

Beshom Holdings Bhd

Delivering Health and Wealth
TP: RM1.85 (+14.9%)

Last Traded: RM1.61

BUY (ESG: ★★★)

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We initiate coverage on Beshom Holdings Bhd (Beshom), a multi-channel retailer (include MLM, Wholesale and Retail) with a Buy recommendation. We derive our target price of RM1.85 based on 12x CY23 earnings. This represents a potential total return of 21.7%, including a 6.8% estimated dividend yield.

Investment Merits

1. Recovery Prospect from MLM Division;
2. Opportunity within the Malay Bumiputra Demographic;
3. Recurring Income Potential Underpinned by Consumer Items; and
4. Attractive Dividend Yield.

Earnings Forecast

We reckon FY22 would be the last phase of Beshom's recent earnings weakness (-17.8% YoY) and expect earnings growth of 32.1/8.9% YoY to RM42.2mn and RM45.9mn for FY23/24. The strong recovery in FY23 is reasonable given that Beshom's MLM operating subsidiary - Sahajidah Hai-O Marketing (SHOM) would be celebrating its 30th grand anniversary and we have seen recruitment alongside sales momentum could be particularly strong during large-scale bonanza as reflected by the MLM's remarkable EBIT of RM69.1mn recorded in FY18.

Valuation

We believe Beshom should be valued at 12x CY23 PER. The marginal discount from average of MLM peers is attributed to the increased volatility in Beshom's earnings in recent financial years and its relatively small market share compared to Amway. Nonetheless, the 12x multiple is supported by i) strong recovery in MLM business correspond to 30th grand anniversary of SHOM, ii) opportunity within the Malay bumiputra demographic, iii) profile of recurring income underpinned by consumer items and iv) attractive net dividend yields.

FYE Apr (RM mn)	2020	2021	2022E	2023F	2024F
Revenue	255.2	271.4	225.7	299.0	319.3
EBITDA	47.5	58.2	48.9	62.7	67.7
EBIT	40.9	51.9	42.8	56.6	61.7
PBT	41.5	52.3	43.0	56.8	61.8
Net profit	32.6	38.8	31.9	42.2	45.9
Core net profit	32.6	38.8	31.9	42.2	45.9
Core EPS (sen)	11.2	13.4	11.0	14.5	15.8
Core PER (x)	14.3	12.0	14.6	11.1	10.2
DPS (sen)	10.0	9.0	9.0	11.0	12.0
Div. yield (%)	6.2	5.6	5.6	6.8	7.5

Share Information

Bloomberg Code	BESHOM MK
Stock Code	7668
Listing	Main Market
Share Cap (mn)	289.9
Market Cap (RMmn)	466.7
52-wk Hi/Lo (RM)	2.18/1.50
12-mth Avg Daily Vol ('000 shrs)	55.5
Estimated Free Float (%)	45.9
Beta	0.6

Major Shareholders (%)

Tan family	- 16.0%
Akintan Sdn Bhd	- 8.2%
Excellent Communication Sdn Bhd	- 5.4%

Forecast Revision

	FY22	FY23
Forecast Revision (%)	0.0	0.0
Net profit (RMm)	31.9	42.2
Consensus	31.6	31.9
TA's / Consensus (%)	101.0	132.2
Previous Rating	na	

Financial Indicators

	FY22	FY23
Net Debt / Equity (x)	Net Cash	Net Cash
ROE (%)	10.1	13.0
ROA (%)	8.6	11.0
NTA/Share (RM)	1.1	1.1
Price/NTA (x)	1.5	1.4

Share Performance (%)

Price Change	BESHOMFBM	KLCI
1 mth	0.6	(0.1)
3 mth	(9.1)	5.0
6 mth	(18.4)	1.9
12 mth	(26.3)	(0.7)

(12-Mth) Share Price relative to the FBMKLCI

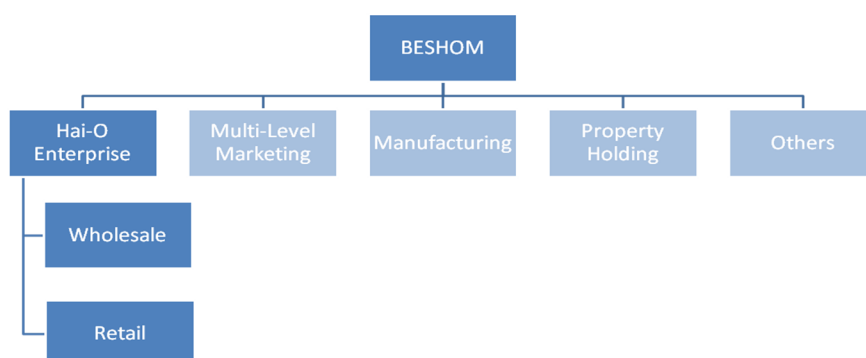


Source: Bloomberg

Business Overview

Beshom Holdings Bhd (Beshom) has assumed the listing status of Hai-O Enterprise Bhd since November 2021, corresponding to the group's internal reorganisation effort to separate investment holding function and operating businesses. Nonetheless, the group has a rich history with its origin traced back to a Chinese medicated products retailer in 1975, founded by the late Mr. Tan Kai Hee who was a great entrepreneur cum philanthropist. The group was listed on the second board of Bursa Malaysia in 1996 and was later transferred to the main board of Bursa Malaysia in 2007. Today, Beshom is principally an investment holding company involved in multi-level marketing, wholesale, retail, manufacturing and others.

Exhibit I: Organisation Structure Post Reorganisation



Source: Company

Multi-Level Marketing (MLM)

The group ventured into MLM business in 1992 as an extension to its wholesale and retail business. This segment is housed under Sahajidah Hai-O Marketing Sdn Bhd (SHOM) and carries a comprehensive range of products across i) Food & Beverages, ii) Beauty, Skincare, & Personal Care, iii) Supplement & Nutrition food, iv) Wellness alongside v) Household Products. Leveraging on the partnership with its distributors, the company is now one of the leading local MLM companies. Established brands of SHOM include Min Kaffe, Infinence, Marine Essence, Cozuma, Thera and others.

Wholesale

Over a period of 40 years, the company has secured various exclusive distribution rights for importing branded products from China for distribution in Malaysia. As a result, these rights have enabled the Wholesale division to trade patented medicines, medicated tonic, healthcare products, herbs and tea through channels such as Chinese medical halls, hypermarkets, supermarket, convenience stores and etc.

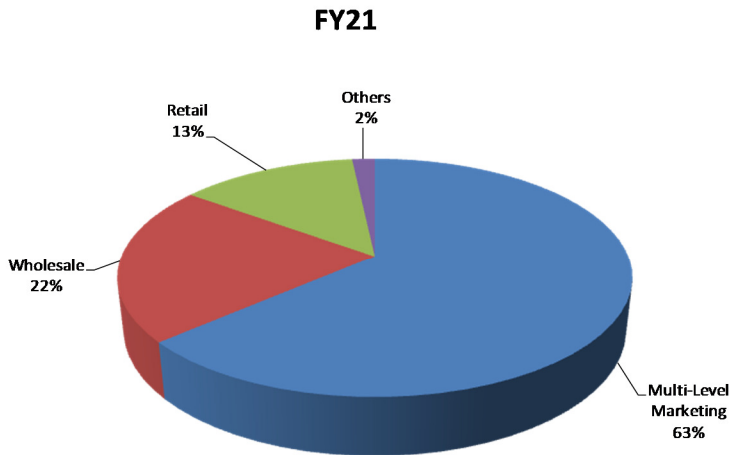
Retailing

Beshom has over 50 Hai-O retail chain stores and franchises, primarily located in Klang Valley. These retail outlets carries traditional to contemporary herbal products, wine, teas, food & beverage products, hampers and other healthcare supplements. Outlets are staffed with professional herb masters and/or traditional Chinese medicine practitioners to provide in-house advisory on herbs and medical consultations.

Others

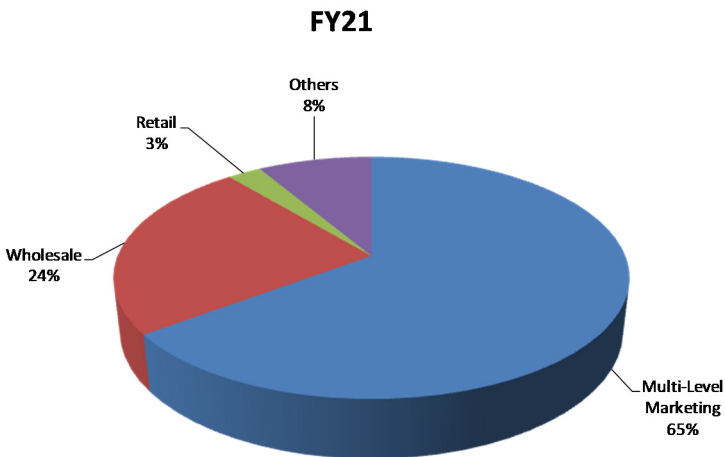
The group is also involved in pharmaceutical manufacturing, bird nest processing and traditional Chinese medicine consulting clinics.

Exhibit 2: Business Segment Revenue Breakdown



Source: Company, TA Securities

Exhibit 3: Business Segment EBIT Breakdown



Source: Company, TA Securities

Investment Merits

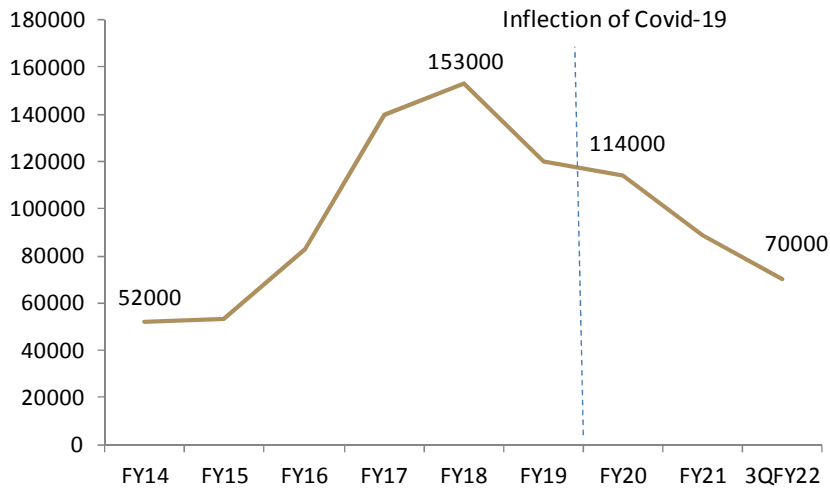
i) Recovery Prospect from MLM Division

Although the apparent decline of Beshom’s distributors count from the peak of 153,000 in FY18 to 70,000 today may appear worrying to some investors, we note that FY18 was a bumper year boosted by The Bonanza 25 grand sales promotion to honour SHOM’s 25th anniversary milestone. Thereafter, distributors’ count normalised downward in FY19 before deteriorating further in FY20 primarily due to covid-19, which has by and large affected the disposable income of consumers.

Therefore, with dissipating impact of covid-19 and relaxation of movement restrictions, we expect a sharp upward bounce in distributor force towards 90,000 members in FY23 and thereafter maintain c.10,000 new active members per year for FY24. We believe the recovery to over 90,000 distributors in FY23 are reasonable given that SHOM would be celebrating its 30th grand anniversary and we have seen recruitment alongside sales momentum could be particularly strong during large-scale bonanza as reflected by the MLM’s remarkable EBIT of RM69.1mn, recorded in FY18.

All in all, we expect MLM's EBIT to soar 58% YoY in FY23 to RM38mn on the back of 50% YoY growth in revenue to RM189mn. Thereafter, we project MLM to sustain a moderate 7% YoY EBIT growth in FY24.

Exhibit 4: SHOM's Distributors Count

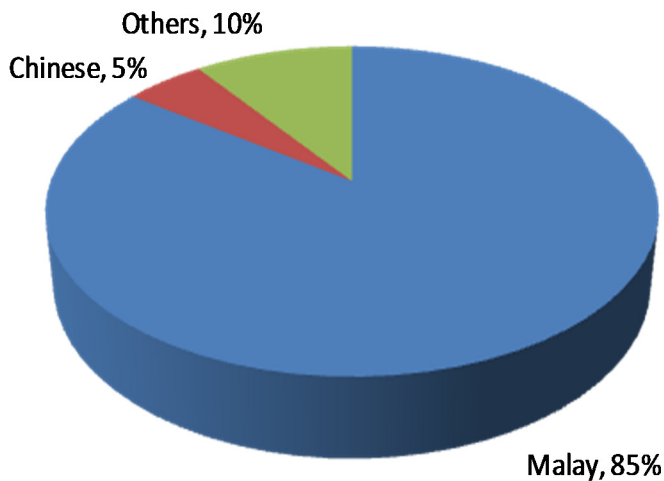


Source: Company, TA Securities

ii) Opportunity within the Malay Bumiputra Demographic

Interestingly, 85% of Beshom's MLM distributors are Malay bumiputra despite the traditional Chinese health wellness image carried by its products. We consider this as the group's strength given that Malay Bumiputra population constituted c.63% of the 32.4mn total population in Malaysia and has continued to grow at a higher rate than the rest of the ethnic groups.

Exhibit 5: Ethnicity of SHOM's Distributors



Source: Company, TA Securities

iii) Focusing on Consumer Items with Recurring Income Potential

In line with the group's strategy to promote affordable 'small-ticket' items, majority of Beshom's products are consumable and we believe this would lead to better recurring income potential in the future. To exemplify, 73% of MLM's sales are made up by Food & Beverages (40%), Beauty, Skincare & Personal Care (18%) alongside Health Supplement & Nutrition Food (15%) which present high potential for recurring income and more engagement with distributors owing to its consumable nature. Similarly, the health improving

attribute of Wholesale and Retail division's products i.e. Chinese Medicated Wine & Liquor, Healthcare & Nutrition alongside Herbs are believed to result in stickiness in demands underpinned by popular understanding of health is wealth.

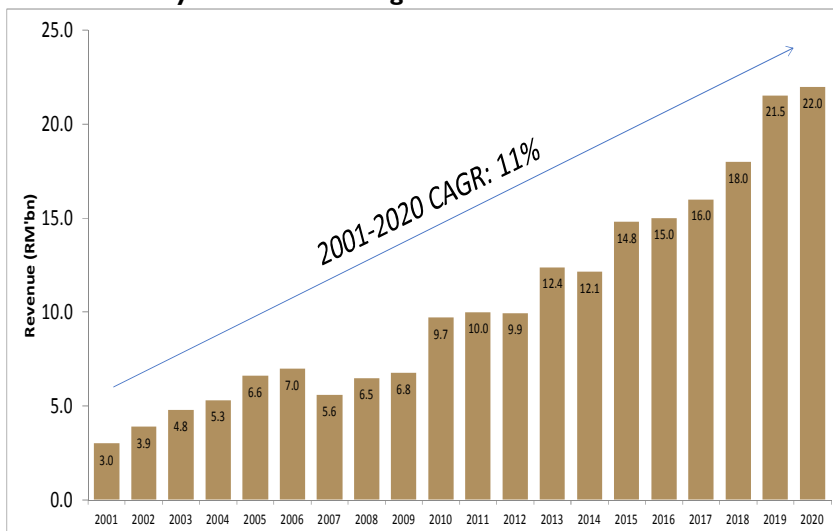
iv) Attractive Dividend Yield

Beshom has a target of distributing more than 50% of its earnings as dividend. It has consistently committed to the dividend payment in recent years with average historical dividend payout hovering at c.80%. Assuming the group maintains dividend payout near 80%, Beshom is expected to reward DPS of 9/11/12sen to shareholders in FY22/23/24, translating into 5.6/6.8/7.5% dividend yield.

Industry Outlook

Malaysian direct selling industry is one of the top 10 in sales globally and has registered 2001-2020 CAGR of 11% to c.RM22bn in CY20. The growth was driven by motivated entrepreneurs alongside general acceptance over direct selling models, which led to high sales to population ratio. Overtime, many new entrants entered into the attractive space making the industry a fragmented one with c.300 licensed direct selling companies in Malaysia. SHOM is deemed to be one of the bigger MLM companies, making up nearly 2% of the industry share at its peak in 2018 and at c.1% share now. Moving forward, we expect increasing affluent population that has greater spending power couple with awareness over importance of health would drive industry growth though at a moderated growth due to higher base. Note that, nutritional wellness products contribute 45% of the sales in Malaysian direct selling industry.

Exhibit 6: Malaysian Direct Selling Performance



Source: DSAM, MDTCC, TA Securities

Key Risks Relating to Business and Industry

i) Competition in MLM Industry

MLM industry promises a high growth potential at a relatively low capex compared to other business model. Such characteristic makes it an attractive space with frequent entry of new entrants and continuous horizontal expansion from existing players, which could be a competitive threat to Beshom. Nonetheless, it is worth noting that the group does have an edge over typical players for it has comprehensive range of product categories, different distribution channel i.e. MLM, Wholesale and Retail to sell products to customers and has its own branding rights to products.

ii) Uncertainty in Attrition Rate and Sales Momentum

There are many moving parts e.g. spending power, remuneration, career satisfaction and social norm/habit when it comes to attrition rate of membership and sales momentum of members. To mitigate the attrition rate, grow the number of new members and drive sales momentum, Beshom is focused on motivating aspiring distributors through campaign and incentive plan while offering convenient business startup services via introduction of starter kit and easy payment facilities.

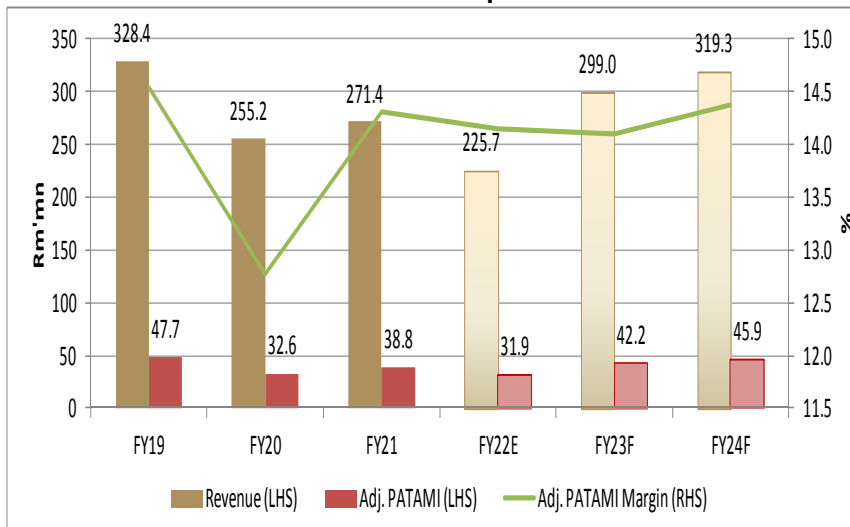
iii) Dependency on Imported Goods.

Majority of products are imported from other countries specifically China. Therefore, mismanagement of inventory procurement coupled with recent shortage of freight vessel may lead to insufficient inventory. Furthermore, imported goods expose the group to foreign exchange risk where unfavourable fluctuation in RMB/MYR and USD/MYR could affect the bottom line of the group.

Financial Highlights

Profit and Loss Statement

Exhibit 7: Financial Performance - FYE April

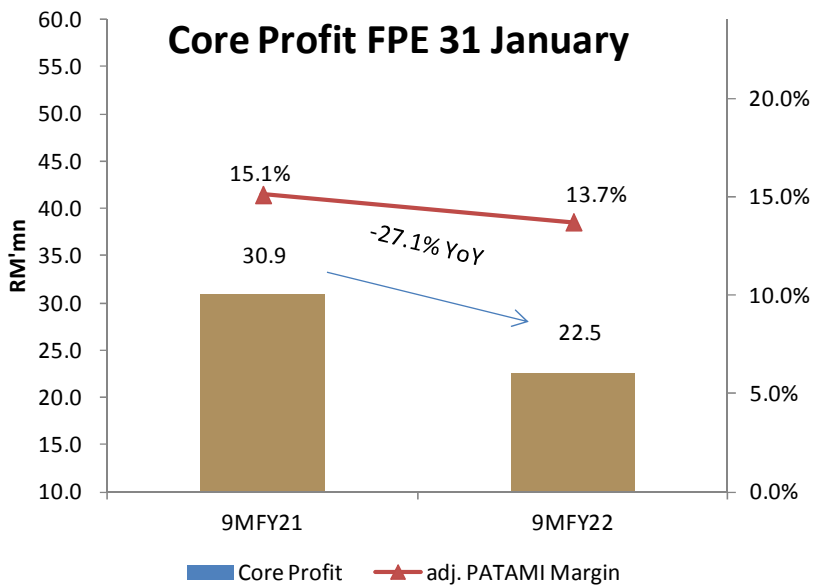
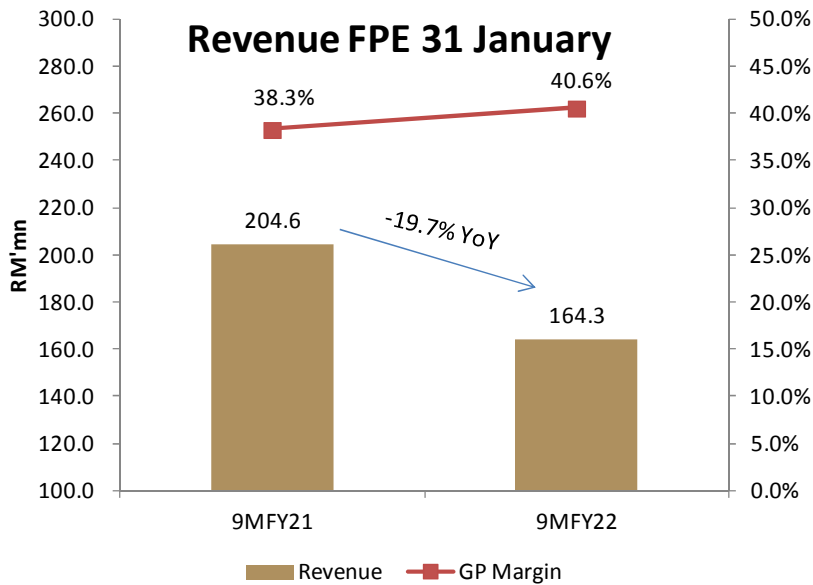


Source: Company, TA Securities

Owing to the adverse impact from covid-19, Beshom's FY21 revenue of RM271.4mn and PATAMI of RM38.8mn were 6.2% and 18.7% lower than FY19 respectively. The weaker earnings performance was mainly due to decline in MLM's revenue from RM224.9mn in FY19 to RM172.4mn in FY21. Note that, attrition rate of distributors was particularly high during the period with the number of distributors deteriorated from 120,000 in FY19 to 89,000 in FY21. Management stated that cautiousness of spending alongside prohibitive physical gathering and events have weakened sales momentum and new recruitments. Similarly, Retail's revenue slipped from RM40.6mn in FY19 to RM35.8mn in FY21 as foot traffic was lower amid implementation of movement control.

9MFY22 revenue and PATAMI slipped by 19.7% YoY and 27.4% YoY respectively no thanks to lower sales from MLM and Wholesale segments. Engagement with distributors remained subdued owing to lack of physical gathering and events alongside high covid-19 infection cases among members. Nonetheless, we found some silver linings in the result as 9MFY22 GP margin has improved 2.3%-pts YoY to 40.6% supported by favourable sales mix toward house brand products that command higher margin.

Exhibit 8: Financial Performance – 9MFY22 vs 9MFY21



Source: Company, TA Securities

Balance Sheet

The company has a robust balance sheet with a net cash position (inclusive of cash and cash equivalent alongside highly liquid other investment in the form of unit trust) of RM107.4mn as at 3QFY22, equivalent to 37sen/share, or 23% of its market capitalisation.

Future Plans and Business Strategies

i) Intensify Distributors' Recruitment and Retention

In conjunction to SHOM's 30th grand anniversary, Beshom would intensify campaigns and physical activities to reinvigorate recruitment and retention of distributors. Essential starter kit would be offered at affordable price to capture interest of new aspiring entrepreneurs while progressive educational programmes would be organized to equip distributors with technical know-how of running business. Besides, new products innovation would be introduced to excite consumers in accordance with the ethnic group's preference and demands.

ii) Rollout of New Retail Chain Store

Beshom has plans to open new retail chain store to capture the pent-up demand for health supplements as consumers have learnt to become more health conscious during the pandemic. We project the group to have additional 2 chain stores annually in FY23 and FY24.

ESG Consideration

The group's sustainability efforts are anchored around five focus areas, namely Economy, Governance, People, Product and Planet.

Economy. The group is a strong advocator of entrepreneurship and has created business and career opportunities to over 100,000 of individuals. Extensive leadership workshop and programmes are provided to distributors and employees to develop a sustainable local workforce, talent base and leaders. Moreover, the group has established Code of Business Ethics for Suppliers and Business Associates to uphold standards of sustainable and responsible sourcing.

Governance. Beshom prioritises compliance throughout its value chain, adhere to laws, regulations and internal conduct and policies, manage material sustainability matters, and embed integrity and transparency into our corporate culture. As part of protection to minorities, the group has committed itself to distributing more than 50% of earnings as dividends.

People. The group strives to bring a positive impact to the community by encouraging quality education, support vulnerable communities, and continuously spread health awareness and community harmony. Some of the community events conducted by Beshom include AiryVentz Air Purifier Giveaway, herbal tea giveaway, blood donation campaign and etc.

Product. Founded as a Chinese medicated products retailer, the group is focused in providing quality products to improve well-being of customer.

Planet. The group practices Reduce, Reuse and Recycle, reduce usage of Styrofoam in product packaging, promote green initiatives and introduce products which contain eco-friendly ingredients that are less harmful to the environment as well as human health. Moreover, Beshom is also mindful about reducing energy consumption alongside wastage i.e. paper, plastic and metal.

Dividend Policy

The group has a target of distributing more than 50% of its earnings as dividend, with average historical dividend payout hovering at c.80%. Based on our forecast, Beshom is expected reward DPS of 9/11/12sen to shareholders in FY22/23/24, translating into 5.6/6.8/7.5% dividend yield.

Earnings Forecast

We reckon FY22 would be the last phase of Beshom's recent earnings weakness (-17.8% YoY) and expect earnings growth of 32.1/8.9% YoY to RM42.2mn and RM45.9mn for FY23/24. The FY23 performance is led by top-line growth driven by upward bounce in distributor force in conjunction to SHOM's 30th grand anniversary supported by resumption of physical events and rally alongside effective execution of campaigns. Moreover, Wholesale and Retail division shall deliver steady earnings growth corresponds to lifting of movement restrictions and more robust economic activities.

Our projections are premised on assumptions below:

- Recovery in SHOM's distributor count towards 90,000 in FY23 and 100,000 in FY24 supported by SHOM's 30th grand anniversary.
- Defensive performance from Wholesale division alongside improvement from Retail division underpinned by 2 net opening of chain stores annually in FY23 and FY24.
- Sustained GP Margin of over 40% as the group continues to innovate and offer products of high margin and quality to consumers.

Valuation

For comparison, listed companies in Bursa Malaysia that have sizeable MLM exposure are Amway and Zhulian. Amway is trading at a forward PER of 12.3x whereas Zhulian does not have any coverage. Meanwhile, other retailers under our coverage including Aeon, Amway, Padini and Focus Point are trading at average forward PER of 14.7x.

We believe Beshom should be valued at 12x CY23 PER. The marginal discount from its MLM peers is attributed to the increased volatility in Beshom's earnings in recent financial years and its relatively small market share compared to Amway.

We initiate coverage on Beshom with a Buy recommendation and a target price of RM1.85/share premised on i) strong recovery in MLM business correspond to 30th grand anniversary of SHOM, ii) opportunity within the Malay bumiputra demographic, iii) profile of recurring income underpinned by consumer items and iv) attractive net dividend yields of 7%.

Exhibit 9: Peer Comparison

Company	Call	ESG	Price	Target Price	Market Cap (RMm)	PER (x)		P/BV (x)		EPS Growth (%)		ROE (%)		Div Yield (%)	
						CY22	CY23	CY22	CY23	CY22	CY23	CY22	CY23	CY22	CY23
Retail															
Aeon	Buy	★★★	1.63	1.90	2,288.5	19.4	16.0	1.3	1.2	22.9	21.5	6.6	7.8	2.5	2.8
Amway	Buy	★★★	5.10	6.50	838.4	13.7	12.3	3.7	3.5	48.7	11.0	27.6	28.9	5.9	6.4
Padini	Sell	★★★	3.43	3.00	2,256.6	19.7	16.0	2.6	2.4	47.1	23.4	11.6	15.2	2.8	3.4
Focus Point	Buy	★★★	0.79	1.12	172.7	16.0	14.5	2.1	1.9	14.0	10.2	19.3	19.1	3.1	3.4
Mkt Cap. Weighted Average						18.6	15.4	2.2	2.1	36.3	20.3	12.2	14.3	3.1	3.6
Simple Average						17.2	14.7	2.4	2.2	33.2	16.5	16.3	17.7	3.6	4.0
Beshom	Buy	★★★	1.61	1.85	460.9	12.0	10.5	1.4	1.3	13.2	15.3	10.1	13.0	6.4	7.2

Source: TA Securities

Exhibit 10: Earnings Summary

Profit and Loss Statement

FYE Apr (RMmn)	2020	2021	2022E	2023F	2024F
Revenue	255.2	271.4	225.7	299.0	319.3
EBIT	40.9	51.9	42.8	56.6	61.7
Net finance cost	0.6	0.4	0.2	0.2	0.2
EI	0.0	0.0	0.0	0.0	0.0
PBT	41.5	52.3	43.0	56.8	61.8
Taxation	(9.2)	(13.4)	(11.0)	(14.5)	(15.8)
MI	0.3	(0.1)	(0.1)	(0.1)	(0.1)
Net profit	32.6	38.8	31.9	42.2	45.9
Core net profit	32.6	38.8	31.9	42.2	45.9
Core EPS (sen)	11.2	13.4	11.0	14.5	15.8
DPS (sen)	10.0	9.0	9.0	11.0	12.0
Book value (RM)	1.1	1.1	1.1	1.2	1.2
NTA (RM)	1.0	1.1	1.1	1.1	1.2

Ratios

FYE Apr (RMmn)	2020	2021	2022E	2023F	2024F
Valuations					
Core PER (x)	14.3	12.0	14.6	11.1	10.2
Div. yield (%)	6.2	5.6	5.6	6.8	7.5
P/BV (x)	1.5	1.4	1.4	1.4	1.3

Profitability ratios

EBITDA margin (%)	18.6	21.5	21.6	21.0	21.2
PBT margin (%)	16.3	19.3	19.0	19.0	19.4
Core net margin (%)	12.8	14.3	14.1	14.1	14.4
Core ROE (%)	10.7	12.7	10.1	13.0	13.7
Core ROA (%)	9.0	10.6	8.6	11.0	11.3

Liquidity ratios

Current ratio (x)	4.5	5.0	6.3	4.7	4.7
Quick ratio (x)	2.5	3.0	3.8	2.9	2.9

Leverage ratios

Equity/total liabilities (x)	6.0	6.7	8.3	5.8	5.7
Net debt / equity (x)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Growth ratios

Revenue (%)	(22.3)	6.4	(16.8)	32.4	6.8
PBT (%)	(34.5)	25.9	(17.8)	32.1	8.9
Core net profit (%)	(31.8)	19.2	(17.8)	32.1	8.9

Balance Sheet

FYE Apr (RMmn)	2020	2021	2022E	2023F	2024F
PPE	86.5	84.6	81.4	82.2	83.0
Intangible asset	0.1	0.1	0.1	0.1	0.1
Others	62.5	61.7	61.0	60.5	60.0
Non-current assets	149.1	146.3	142.5	142.8	143.0
Inventories	93.3	89.3	90.3	99.7	100.8
Trade receivables	18.8	19.9	20.5	23.0	24.6
Cash and bank balance	58.0	54.5	53.9	70.7	82.6
Others	42.5	61.4	61.4	61.4	61.4
Current assets	212.6	225.2	226.2	254.8	269.4
Total assets	361.7	371.5	368.7	397.5	412.4
LT borrowings	0.0	0.0	0.0	0.0	0.0
Others	3.9	3.3	3.7	4.2	4.6
Non-current liabilities	3.9	3.3	3.7	4.2	4.6
Trade payables	44.1	36.6	27.1	44.8	47.9
ST borrowings	0.0	0.0	0.0	0.0	0.0
Others	3.6	8.5	8.8	9.1	9.3
Current liabilities	47.7	45.1	35.9	53.9	57.2
Shareholders funds	299.6	312.8	318.6	328.9	340.0
MI	10.6	10.3	10.4	10.6	10.7
Total equity	310.2	323.1	329.0	339.4	350.7
Total E&L	361.7	371.5	368.7	397.5	412.4

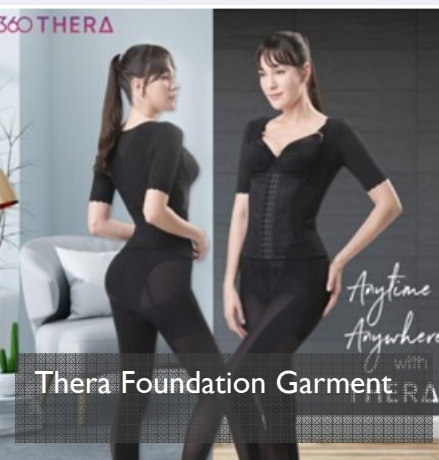
Cash Flow Statement

FYE Apr (RMmn)	2020	2021	2022E	2023F	2024F
Pretax profit	41.5	52.3	43.0	56.8	61.8
Depreciation	6.6	6.3	6.1	6.0	6.0
Net interest	(0.6)	(0.4)	(0.2)	(0.2)	(0.2)
Changes in WC	2.1	4.2	(11.1)	5.9	0.3
Tax	(11.5)	(9.3)	(11.0)	(14.5)	(15.8)
Others	(1.9)	(0.3)	0.0	0.1	0.1
Operational cash flow	36.2	52.7	26.8	54.1	52.2
Capex	(0.6)	(1.7)	(1.0)	(5.0)	(5.0)
Interest income	1.0	0.7	0.5	0.5	0.5
Others	4.4	(19.0)	0.0	0.0	0.0
Investing cash flow	4.8	(20.1)	(0.5)	(4.5)	(4.5)
Net share issue	0.0	0.0	0.0	0.0	0.0
Net borrowings	(0.3)	0.0	0.0	0.0	0.0
Dividend paid	(35.1)	(32.0)	(26.1)	(31.9)	(34.8)
Interest paid	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)
Others	(1.2)	(3.8)	(0.5)	(0.6)	(0.7)
Financial cash flow	(36.9)	(36.0)	(26.9)	(32.8)	(35.8)
Net cash flow	4.1	(3.4)	(0.6)	16.8	11.9
Beginning cash	53.8	58.0	54.5	53.9	70.7
Forex & others	0.1	(0.0)	0.0	0.0	0.0
Ending cash	58.0	54.5	53.9	70.7	82.6

Source: TA Securities

Appendix

Appendix I: Example of Beshom's Products



Source: Company, TA Securities

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Stock Recommendation Guideline

- BUY** : Total return within the next 12 months exceeds required rate of return by 5%-point.
HOLD : Total return within the next 12 months exceeds required rate of return by between 0-5%-point.
SELL : Total return is lower than the required rate of return.
Not Rated: The company is not under coverage. The report is for information only.

Total Return is defined as expected share price appreciation plus gross dividend over the next 12 months. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Required Rate of Return of 7% is defined as the yield for one-year Malaysian government treasury plus assumed equity risk premium.

ESG Scoring & Guideline

	Environmental	Social	Governance	Average
Scoring	★★★	★★★	★★★	★★★
Remark	It has established Code of Business Ethics for Suppliers and Business Associate to ensure sustainable supply. Meanwhile, Beshom is exploring way to adopt more environmentally friendly packaging. However, score remains muted owing to absence of quantifiable goal for near future.	Committed in promoting healthcare culture and improving human's well-being. The group also provide extensive leadership workshop to develop entrepreneurial spirit within distributors and community.	The board is well represented by independent directors yet may consider having more gender diversity in the board. Beshom has target of paying more than 50% of earnings as dividend.	

- ★★★★★ (≥80%) : Displayed market leading capabilities in integrating ESG factors in all aspects of operations, management and future directions.
 ★★★★★ (60-79%) : Above adequate integration of ESG factors into most aspects of operations, management and future directions.
 ★★★ (40-59%) : Adequate integration of ESG factors into operations, management and future directions.
 ★★ (20-39%) : Have some integration of ESG factors in operations and management but are insufficient.
 ★ (<20%) : Minimal or no integration of ESG factors in operations and management.

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As of Thursday, May 05, 2022, the analyst, Jeff Lye Zhen Xiong, who prepared this report, has interest in the following securities covered in this report:
 (a) nil

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