



# 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

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.

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# THANK YOU