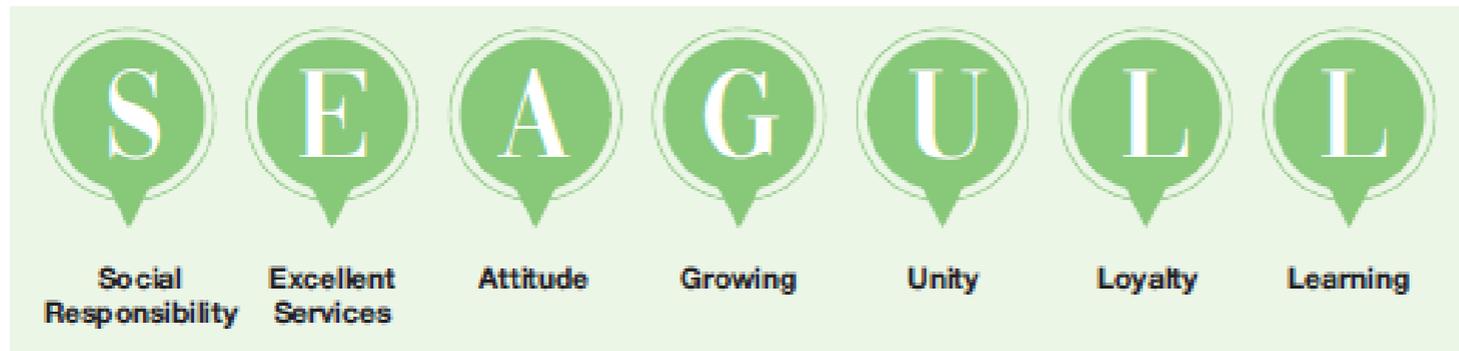
### PBT

**RM2.8**  
million

- Represented by 55 retail chain stores and franchises across Klang Valley and all major states in Malaysia
- Revenue improved by RM2.0 million (+5.4%) but PBT decreased by RM0.6 million (-17.6%)
- Return to pre COVID-19 normalcy with improvement in sales but PBT was affected by higher rental and other operating cost
- Organised a series of promotional and marketing activities with event-exclusive deals and offers to capitalise on revived customers' interests in physical retail stores
- Implemented aggressive two-pronged members recruitment programme, incentivising outlet staff to recruit new members, while launching an attractive membership package via our e-Store
- Participated in promotional activities on AstroGo Live Broadcast to expand distribution network

# Sustainability

- At Beshom Group, We strive to generate sustainable value for our stakeholders including Shareholders and Investors, our Employees, our Customers, 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 governance aspects, play a central role in how the Group drives its value creation in the short, medium, and long term.
- Our operations and processes are developed incorporating practices from compliance standards to better international practices relating to environmental, social, and governance aspects.



# Outlook

- Elevated inflation, higher interest rates and the weakening of Ringgit Malaysia are expected to impact consumer spending and cause households to become even more value conscious
- The effects of these changes are still filtering through the economy and have contributed to a more uncertain outlook for 2023/2024
- In response to the prevailing economic uncertainties, we will continue to focus on the Group's existing businesses with the following strategies:

## Optimising business operations

Streamlining operational efficiency and strengthening existing businesses through operating excellence for cost management

## Refreshing image and brand portfolio

Enhancing physical outlets and digital platforms to refresh brand portfolio for a better customer experience

## Motivational initiatives

Securing growth opportunities through finetuning sales incentive schemes across all business segments

## Reconstituting distributors' base

Maintaining a sustainable distributors' base with focused group marketing activities and growth opportunities







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Registration No. 202101001114 (1401412-A)

**ANNUAL  
GENERAL MEETING**

**26 SEPTEMBER 2023**

**Reply to Questions from  
Minority Shareholders Watch Group  
(MSWG)**

**SUSTAINABILITY IS A JOURNEY**

## Operational & Financial Matters

1. As the business environment becomes more challenging, the Group experienced a decrease in its distributor base in FY2023, which had an adverse impact on revenue (page 18 of AR2023).

To-date, what is the growth of the Group's distribution base in West Malaysia and East Malaysia?

**Answer to Q1:**

The distributor base of the Group has grown by 8% as of to-date as compared to the last financial year ended on 30 April 2023, along with our strategies to Motivate, Attract and Retain distributors.

2. The MLM market in East Malaysia is still largely untapped with low penetration rate. A number of events were organised in FY2023 to strengthen the Group's foothold in East Malaysia. During these events, the Group also seized the opportunity to bundle new recruitment campaigns with exclusive premiums and gifts to attract new distributors (page 27 of AR2023).

For FY2023, how many new distributors did the Group manage to recruit via the various events organised in East Malaysia?

**Answer to Q2:**

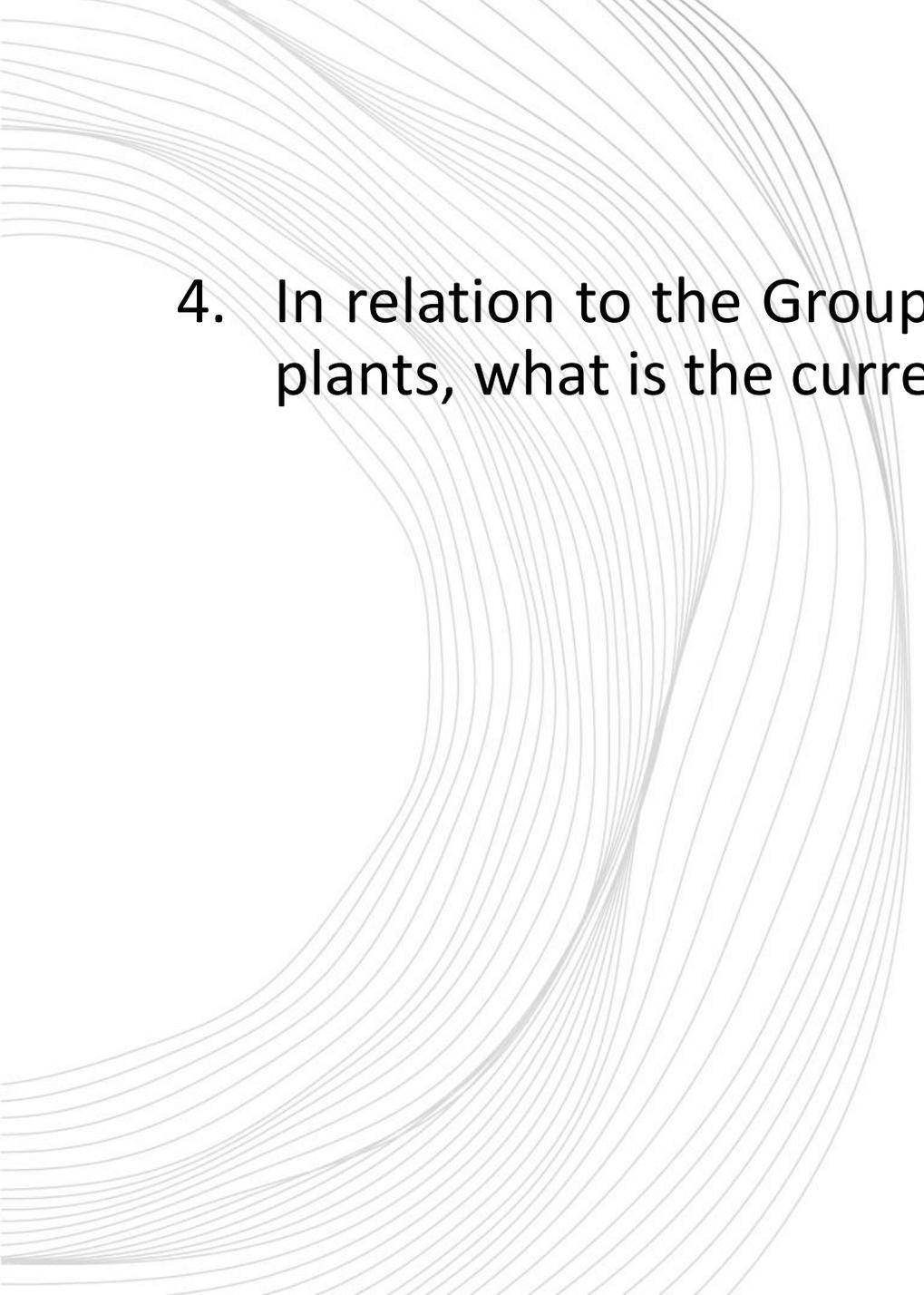
Our MLM segment successfully recruited more than 10,000 new members during the FY2023, of whom, approximately 10% are from East Malaysia.

3. The Group's Retail segment is represented by 55 retail chain stores and franchises across Klang Valley and all major states in Malaysia (page 33 of AR2023).

What are the Group's plans to have more retail chain stores and franchises in FY2024?

**Answer to Q3:**

We plan to open 2-3 new outlets annually subject to availability and suitability of the locations and other considerations such as manpower resources and operating expenses.



4. In relation to the Group's 2 international certified manufacturing plants, what is the current utilisation rate?

**Answer to Q4:**

The utilisation rate for the 2 manufacturing plants is currently below 50% due to the challenging operating environment. The segment has room to expand further on its original equipment manufacturer (OEM) business and is constantly exploring export business opportunities to leverage the international certification of the manufacturing facilities of the plants.

5. The Group's other investments increased significantly to RM7.3 million (FY2022: RM0.1 million) mainly due to quoted shares in Malaysia amounting to RM7.2 million (FY2022: Nil) (Note 10, page 129 of AR2023).
- a) What were the quoted shares that the Group acquired? What is the rationale for acquiring the said quoted shares?
  - b) How does the Board manage the risks associated with investing in quoted shares in Malaysia?

## **Answer to Q5(a):**

The quoted shares amounting to RM7.2 million were in relation to the subscription of 10% shares in Orgabio Holdings Berhad (“Orgabio”) through the private placement exercise conducted by Orgabio as part of its Initial Public Offering. Orgabio was listed on the ACE Market of Bursa Malaysia Securities Berhad on 5 July 2022 and is one of the leading OEM manufacturers of instant beverage premixes in Malaysia.

Orgabio is one of our key suppliers for food and beverage products. In addition to assessing the positive prospects of Orgabio’s business, this investment also represents a strategic move by the Group to strengthen its supply chain for the Group’s instant beverage premixes products.

**Answer to Q5(b):**

Save for this strategic investment, the Group does not have exposure to other quoted shares investments as our Group's investment policy is to seek low-risk investments which provide reasonable stable returns.

# B E S H O M

THE BEST STARTS FROM HOME

(Registration No.: 202101001114 (1401412-A))

# THANK YOU

**B E S H O M**

THE BEST STARTS FROM HOME

**Beshom Holdings Berhad**Registration No. 202101001114 (1401412-A)  
(Incorporated in Malaysia)**3rd Annual General Meeting**

26 September 2023

## RESULT OF POLL

Resolution No	Total Votes	For			Against		
		No of Records	Number of Shares	Percentage %	No of Records	Number of Shares	Percentage %
Resolution 1	97,570,058	185	97,568,865	99.9988	2	1,193	0.0012
Resolution 2	97,570,391	182	97,569,198	99.9988	2	1,193	0.0012
Resolution 3	84,691,767	178	84,691,767	100.0000	0	0	0
Resolution 4	84,235,725	170	84,227,053	99.9897	7	8,672	0.0103
Resolution 5	97,495,940	166	97,447,316	99.9501	9	48,624	0.0499
Resolution 6	97,531,601	179	97,531,601	100.0000	0	0	0
Resolution 7	97,567,204	178	97,567,204	100.0000	0	0	0
Resolution 8	97,553,973	169	97,548,106	99.9940	7	5,867	0.0060
Resolution 9	97,778,001	201	97,773,145	99.9950	5	4,856	0.0050

