



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**

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

Decades of Milestones

A. Operational & Financial Matters

1. For FY2024, the Group implemented new member recruitment campaigns with special offers to drive both membership growth and retention. New members could join the sales force with a low administrative fee of RM10, which included a purchase entitlement for products with pricing as low as RM1, along with free samples with purchases. This attractive new member program enabled the Group 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. (page 25 of AR2024)
 - (a) Of the 43,000 members, what is the breakdown between active and non-active members?
 - (b) What was the average revenue generated per member on a monthly basis for FY2024 as compared to FY2023? What are the Group's plans to increase revenue generated per member for FY2025?

Answer to Q1 (a):

Out of the total member base, approximately 45% are active members who make repeated purchases at least once every six months.

Answer to Q1 (b):

The average revenue generated per member on a monthly basis for FY2024 as compared to FY2023 is as follow:-

FY2024 : RM400

FY2023 : RM510

The Group will continue its efforts to improve members' productivity through various strategies including targeted marketing initiatives to enhance brand visibility, sales driven activities to foster members' buying interest, enhance reward system to increase its effectiveness and efficiency and developing promotion campaigns with high returns and payouts for members to encourage sales, thereby increasing members' productivity.

2. To enhance interactive connection with customers, social media influencers or Key Opinion Leaders (KOLs) were engaged to promote the Group's 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. (page 28 of AR2024).

How does the Group measure the success or effectiveness of engaging social media influencers or KOLs? What was the revenue contribution from Vinut products to the Group for FY2024 vs FY2023?

Answer to Q2:

Our Group Operations has established key metrics to track both qualitative and quantitative factors that assess the effectiveness and success of each marketing program, including projects involving Key Opinion Leaders (KOLs). For KOL engagements, essential evaluation metrics include increased audience reach, likes, comments, followers, brand awareness, and the quality of content performance. Additionally, we measure return on investment (ROI) by analyzing various factors, including among others, sales performance, growth in new customers, repeat purchases, and customer loyalty during and after the KOL engagement period.

The contribution of Vinut products to the Group's revenue remained insignificant, as the product is still in the early stages of market development. It accounted for less than 1% of the Group's revenue in both 2023 and 2024.

B. Sustainability Matters

3. The Group had on 23 February 2023 acquired a piece of freehold agricultural land known as Geran 18157, Lot 49671, Mukim Kapar, Tempat 3 ¼ Jalan Kapar, Daerah Klang, 41400 Negeri Selangor. (page 148 of AR2024).

(a) What are the Group's plans for the said agricultural land?

(b) According to Climate Central, Kapar may be submerged underwater by 2050. Please refer to the link provided:

https://coastal.climatecentral.org/map/15/101.365/3.1318/?theme=sea_level_rise&map_type=year&basemap=roadmap&contiguous=true&elevation_model=best_available&forecast_year=2050&pathway=ssp3rcp70&percentile=p50&refresh=true&return_level=return_level_1&rl_model=coast_rp&slr_model=ipcc_2021_med

Climate change causes heavier rainfall, leading to floods that disrupt production and business operations. Given that Kapar has had many flood-prone areas in recent years, to what extent has the Group assessed the potential impact of climate change and taken this factor into consideration when deciding to purchase the said agricultural land?

Answer to Q3 (a):

The said agricultural land is strategically located adjacent to our existing property at Wawasan Hai-O, Jalan Kapar. This land has the potential to add value to the Group through capital appreciation and could provide alternative access to our current property for future development or other purposes, if applicable.

Answer to Q3 (b):

The land is located more than 10 km from flood-prone areas and has not experienced any flooding. As mentioned, it is strategically located adjacent to our existing property at Wawasan Hai-O, offering potential for capital appreciation and could serve as an alternative access point for future development or other purposes, if needed. The Group will continue to assess the potential impact of climate change, which remains one of our key focus areas within the sustainability matter of the Group.

4. Apart from Dato' Lee Teck Hua, who completed the Bursa Mandatory Accreditation Programme Part II - Leading for Impact on 7 May 2024 (page 60 of AR2024), how many Directors have yet to attend, and when will the remaining Directors attend the new mandatory onboarding programme on sustainability, as required by Bursa Malaysia?

Answer to Q4:

Our directors are required to complete the Bursa Mandatory Accreditation Programme (MAP) Part II - Leading for Impact by the deadline of 31 August 2025. To date, 6 out of 7 directors have not yet attended due to their tight schedules; however, 5 of them have registered for the program scheduled for October 2024, December 2024 and January 2025 respectively.

C. Corporate Governance Matters

5. The Company is assisted by an in-house internal audit team as well as a co-sourced internal auditors, RESOLVE IR Sdn. Bhd., to carry out the internal audit function for the Group. 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. (page 48 of AR2024)

What is the breakdown for the cost incurred by the internal audit function between the co-sourced internal auditors and the Group's Internal Audit Department?

Answer to Q5:

The cost breakdown between co-sourced internal auditors and the Group's Internal Audit Department for FY2024 was 23% and 77%, respectively.

6. Practice 4.4 of the Malaysian Code on Corporate Governance (“MCCG”) states that performance evaluations of the board and senior management include a review of their performance in addressing the company’s material sustainability risks and opportunities.

What was the weightage of the ESG KPIs (by percentage) vis-à-vis operational and financial metrics in the overall performance evaluation of the Board and Senior Management?

Answer to Q6:

The Group's overall performance is evaluated through strategic, operational, and financial targets, underpinned by strategies that drive economic growth while integrating ESG factors to ensure long-term sustainability.

The Board holds ultimate responsibility for integrating sustainability into the Group's strategic direction. The Group's Sustainability Strategies and Policies are cascaded to Chief Executives, Senior Management, and operational teams for implementation. In FY2024, the evaluation of the Group Managing Director, Group Executive Director, and Senior Management included an assessment of their performance and effectiveness in managing sustainability, particularly within the business operations of their respective segments and other key sustainability areas across the Group. Financial KPIs comprised 80% of this assessment, while operational KPIs accounted for 20%.

7. Practice 5.9 of the MCCG states that the board should comprise at least 30% of women directors. The Board previously had three (3) female directors. With Madam Tay Bee Koo resigning from the Board as the Independent Non-Executive Director, the Board currently have two (2) female Independent Non-Executive Directors, representing a decrease in female representation at the Board level to 28.6% (FY2023: 37.5%). (page 33 of CG2024).
- (a) Are there plans to adopt Practice 5.9 of the MCCG going forward?
- (b) In terms of Board diversity, what benefits has the Board experienced from gender diversity among its members? How have these benefits impacted the Board's performance?

Answer to Q7 (a):

Although the Company has yet to reach the 30% women representation target, the Company has satisfied the requirement of Paragraph 15.02(1)(b) of the Main Market Listing Requirements to have at least one (1) female director. The Board will consider the benefits of diversity from several aspects including age, ethnicity, gender, physical / mental ability and other characteristics to ensure the Board functions effectively.

Gender diversity reflects a commitment to inclusivity and social responsibility. The Board will review its composition and diversity requirements to meet the target of 30% women representation in the near future.

Answer to Q7 (b):

The Board recognizes that gender diversity brings varied opinions and experiences, leading to more detailed discussions that consider a broader range of potential risks and opportunities. The diversity fosters fresh ideas and helps shape forward-thinking strategies during the decision-making process. The inclusion of diverse perspectives has resulted in more thoughtful and balanced decisions, while also strengthening governance, risk management and enhancing sustainability.

The background of the slide features a soft, out-of-focus sunset with a rainbow-like glow on the left side. Two white birds, possibly swans or herons, are captured in flight, their wings spread wide, flying from the left towards the right. The overall mood is peaceful and grateful.

THANK YOU