

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

MINUTES of the 2nd 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, 27 September 2022 at 11.30 a.m.

PRESENT : Ng Chek Yong – Chairman
Tan Keng Kang – Group Managing Director
Hew Von Kin – Group Executive Director cum Group Financial Officer
Tan Beng Ling – Independent Non-Executive Director
Chia Kuo Wui – Independent Non-Executive Director
Tan Kim Siong – Independent Non-Executive Director
Soon Eng Sing – Independent Non-Executive Director
Professor Hajjah Ruhanas binti Harun – 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 2nd AGM. Upon confirming the presence of a quorum, the Meeting was called to order at 11.30 a.m.

Before proceeding with the meeting, the Chairman invited all present to observe a two-minute silence in remembrance of the late Mr Tan Kai Hee, the founder of Hai-O Group, who passed away on 22 February 2022.

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 293 valid proxies carrying 84,171,730 shares or representing 28.05% 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 14 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 from the commencement of the agendas and before the end of the voting session.

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 FYE30/4/2022

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 13 September 2022. 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 2022 ("FYE 30 APRIL 2022")

The Chairman proceeded with the first item on the agenda.

The AFS for the FYE 30 April 2022 and the Reports of the Directors and Auditors having been circulated to all the shareholders within the prescribed period were taken as read.

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

8. RE-ELECTION OF MR NG CHEK YONG WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 1)

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 97 of the Company's Constitution. The profile of Mr Ng was provided on page 10 of the Annual Report.

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.

9. RE-ELECTION OF MR TAN KENG KANG WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 2)

In accordance with Clause 97 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.

10. RE-ELECTION OF MR HEW VON KIN WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 3)

In accordance with Clause 97 of the Company's Constitution, Mr Hew Von Kin was due to retire and being eligible, has offered himself for re-election. His profile was provided on page 11 of the Annual Report.

11. RE-ELECTION OF MS TAN BENG LING WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 4)

In accordance with Clause 97 of the Company's Constitution, Ms Tan Beng Ling was due to retire and being eligible, has offered herself for re-election. Her profile was provided on page 12 of the Annual Report.

12. RE-ELECTION OF MR SOON ENG SING WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 5)

In accordance with Clause 97 of the Company's Constitution, Mr Soon Eng Sing was due to retire and being eligible, has offered himself for re-election. His profile was provided on page 12 of the Annual Report.

13. RE-ELECTION OF PROFESSOR HAJJAH RUHANAS BINTI HARUN WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 6)

In accordance with Clause 97 of the Company's Constitution, Professor Hajjah Ruhanas Binti Harun was due to retire and being eligible, has offered herself for re-election. Her profile was provided on page 14 of the Annual Report.

14. RE-ELECTION OF MR CHIA KUO WUI WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 7)

In accordance with Clause 97 of the Company's Constitution, Mr Chia Kuo Wui was due to retire and being eligible, has offered himself for re-election. His profile was provided on page 13 of the Annual Report.

15. RE-ELECTION OF MR TAN KIM SIONG WHO RETIRES PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION (ORDINARY RESOLUTION 8)

In accordance with Clause 97 of the Company's Constitution, Mr Tan Kim Siong was due to retire and being eligible, has offered himself for re-election. His profile was provided on page 13 of the Annual Report.

16. PAYMENT OF DIRECTORS' FEES (ORDINARY RESOLUTION 9)

The Company had proposed a payment of Directors' fees of RM76,664 for the financial year ended 30 April 2022.

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

17. THE PAYMENT OF DIRECTORS' REMUNERATION AND BENEFITS (EXCLUDING DIRECTORS' FEES) TO NON-EXECUTIVE DIRECTORS (ORDINARY RESOLUTION 10)

The Company had proposed a Directors' remuneration and benefits (excluding Directors' fees) to Non-Executive Directors up to an amount of RM1,100,000 from 1 December 2021 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.

18. FINAL SINGLE TIER DIVIDEND OF 5 SEN (ORDINARY RESOLUTION 11)

The Directors had recommended that a final single tier dividend of 5 sen per ordinary share for the financial year ended 30 April 2022 be paid.

Upon request from Mr Sing Chaw @ Seng Kong Choo, a shareholder, for a proposer and seconder, Ordinary Resolution 11 was duly proposed by Ms Julie Tan Chwee Sin and seconded by Mr Ng Kok Kiong.

19. RE-APPOINTMENT OF AUDITORS (ORDINARY RESOLUTION 12)

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 12 was proposed by Ms Julie Tan Chwee Sin and seconded by Mr Teo Chee Kiat.

20. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (ORDINARY RESOLUTION 13)

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.

Ordinary Resolution 13 was proposed by Ms Yaw May May and seconded by Mr Ng Kok Kiong.

21. PROPOSED SHARE BUY-BACK BY THE COMPANY (ORDINARY RESOLUTION 14)

The Chairman informed that Ordinary Resolution 14 was to seek the approval from the shareholders for a Shareholders' Mandate to buy back the Company's shares.

Ordinary Resolution 14 was proposed by Ms Julie Tan Chwee Sin and seconded by Mr Teo Chee Kiat.

There being no questions raised by the shareholders, the Chairman proceeded with the Q&A Session.

22. QUESTIONS AND ANSWERS SESSION

The Chairman invited the Company Secretary to read out the questions from the shareholders and proxies received before the Meeting and the responses of the Company.

The Company Secretary informed that there were no questions received from shareholders and proxies prior to the AGM except requests for hardcopy of the Annual Report and enquiry on discount vouchers and questions which are administrative in nature in relation to the AGM. Management had responded to the above requests accordingly.

23. VOTING SESSION

At 12.35 p.m., the Chairman reminded shareholders to vote as the voting session would continue for another 10 minutes.

At 12.45 p.m., the Chairman announced that the voting session for the 2nd AGM had ended.

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

24. ANNOUNCEMENT OF POLL RESULTS

The Chairman called the Meeting to order at 1.05 p.m. for the declaration of the poll results which has been verified by the Independent Scrutineer. 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.

25. **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

Appendix I

BESHOM HOLDINGS BERHAD

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2nd Annual General Meeting

27 September 2022



Agenda



FY2022 Financial Performance



Business Segment Overview



Outlook

FY2022 Financial Performance Highlights



REVENUE

RM209.6
MILLION



PROFIT BEFORE
TAXATION

RM40.3
MILLION



DIVIDEND
PER SHARE
8 SEN



TOTAL EQUITY
ATTRIBUTABLE TO
SHAREHOLDERS

RM317.1
MILLION



NET ASSETS
PER SHARE

RM1.06



“In BESHOM, we are focusing on long term sustainability and delivering stable profits and dividend amid an increasingly competitive and challenging business environment”

- The Group continues to chart commendable profit and delivered dividend payments to our shareholders
- A return to normalcy for the global and Malaysian economy remained a challenge throughout the financial year
- Short term performance is invariably affected by prolonged pandemic is case in point
- Focusing on long term value to ensure profits and dividends is our commitment to provide sustainable rewards to our shareholders.
- Long-term corporate success often requires foregoing immediate profits in return for sustainability and eventual growth



Business Segment Overview



- The FY2022 was a significant year in the history of Beshom Holdings Berhad and its group of subsidiaries following the successful completion of the internal reorganisation on 29 November 2021
- Beshom is the investment holding entity which has assumed the listing status of Hai-O Enterprise Berhad ("Hai-O"), whilst Hai-O and the other subsidiaries continue to operate their existing businesses as usual, as below:





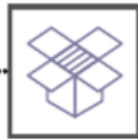
MLM SEGMENT

- MLM segment remains the largest revenue and profit contributor to the Group.
- Revenue and PBT declined by 33.1% and 37.9% respectively.
- The COVID-19 pandemic continued to constrain normal marketing activities and affected consumer spending.
- Members retention and recruitment faced competition from casual employment such as food delivery.

REVENUE
RM115.4
MILLION

**PROFIT
BEFORE
TAXATION**
RM21.1
MILLION

BUSINESS PLANS



PRODUCT
DEVELOPMENT



RETAIN AND
RECRUIT



COST
CONTROL



DIGITAL ADOPTION
ENTRENCHMENT





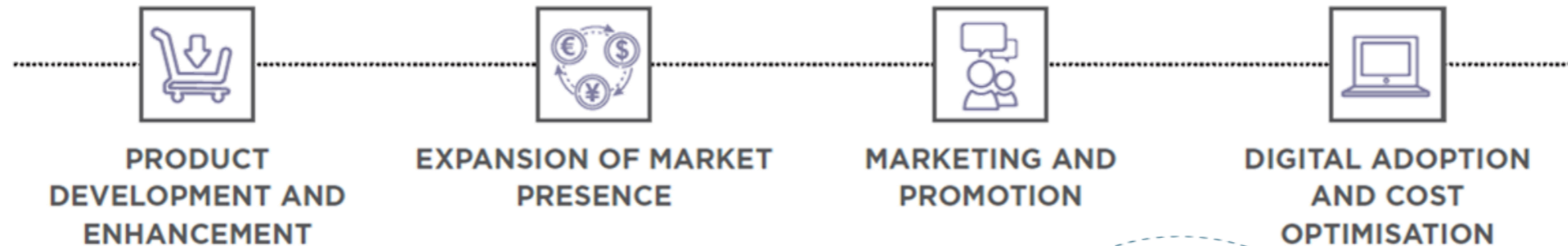
WHOLESALE SEGMENT

- Revenue and PBT contracted by 9.3% and 10.1% respectively.
- Higher base results from FY2021 and COVID-19 restrictions affected divisional performance in the 1st half of FY2022.
- Despite the reopening of the economy in the 2nd half of FY2022, the subsequent increase in sales was not able to offset the larger drop in the 1st half of FY2022.

REVENUE
RM53.1
MILLION

PROFIT
BEFORE
TAXATION
RM12.4
MILLION

BUSINESS STRATEGIES





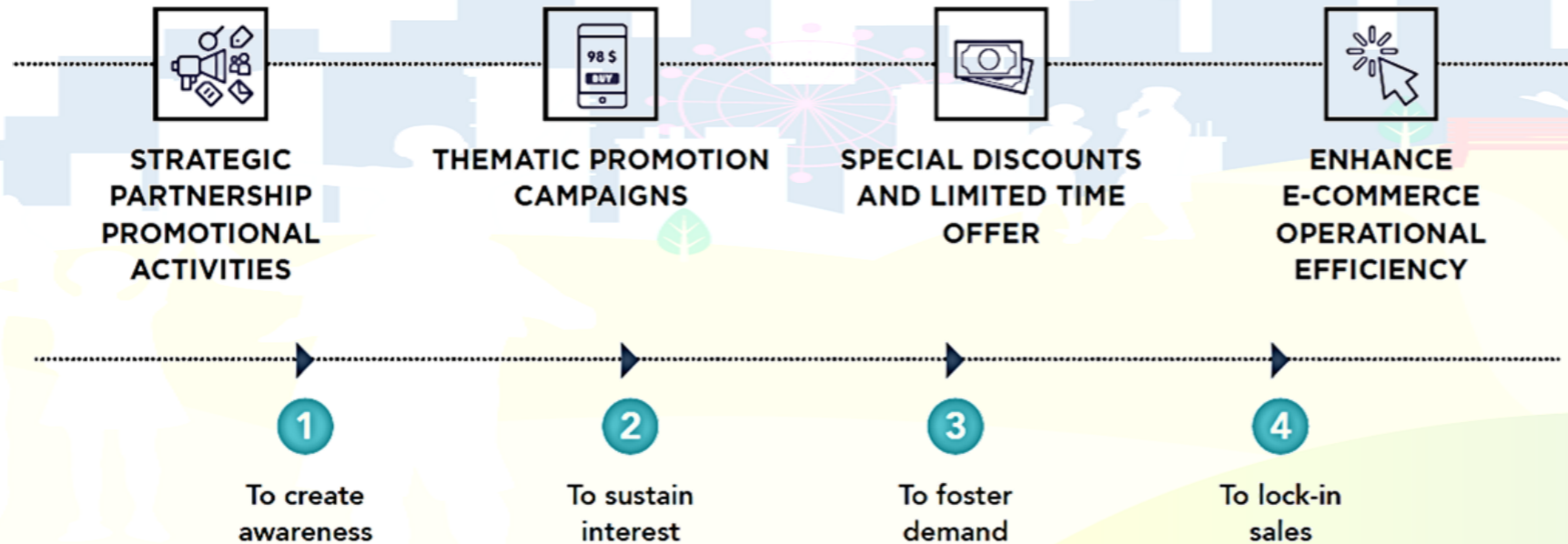
RETAIL SEGMENT

- Best performing business segment in FY2022.
- FY2022 revenue rose 3.2% while PBT jumped 183.5% on higher margins.
- Recovering footfall and overwhelming demand for house brand products markedly lifted performance in the 2nd half.

REVENUE
RM37.0
MILLION

PROFIT
BEFORE
TAXATION
RM3.4
MILLION

STRATEGIC MARKETING INITIATIVES





Outlook

“Notwithstanding the current choppy and unpredictable business environment, the Group is expected to maintain its financial resilience and optimise its operations to navigate further challenges ahead”

- Despite a strong rebound in 2021, the outlook remains cloudy with the global economy entering a pronounced slowdown amid fresh threats from COVID-19 variants, heightened geopolitical risks, supply disruption and inflation
- The Group is well supported by its solid financial position and strategic plans put in place by management to mitigate business risks
- The Group will continue to prioritise digital adoption across all segments for our increasingly connected customers, while also intensifying product development alongside ongoing cost optimisation initiatives



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Appendix II

BESHOM HOLDINGS BERHAD

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2nd Annual General Meeting

27 September 2022

Reply to Questions from Minority Shareholders Watch Group (MSWG)



Operational & Financial Matters

1. Except for year FY2021, the group's revenue has been declining with the latest financial year FY2022 reporting a full-year revenue of RM209.6m after hitting a peak turnover of RM461.7m in FY2018. Besides the Covid-19 pandemic, what were the reasons for the decline in the group's revenue in the recent years? What are the measures taken to reverse the downtrend in revenue?

Answer to Q1:

As reported in the annual reports for the past few financial years, apart from the COVID-19 pandemic, the performance of the Group was affected by negative consumer sentiment and high cost of living that constrained consumers' ability and willingness to spend, which particularly affected the demand for premium or high value products. The movement restrictions and full lockdown during the pandemic have affected businesses which operate physical outlets and businesses of wholesalers as well as MLM players who are dependent on physical interactions through social activities to drive revenue. Accordingly, this has resulted in a lower revenue achieved by the Group.

Answer to Q1 (continued):

In response to the uncertain business environment, the Group has initiated various strategies for sustainability. First is the continuous development of digital infrastructure across all our major business segments. Digitalisation will change the way we work and the way our customers interact with us. The intensified digital adoption of the retail business through various e-commerce platforms has and will continue to boost sales.

Secondly, products enhancement and development. Operating in a high inflationary environment, having the right product at the right time and right costing will allow us to remain relevant in the market. Hence, we will focus on developing affordable health products and small ticket items to cater for cost-conscious consumers and implement strategies to penetrate younger consumer market.

Answer to Q1 (continued):

Continuous efforts will be made to expand market presence to enhance business sustainability and promote brand loyalty through optimisation of outlets and expanding customer database. Ongoing sales campaigns and aggressive promotional activities will also be held in the physical stores as well as online platforms to sustain the business momentum.

2. While the group's revenue is predominantly derived from the local market, the multi-level-marketing arm, Sahajidah Hai-O Marketing Sdn Bhd has regional offices/branches in Indonesia, Brunei & Singapore.
 - i. How much did these overseas markets contribute to the group's total revenue for FY2022?
 - ii. What is the business outlook for these overseas markets in which the group has presence?
 - iii. Is it the group's near-to-medium-term priority to grow the business in these overseas markets?

Answer to Q2(i):

The revenue contribution from overseas markets is negligible to the total revenue of the Group. Almost 100% of the Group's total revenue was derived from the local market for FY2022.

Answer to Q2(ii) & (iii):

The Group does not expect major contribution from its overseas markets in the near term, taking into account the volatility of the overall global economy. The Group will continue to focus on its strategies to grow its business locally amid the current uncertain business environment.

3. Last year, at the 46th Annual General Meeting of Hai-O Enterprise Berhad, the Board shared that e-Commerce sales accounted for approximately 3% of the retail segment sales for FY2021. Hai-O eStore had been revamped and gone live in August 2021 to improve the overall customer online shopping experience. For Fy2022, what was the percentage of the retail segment sales that was generated from the e-Commerce sales? Going forward, does the Board expect e-Commerce sales to gain traction?

Answer to Q3:

The e-Commence sales for the Retail segment increased by 99% compared to last financial year. The e-Commerce sales accounted for approximately 4.3% of the Retail segment sales for the FY2022. e-Commerce transactions have increased substantially during the period of Movement Control Orders but are expected to normalise following the reopening of the economy and the removal of movement control restrictions. However, we will continue to leverage on the use of social media for advertising and promotional activities to sustain the e-Commerce sales contribution for the Retail segment, going forward.

4. As shown on page 184 of the company's Annual Report FY2022, the group owns 1,145,268 sq. ft. of freehold land in Mukim, Setul, Daerah Seremban, Negri Sembilan with existing use of an orchard farm.
 - i. What was the original intended land use when the land was acquired back in June 2014?
 - ii. What are the crops currently planted on the said land?
 - iii. As the group is not in agricultural business and given the mere land size of approximately 26 acres, the orchard farm is unlikely to make a meaningful earnings contribution to the group. As such, what is the rationale for having the orchard farm?
 - iv. What is the future plan for the said land?

Answer to Q4(i) & (ii):

The land was originally planted with durian trees when it was acquired in June 2014 till to-date. It was acquired as an investment for capital appreciation.

Answer to Q4(iii):

The land was acquired as an investment for capital appreciation and is currently leased to a third party who managed the orchard. This is aligned with our original intention to hold the land for capital appreciation.

Answer to Q4(iv):

The Company has not deviated from its original intention to hold the land as a long-term investment for capital appreciation. Currently, there is no specific plan in place for the land. However, if there is any opportunity to realise the investment with a good return in the future, the Board of Directors will evaluate the opportunity accordingly.

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Beshom Holdings Berhad

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(Incorporated in Malaysia)

2nd Annual General Meeting

27 September 2022

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	99268603	179	99259252	99.9906	6	9351	0.0094
Resolution 2	86376421	171	86376416	100.0000	5	5	0.0000
Resolution 3	98824530	171	98818295	99.9937	6	6235	0.0063
Resolution 4	99241007	171	99241002	100.0000	5	5	0.0000
Resolution 5	99173508	168	99171427	99.9979	6	2081	0.0021
Resolution 6	99224912	164	99179192	99.9539	10	45720	0.0461
Resolution 7	99169146	169	99169141	100.0000	5	5	0.0000
Resolution 8	99225431	170	99225426	100.0000	5	5	0.0000
Resolution 9	85835850	162	85831587	99.9950	9	4263	0.0050
Resolution 10	99117223	160	99107828	99.9905	13	9395	0.0095
Resolution 11	99237661	173	99237555	99.9999	3	106	0.0001
Resolution 12	99235585	171	99223253	99.9876	4	12332	0.0124
Resolution 13	99237661	170	99223241	99.9855	6	14420	0.0145
Resolution 14	99480739	185	99468506	99.9877	4	12233	0.0123

