



B E S H O M

THE BEST STARTS FROM HOME

BESHOM HOLDINGS BERHAD

Registration No. 202101001114 (1401412-A)

2025

BEYOND

50

A Journey to Greater Heights

ANNUAL REPORT 2025

1975



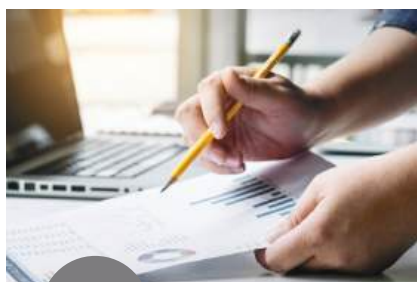
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COVER RATIONALE *A Journey to Greater Heights*

For 50 years, Beshom / Hai-O has remained steadfast in its founding principles, achieving numerous extraordinary milestones. Our unwavering commitment to integrity, excellent product quality, and ethical practices has formed the foundation of our business. These core values will continue to guide the long-term development of our Group. Despite many changes over the decades, our commitment has never wavered.

For half a century, we have built upon our legacy while staying true to our original intention. As we journey on, we remain dedicated to upholding Hai-O's core values, paving the way for many more remarkable milestones.



5th ANNUAL GENERAL MEETING FOR BESHOM HOLDINGS BERHAD



Date
25 September 2025
(Thursday)



Time
11.30 a.m



Venue
Ballroom 1, Level 2,
The Federal Hotel, Kuala Lumpur



Scan this QR code for the soft copy version of our annual report.

CORPORATE PROFILE

Our Corporate Journey

Welcome to B E S H O M

Effectively following the conclusion of the internal reorganisation on 29 November 2021, the investment holding function and the operating business entities of the Group were officially segregated on 29 November 2021, where Beshom Holdings Berhad ("BESHOM"), the investment holding entity assumed the listing status of Hai-O Enterprise Bhd. ("HAI-O"). HAI-O and the other subsidiaries will continue to operate their existing businesses. BESHOM is a new home to the HAI-O's group of companies.

B E S H O M

For Our People | 以人为本

For Our Livelihood | 安居乐业

For Our Future | 高瞻远瞩

For Our Legacy | 继往开来

Before BESHOM assumed the listing status, HAI-O was listed on the then Second Board of Kuala Lumpur Stock Exchange ("KLSE") in December 1996 and was successfully transferred to the Main Board of KLSE (now known as Main Market of Bursa Malaysia Securities Berhad) in 2007 reflecting the scale of the Group's achievement throughout the years.

We believe a clear demarcation of business activities will enable the respective business segments to monitor our operational risks more effectively. Our new corporate identity BESHOM, will allow the Group to achieve greater flexibility in management, reporting, and reorganisation of our businesses. The "HAI-O" brand name has been the Group's proud history and footprint in Malaysia and "HAI-O" brand name will remain as our key brand ambassador as a trusted traditional health food supplier.

CORPORATE PROFILE

(continued)

Our Business

From our origins as a retailer focusing on trading of Chinese medicated products since 1975, the Group has grown into one of the major suppliers of Chinese herbal products and medicated tonics to a large number of traditional Chinese medical halls and duty-free shops. Headquartered in Klang, Selangor, our businesses over the years have expanded to cover Multi-Level-Marketing ("MLM"), Wholesaling, Retailing and Manufacturing.



Retailer of Chinese medicated products since

1975

Geographical Presence

The Group operates primarily in Malaysia with a total of 85 business units, comprising 29 MLM branches, stockists and sales points across both Peninsular and East Malaysia as well as 1 branch in Brunei, and 56 retail chain stores and franchises, primarily located in the Klang Valley and with a foothold in all major states in Malaysia.



MLM branches, stockists and sales points

29



Retail chain stores and franchises

56

What We Do

We market our products through our MLM, Wholesale and Retail networks. We carry more than 2,000 stock keeping units ("SKU") on a combined basis. Our business operations are supported by approximately 39,000 independent MLM distributors, over 2,000 wholesalers and retailers and 2 international certified manufacturing plants with certifications from ISO, HACCP, GMP, US FDA and one of them is also Halal certified by Jabatan Kemajuan Islam Malaysia (JAKIM). Today, HAI-O is one of the major suppliers of Chinese herbal products, medicated tonics, Chinese tea, cooking ingredients, health supplements, skincare, cosmetics, lifestyle and fashion merchandises.



Stock Keeping Units ("SKU")

>2000



Independent MLM Distributors

39,000



Wholesalers & Retailers

>2000



International certified manufacturing plants

2

GROUP 50-YEAR CORPORATE MILESTONES

1975



On May 1, 1975, Hai-O Enterprise Bhd. ("Hai-O") first opened its doors for business at Jalan Nanas, Klang. With a modest start-up capital of RM168,000, Hai-O began its journey as a retailer of Chinese patent medicines, herbs, and daily necessities, which formed the core of its early business.



1988



Hai-O Raya Bhd. was incorporated and launched its first retail outlet at Sun Kompleks (now known as Menara HAI-O) in Kuala Lumpur. Since then, the Hai-O retail network, including franchise outlets, has continued to expand and currently comprises more than 50 outlets nationwide.



1992

Hai-O ventured into MLM business with the establishment of Sahajidah Hai-O Marketing Sdn. Bhd. ("SHOM"). SHOM offers quality products and excellent business opportunities to prospective entrepreneurs.

Today, SHOM is one of the leading direct selling companies in Malaysia.



1993

SG Global Biotech Sdn. Bhd. ("SG Global") was established in 1993. It is the first Traditional Complementary Medicine (TCM) manufacturing plant awarded with Good Manufacturing Practice (GMP) Standards in Malaysia.

SG Global received the HACCP and the ISO 22000:2005 certification since 2012.



GROUP 50-YEAR CORPORATE MILESTONES (continued)

1992

On December 4, 1992, the late Mr. Tan Kai Hee, the founder of Hai-O Group and the late Dato' Usman Awang, the National Laureate, jointly established Malaysia-China Friendship Association (PPMC) in support of the government's effort to strengthen bilateral relations between Malaysia and China.

The Group Managing Director, Mr. Tan Keng Kang, currently serves as the Secretary-General of PPMC.



Hai-O acquired Chop Aik Seng, a pioneer tea operator in Malaysia. "Aik Seng" is a time-honoured brand with over 80 years of history and has gained widespread market recognition in the Chinese tea industry.

1995

In October 1995, Hai-O acquired the ground to sixth floors of the commercial lot of the Sun Kompleks, spanning a total area of 86,721 square feet. The ground floor houses both the Hai-O chain store and the Peking Tongrentang retail TCM clinic. On the first floor, the My-Star Tea City & Activities Centre — a tea culture-themed lifestyle hub — was officially set-up in March 2015. The building was subsequently renamed as 'Menara Hai-O' in 2018.



1996 & 2007

Hai-O made history as the first traditional healthcare company to be listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE") on December 6, 1996. The company was successfully transferred to the Main Board of KLSE (now known as Main Market of Bursa Malaysia Securities Berhad) on October 8, 2007.



GROUP 50-YEAR CORPORATE MILESTONES (continued)

1998

Wisma Hai-O - our corporate headquarters and business office was constructed in 1998. Wisma Hai-O was graciously inaugurated by the then Transport Minister, Tun Dr. Ling Liong Sik and Chinese Ambassador to Malaysia, H.E. Qian Jin Chang.



2009

Hai-O has officially launched the “Hai-O Foundation” to support the underprivileged, promote cultural activities and spearhead the Group’s charitable activities. Hai-O introduced the “Hai-O Higher Educational Aid” program since 2014 with the aim of providing financial assistance to employees’ children pursuing degree or postgraduate programmes at higher learning institutions.

Ai Hua Jiao Fund Raising Campaign – another CSR icon project initiated by Hai-O Foundation in collaboration with Sin Chew Daily since 2010. To-date, the Campaign has successfully raised RM152.7 million, allocated to 87 schools throughout Malaysia.



GROUP 50-YEAR CORPORATE MILESTONES

(continued)

2007

Hai-O acquired 28 acres of land with 7 blocks of buildings at Jalan Kapar from BATA (M) Sdn. Bhd. for RM45 million. Part of the property is now housed for our MLM business headquarters and several blocks of buildings are rented out to generate rental income.



2007 - 2010

Hai-O was listed on Forbes Asia's "Best Under a Billion" list for 4 consecutive years (2007–2010), in recognition of the Company's outstanding performance and strong growth potential.



2010

Hai-O acquired a land measuring 118,422 sq ft with 2 single storey detached factory buildings and double storey office at Jalan Kapar, Klang for RM10.33 million. Currently, the property houses for our GMP manufacturing plant and warehouse.



2021

After 46 years, it is timely to undertake a reorganisation exercise, culminating in the transfer of the listing status from HAI-O to Beshom Holdings Berhad ("BESHOM"). BESHOM was built on a legacy of hard work and steadfast values since 1975, uploading our mission to enhance the well-being and quality of life for all.

The Stock Name & Stock Code: BESHOM7668



CORPORATE INFORMATION

AS AT 4 AUGUST 2025

BOARD OF DIRECTORS

Ng Chek Yong

Chairman

Senior Independent Non-Executive Director

Tan Keng Kang

Group Managing Director

Non-Independent

Hew Von Kin

Group Executive Director

cum Group Chief Financial Officer

Non-Independent

Professor Hajjah Ruhanas Binti Harun

Independent Non-Executive Director

Foong Yein Fun

Independent Non-Executive Director

Dato' Lee Teck Hua

Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Lee Teck Hua

Chairman (Independent Non-Executive Director)

Foong Yein Fun

Member (Independent Non-Executive Director)

Professor Hajjah Ruhanas Binti Harun

Member (Independent Non-Executive Director)

COMPANY SECRETARIES

Cynthia Gloria Louis

(SSM PC No. 201908003061) (MAICSA 7008306)

Chew Mei Ling

(SSM PC No. 201908003178) (MAICSA 7019175)

AUDITORS

KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name / Code: BESHOM 7668

ISIN: MYL766800006

REGISTERED OFFICE

Office Suite No.603 Block C,
Pusat Dagangan Phileo Damansara 1,
No.9, Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya,

Selangor Darul Ehsan, Malaysia.

Tel : 03-7890 0238

E-mail : general@ascendserv.com

BUSINESS OFFICE

Wisma Hai-O, Lot 11995,
Batu 2, Jalan Kapar, 41400 Klang,
Selangor Darul Ehsan, Malaysia.
Tel: 03-3342 3322 Fax: 03-3342 8285

Website URL : www.beshom.com

E-mail : info@beshom.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No.5 Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

Tel : 03-7890 4700

Fax : 03-7890 4670

Email : BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Bank of China (Malaysia) Berhad
Public Bank Berhad
CIMB Bank Berhad

ADVOCATES & SOLICITORS

Chooi & Company
Raja, Darryl & Loh

GROUP CORPORATE STRUCTURE

of Main Operating Companies as at 4 August 2025

B E S H O M

THE BEST STARTS FROM HOME

BESHOM HOLDINGS BERHAD



WHOLESALE

- Hai-O Enterprise Bhd.
- Hai-O Medicine Sdn. Bhd.
- Kinds Resource Sdn. Bhd.
- Grand Brands (M) Sdn. Bhd.
- Chop Aik Seng Sdn. Bhd.



MULTI-LEVEL MARKETING ("MLM")

- Sahajidah Hai-O Marketing Sdn. Bhd.



RETAIL

- Hai-O Raya Bhd.
- Peking Tongrentang (M) Sdn. Bhd.



MANUFACTURING

- SG Global Biotech Sdn. Bhd.
 - QIS Research Laboratory Sdn. Bhd.
- Yan Ou Holdings (M) Sdn. Bhd.
 - Yan Ou Marketing (Intl) Sdn. Bhd.



OTHERS

- Hai-O Properties Sdn. Bhd.
- Hai-O Credit & Leasing Sdn. Bhd.
 - Sri Pangkor Credit & Leasing Sdn. Bhd.

GROUP FINANCIAL HIGHLIGHTS

	2021 [^] (RM'000)	Financial Year Ended 30 April			
		2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	271,390	209,555	174,229	151,132	155,127
Gross profit	104,981	86,164	73,190	62,770	62,750
Gross margin	38.7%	41.1%	42.0%	41.5%	40.5%
Profit before tax	52,273	40,300	24,264	14,483	12,209
Profit after tax	38,921	28,927	16,775	10,979	8,323
Profit attributable to Owners of the Company	38,805	28,197	16,285	10,893	8,510
Net margin	14.3%	13.8%	9.6%	7.3%	5.4%
Total Assets	371,500	370,139	353,182	349,651	355,181
Total Liabilities	48,400	41,040	31,410	27,729	34,261
Share capital	157,256	312,978	312,978	312,978	312,978
Shareholders' equity	312,759	317,055	309,661	310,078	309,514

Financial Indicators

Return on Shareholders' Equity	12.4%	8.9%	5.3%	3.5%	2.7%
Earnings per share (sen)#	13.39	9.46	5.43	3.63	2.84
Single Tier Dividend (sen)	9.0	8.0	5.0	3.0	4.0
Current ratio (times)	5.0	5.9	7.2	8.4	7.1
Net assets per share (sen)	108	106	103	103	103
Price earnings ratio (times)	16.13	17.01	21.75	25.07	25.70
Share Price as at the financial year end (RM)	2.16	1.61	1.18	0.91	0.73
Market Capitalisation as at the financial year end (RM'000)	648,643	483,166	354,122	273,094	217,575

Notes:

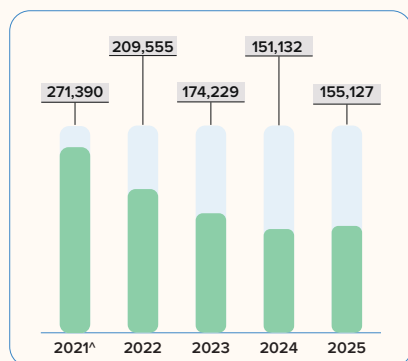
[^] FY2021 restated to include audited financial statements of Beshom Holdings Berhad for FY2021.

Calculated based on weighted average number of shares in issue, net of treasury shares.

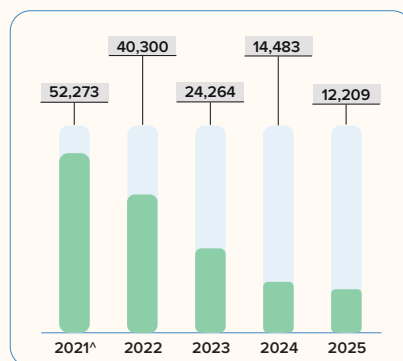
GROUP FINANCIAL HIGHLIGHTS

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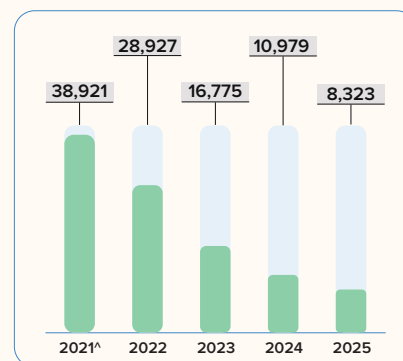
REVENUE (RM'000)



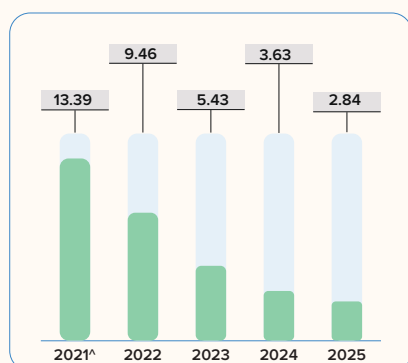
PROFIT BEFORE TAX (RM'000)



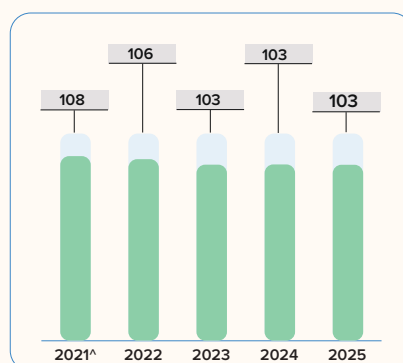
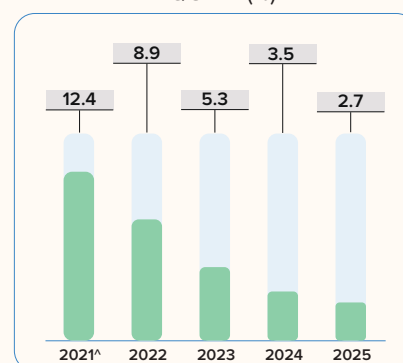
PROFIT AFTER TAX (RM'000)



EARNINGS PER SHARE (sen)



NET ASSETS PER SHARE (sen)

RETURN ON SHAREHOLDERS'
EQUITY (%)**Note:**

[^] FY2021 restated to include audited financial statements of Beshom Holdings Berhad for FY2021.

Financial Year (FY)	Cash Dividends (RM'000)	Payout ratio
FY2016	28,972	79%
FY2017	41,629	70%
FY2018	58,176	80%
FY2019	37,745	80%
FY2020	29,013	90%
FY2021	26,584	68%
FY2022	24,008	83%
FY2023	15,005	89%
FY2024	9,001	82%
FY2025	11,979	144%
10 years Cash Dividend (FY2016 - FY2025)	282,112	80%

BOARD OF DIRECTORS



From left to right (Front):

Tan Keng Kang

Group Managing Director
Non-Independent

Hew Von Kin

Group Executive Director cum Group Chief Financial Officer
Non-Independent

Ng Chek Yong

Chairman
Senior Independent Non-Executive Director

From left to right (Back):

Professor Hajjah Ruhanas Binti Harun

Independent Non-Executive Director

Dato' Lee Teck Hua

Independent Non-Executive Director

Foong Yein Fun

Independent Non-Executive Director

PROFILE OF THE BOARD OF DIRECTORS

NG CHEK YONG

Chairman
Senior Independent Non-Executive Director



68



Malaysian



Male

Mr. Ng Chek Yong completed his A Level at Cambridge Higher School Certificate, St. Patrick School, Kuching, Sarawak, Malaysia. Mr. Ng joined Chinese Media Industry in 1979 and has served the industry for more than 38 years until his retirement from Media profession in October 2017. He began his career as a reporter/ feature writer with See Hua Daily News in 1979. In 1988, he joined TO-DAY News Sabah as the Chief Reporter and then was recruited by Sin Chew Media Corporation Berhad (SCMC) as a reporter on 1 August 1988. He was appointed as a Director of SCMC from 2006 until his retirement. During 2012 up to October 2017, he served as Managing Director of SCMC, prior to his promotion, he was the CEO of Mulu Press Sdn. Bhd., a wholly owned subsidiary of SCMC from 2004 to 2012 and the Regional Editor of East Malaysia for Sin Chew Daily from 1997 to 2012.

Mr. Ng was the Executive Director of Media Chinese International Limited ("MCIL") from 1 March 2012 to 3 October 2017. MCIL was formed by

the merger of Ming Pao Enterprise (Hong Kong), SCMC and Nanyang Press Holdings ("NPH") dually listed on the Main Board of The Stock Exchange of Hong Kong and the Bursa Malaysia. He was the Chairman of the Group Executive Committee and a member of the Remuneration Committee during his executive directorship in MCIL. He was in-charge of the overall group operations of both SCMC and NPH in Malaysia and their overseas operations, including the media businesses in New York, Jakarta, Phnom Penh and Brunei Darussalam. Being in the Media Industry since the day he started his career, Mr. Ng is well versed in different means of mass communication and economic, cultural connectivity with the Chinese community. He has high level of awareness, familiarity and sensitivity to different views and life of the community, including the changes of habitual behaviour, ecosystem and trend. Mr. Ng is a literary veteran and also an active online analyst of politics, current affairs and market trend.

Mr Ng was appointed to the Board of BESHOM on 12 November 2021 as the Senior Independent Non-Executive Director following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Bhd. ("HAI-O") to BESHOM pursuant to the Group's internal reorganisation exercise. Mr. Ng was then appointed as the Chairman of BESHOM on 1 May 2022. He is also the Chairman of the ESOS Committee and a member of Sustainability Steering Committee. Mr. Ng is an Independent Non-Executive Director since he was appointed to HAI-O on 2 May 2019.

He has no family relationship with any other director or major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(continued)

TAN KENG KANG

Group Managing Director
Non-Independent



49



Malaysian



Male

Mr. Tan Keng Kang has attended the course in International Economics at Beijing University, China in 1997. He joined Hai-O Enterprise Berhad ("HAI-O") as an Operations Executive on 1 August 1998, mainly to support the operational activities of Hai-O's marketing arm.

On 1 May 2000, he was then promoted as a Sales Manager and Director of Chop Aik Seng Sdn. Bhd., a subsidiary of HAI-O dealing in tea and other beverages.

Mr. Tan was appointed to the Board of BESHOM on 12 November 2021 as Group Managing Director following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from HAI-O to BESHOM

pursuant to the Group's internal reorganisation exercise. Mr. Tan is the Group Executive Director since he was appointed to HAI-O on 1 April 2012 and was appointed as Group Managing Director on 1 February 2016.

He is the Chairman of the Sustainability Steering Committee and a member of the ESOS Committee. He sits on the Board of Trustee of Yayasan Usman Awang, Tan Kah Kee Foundation, Hai-O Foundation and also a Director of Hai-O Enterprise Bhd. and Hai-O Raya Bhd. Currently, he also holds directorship in several private limited companies.

Mr. Tan is involved in the strategic planning at the Group level and manages the Group's operational

activities and oversees the business development of BESHOM Group.

Mr. Tan actively involved in various trade and non-trade associations. He is an Advisor to Puer Tea Trade Association, Malaysia-China Friendship Association (PPMC: Secretary - General), Tan Kah Kee Foundation (Vice President), China-Asean (Malaysia) Entrepreneurs' Association (Vice President), China Trade Promotion Association (Vice President) and also Vice President of Association of Belt and Road Malaysia.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

HEW VON KIN

Group Executive Director cum Group Chief Financial Officer
Non-Independent



63



Malaysian



Male

Mr. Hew Von Kin is the Group Chief Financial Officer of BESHOM Group and has been working with the Group for more than 30 years.

He is one of the key senior staff who is involved in the strategic planning and financial management of the Group. He has helped to grow and build the business over the years.

Mr. Hew is proficient in Finance & Accounting, Financial Investments, Investors Relations and Strategic Planning & Management. He has responsibly and effectively led his team to take on various corporate exercises, investment and acquisition projects for the Group.

He is also one of the key persons who develop and implement sustainability

strategies, oversee the risk management, succession planning, human capital development and promoting corporate responsibility related works for the Group.

Mr. Hew was appointed to the Board of BESHOM as Group Executive Director on 12 November 2021 following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Berhad to BESHOM pursuant to the Group's internal reorganisation exercise. He is the Chairman of the Risk Management Committee, a member of the Sustainability Steering Committee and ESOS Committee.

He is also the Group Executive Director of Hai-O Enterprise Bhd. since his

appointment on 1 February 2016 and sits on the Board of Trustees of Hai-O Foundation since 11 September 2014.

Mr. Hew is a member of the Chartered Institute of Management Accountants (CIMA).

He has no family relationship with any other director and major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(continued)

PROFESSOR HAJJAH RUHANAS BINTI HARUN

Independent Non-Executive Director



Professor Ruhanas Harun graduated with M.A from University of Sorbonne, Paris, post –graduate Diploma in Political Studies from Institut d'Etudes Politiques, Paris, a BA in International Relations and post graduate Diploma in Translation from the University of Malaya, Kuala Lumpur.

She is Professor at the Department of International Relations, Security and Law, Faculty of Defence Studies and Management, National Defence University of Malaysia (UPNM). She has taught extensively and held administrative posts at various universities in Malaysia and abroad. Amongst others, she has served as the Department Head of International and Strategic Studies, University of Malaya, the Department of International and Security Studies, Universiti Kebangsaan Malaysia (UKM), the Department of Strategic Studies, National Defence University of Malaysia, and was the Director of Centre for International and Strategic Studies, National Defence University of Malaysia. She is also a faculty member of the National Resilience College, Malaysian Armed Forces Defence College, and the Malaysian Armed Forces Staff College at PUSPAHANAS, Ministry

of Defence Malaysia. Ruhanas Harun lectures, researches and publishes in her areas of expertise which include foreign policy, national security, peace-building and regional integration.

Ruhanas Harun is currently Fellow at the Malaysian Institute of Defence and Security (MIDAS), Ministry of Defence Malaysia, and Honorary Professor and Associate Fellow at the National Institute of Ethnic Studies (KITA), Universiti Kebangsaan Malaysia, Bangi.

Apart from making her mark as an expert on Malaysia's foreign policy and national security, Ruhanas Harun has also distinguished herself as Malaysia's leading expert on Indo-China and Russia. Besides teaching and researching, she has translated books and articles from French into Malay. A qualified translator and a linguist, she speaks several languages including French, German and Vietnamese. She is also actively involved in community services and NGO, and is Vice President of an NGO, the Pertubuhan Perihatin Pelarian (Refugee Care Association). She has conducted significant research and published on migrants, foreign workers and refugee issues

in Malaysia. Her current interest also extends to international relationship and networking in governance and climate change issues.

Ruhanas Harun was appointed to the Board of BESHOM on 12 November 2021 as an Independent Non-Executive Director following the establishment of new investment holding company of Hai-O Group of Companies in tandem with the transfer of listing status from Hai-O Enterprise Bhd. ("HAI-O") to BESHOM pursuant to the Group's internal organisation exercise. Ruhanas Harun is an Independent Non-Executive Director since she was appointed to HAI-O on 2 July 2018. She is the Chairperson of the Nominating Committee, a member of Audit Committee and Remuneration Committee.

She has no family relationship with any other director of major shareholder of BESHOM.

She has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS

(continued)

FOONG YEIN FUN

Independent Non-Executive Director



Ms. Foong Yein Fun was appointed to the Board of BESHOM on 1 March 2024 as an Independent Non-Executive Director. She is the Chairperson of the Remuneration Committee, and a member of Audit Committee, Nominating Committee and Risk Management Committee.

She began her career as an auditor at PricewaterhouseCoopers ("PWC") from 1985 to 1992, during which she also completed her accountancy articleship. She served as an Accounting Supervisor at Arthur Andersen for about a year before she joined AmlInvestment Bank's Corporate Finance Department in 1993. She remained with AmlInvestment Bank until November 2023 and her last held

position was Team Head / Senior Vice President of Corporate Finance. Presently, she works as a corporate advisor at a boutique finance management and advisory firm.

She has extensive experience in finance management and investment banking across diversified industries such as retail and distribution, manufacturing, plantations and logistics. Throughout her career as an investment banking adviser, she has been involved in a wide range of corporate finance advisory services and execution of corporate exercises. These include initial public offerings, mergers and acquisitions, major disposals, equity fundraising, corporate restructuring, general offers, and minority advice.

She is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). Additionally, she is a member of the Institute of Corporate Directors Malaysia (ICDM) since June 2023.

She has no family relationship with any other director or major shareholder of BESHOM.

She has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.

DATO' LEE TECK HUA

Independent Non-Executive Director



Dato' Lee Teck Hua graduated with Bachelors of Arts in Accounting and Finance from University of Strathclyde, Glasgow, United Kingdom in 1994 and completed his Association of Chartered Certified Accountants (ACCA) examination in 1996 from London. He is a Fellow member of the ACCA and members of both Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He is also a certified member of Financial Planning Association of Malaysia.

Dato' Lee was attached with PricewaterhouseCoopers ("PWC") from 1997 to 2000 in both taxation and audit assurance divisions. He has been in public practice since then and he is currently the Senior Partner with LTTH PLT, a Chartered Accountants firm. He is also an Audit Oversight Board registered auditor under the purview of Securities Commission.

Dato' Lee has many years of experience in audit and finance, including statutory and special audit for acquisition and restructuring exercise for various industries. He is currently a Director of China Construction Bank (Malaysia) Berhad, and Globaltec Formation Berhad, both listed on Main Market of Bursa Securities. He is also a Director of Peoplelogy Berhad, a Company listed on ACE Market of Bursa Securities.

Dato's Lee was appointed to the Board of BESHOM on 19 July 2024 as an Independent Non-Executive Director. He is the Chairperson of the Audit Committee and a member of the Nominating Committee, Remuneration Committee and Risk Management Committee.

Dato' Lee actively involved in various non-Governmental organisations. He is the Vice Chairman of The Malaysia

Xiang Lian Charity Foundation and a Central Committee Member of The Federation of Chinese Association of Malaysia (Huazong). He is Deputy Secretary General of the Associated Eng Choon Societies of Malaysia, Vice President of Selangor Eng Choon Association, Executive Committee Member of China Jilin Province Overseas Friendship Association, and Committee Member of China Fujian Province Federation of Overseas Chinese.

He has no family relationship with any other director or major shareholder of BESHOM.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

Notes:

1. The details of the Directors' shareholdings in the Company and its subsidiaries are disclosed on page 158 of this Annual Report.
2. The details of the conflict of interest with the Company and its subsidiaries are disclosed on page 85 of this Annual Report.

PROFILE OF THE KEY SENIOR MANAGEMENT



From left to right:

Philip Teo Kheng Leong
General Manager

Hew Von Kin
Group Executive Director cum
Group Chief Financial Officer
Non-Independent

Tan Keng Kang
Group Managing Director
Non-Independent

Tham Yoke Lon
General Manager

PROFILE OF THE KEY SENIOR MANAGEMENT

(continued)

THAM YOKE LON

General Manager



*Sahajidah Hai-O Marketing Sdn. Bhd.
(Multi-Level Marketing segment)*

Mr. Tham graduated with a Bachelor of Arts (Mass Communication) from Universiti Kebangsaan Malaysia in 1995.

He joined Sahajidah Hai-O Marketing Sdn. Bhd., the Multi-Level Marketing segment of BESHOM as the Senior Marketing Manager on 1 February 2012. He was then appointed as the Assistant General Manager on 1 June 2014 and thereafter promoted as the General Manager on 1 January 2016.

Prior to joining BESHOM Group, he was attached with several private limited companies involved in the retailing and direct selling business. He is a member of the Direct Selling Association of Malaysia (DSAM).

He has no family relationship with any other director or major shareholder of the Company.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

PHILIP TEO KHENG LEONG

General Manager



*Hai-O Raya Bhd.
(Retail segment)*

Mr. Philip Teo graduated with a Diploma in Hospitality Management from Stamford College in 1998 and Professional Certificate in Engineering (Computer / Telecommunication) from Informatics College, Malaysia in 2001.

He joined Hai-O Raya Bhd., the Retail segment of BESHOM as the Retail Operation Executive on 16 May 2005 and thereafter was promoted as the Retail Operations Manager and General Manager of Retail segment on 1 July 2011 and 1 July 2017 respectively.

Prior to joining BESHOM Group, he has gained working experience in administrative and operations of retail businesses and fast-food chain companies for more than 2 years.

He has no family relationship with any other director or major shareholder of the Company.

He has not been convicted of any offence within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

BRAND STORY

We believe in the importance of a good start, which underscores our motto of

"The Best Starts From Home"



For Our People 以人为本

Making wellness and healthcare products more accessible has and will always be our goal.

我们为每个人提供便捷可信的健康保健产品, 这个承诺永不改变。

For Our Livelihood 安居乐业

A platform to enhance the quality of life by giving support and opportunities.

我们精心设计一应俱全的平台, 为您提供支援, 替您创造机会, 让每一个人享受安居乐业的成果。



For Our Future 高瞻远瞩

Improve the well-being of humankind through innovative healthcare and technology.

通过崭新的医疗保健科技, 改善人类健康, 勇于创新, 未来可期。

For Our Legacy 继往开来

Building a world based on trust, values, integrity and sustainability for the future generations.

建立一个融合信任、价值、诚信和永续发展概念的企业, 继往开来, 承先启后、延续美好。



CHAIRMAN'S STATEMENT



NG CHEK YONG
Chairman

“As we celebrate BESHOM Group's 50th anniversary in 2025, our commitment endures: “delivering sustainable growth and long-term value for generations” ”

Dear Shareholders,

For 50 years, the success of our Group is accredited to a trusted household name, known for delivering high quality and value for money products to homes across the country. Beshom Holdings Berhad (“BESHOM” or “Company”) and its subsidiaries (“BESHOM Group” or “Group”) is the bearer of the well-known brand “Hai-O”, and is recognised for bringing long-term value to our stakeholders. As we celebrate BESHOM Group's 50th anniversary in 2025, our commitment endures: “delivering sustainable growth and long-term value for generations”.

It is my pleasure to present our Annual Report for the financial year ended 30 April 2025 (“FY2025”) on behalf of my fellow team of Directors and to provide you with an overview of the Group's performance for the past financial year. In recent years, we have witnessed a series of economic disruptions, from rising interest rates and geopolitical uncertainties to the most recent tariffs shocks, all of which resulted in challenging trading conditions. Throughout 2024/2025, market conditions remained mixed. While central banks began shifting toward interest rate cuts

in response to the overall global economic slowdown, global growth remained uneven, and geopolitical uncertainty continued to be a reality we navigated daily. Despite these challenges, our Group's objective held firm - delivering sustainable value to our shareholders and the Group continued to record a profit for FY2025.

Domestically, several policy reforms were rolled out by the Government in 2024/2025. These included higher water tariff rates, adjustments to the Sales and Services Tax and the implementation of targeted subsidies for diesel. It has been a challenging year for BESHOM Group and for many businesses in Malaysia especially in the retail sector, as recessionary-like economic conditions creating a tough operating environment amid rising inflationary pressures. Lower consumer and business confidence impacted consumer spending and intensified competitive pricing pressure. Despite resilient top-line performance, the Group's profit for FY2025 saw a modest decline, as adjustments to the increased cost base required more time to take full effect.

OVERVIEW OF FY2025 FINANCIAL PERFORMANCE

The financial performance of FY2025 was flat as compared to the financial year ended 30 April 2024 (“FY2024”). The Group's revenue increased marginally by RM4.0 million at RM155.1 million (FY2024: RM151.1 million) but recorded a profit before tax of RM12.2 million (FY2024: RM14.5 million), representing a drop of 15.7%. In addition to higher operating cost, the Group's profitability was also affected by the higher cost of sales, which impacted the gross profit of the Group. Gross profit margin decreased by 1% from 41.5% in FY2024 to 40.5% in FY2025. The higher effective tax rate for FY2025 further impacted the profit recorded for the year from RM10.9 million in FY2024 to RM8.3 million in FY2025. The lower effective tax rate in FY2024 was primarily due to over provision in the prior year.

Generally, the Group's major business segments in multi-level marketing (“MLM”), Wholesale and Retail contributed to the marginal increase in the Group's revenue for FY2025. However, in terms of profitability, Wholesale and Retail segments were affected by changes in product mix and high operating costs respectively. MLM segment was able to withstand profit pressures through proactive cost management initiatives.

Please refer to the section “Management Discussion and Analysis by our Group Managing Director” (“MD&A”) for the summary of operations, activities, detailed financial performance of the Group's major business segments. To gain a broader contextual appreciation of our business, the MD&A should be read together with the Sustainability Statement 2025 and Corporate Governance Statement as enclosed in this Annual Report.

CHAIRMAN'S
STATEMENT

(continued)



Celebrating 50 years together – “A Journey to Greater Heights”

In terms of balance sheet strength, the equity attributable to equity holders of the parent as at 30 April 2025 was at RM309.5 million (FY2024: RM310.1 million), which is equivalent to a net assets (“NA”) per share of RM1.03 (FY2024: RM1.03). The NA of the Group was supported by total assets at RM355.2 million (FY2024: RM349.7 million), with total liabilities at RM34.3 million for FY2025 (FY2024: RM27.7 million). The shareholders’ equity of the Group has remained largely unchanged since financial year ended 2023 as BESHOM distributed most of the profits earned for the last 3 years in the form of cash dividend during the respective financial years after taking into account the Group’s working capital requirements.

In FY2025, the Group has leveraged on bank borrowings to finance a purchase of a shop lot for the Retail segment. Liquidity remained ample for FY2025 with cash and cash equivalents, and other investments of financial assets in unit trusts amounted to RM92.6 million as at 30 April 2025 (FY2024: RM103.7 million). Although there is a slight decrease in cash held as at 30 April 2025, the Board of Directors (“Board”) is of the view that the cash position of the Group remains adequate to capture new opportunities while sustaining the operations of the Group’s business.

CONSISTENT DIVIDEND PAYMENT

We remain committed to maintaining financial strength and flexibility but at the same time seek to return excess reserves to shareholders. The Company’s dividend policy of distributing dividends with a payout ratio of not less than 50% of the Group’s profit after taxation serves as a guiding reminder for the Group to achieve profitability for sustainable returns to shareholders. While navigating through this time of uncertainty, the Board continued to support dividend declaration and payment after careful assessment of capital sufficiency and cashflow required for operations.

For FY2025, a single tier interim dividend of 1.5 sen per share amounting to RM4,497,196 was declared. The first single tier

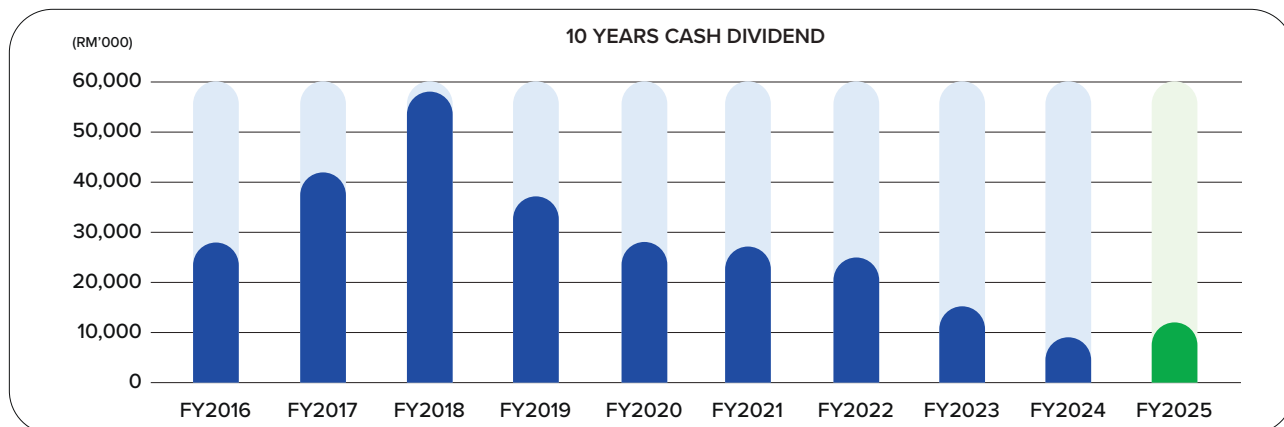
interim dividend was paid on 17 March 2025. Together with the proposed final single tier dividend of 1.5 sen per share and a special single tier dividend of 1.0 sen per share to be approved by our shareholders at the forthcoming Annual General Meeting (“AGM”), a total dividend of 4 sen was declared for FY2025, which is higher than the dividend declared for FY2024 of 3 sen. The special single tier dividend of 1.0 sen per share was proposed by the Board in celebration of BESHOM 50th Anniversary in 2025 to thank our shareholders for your loyalty and continuous support to the Group. The total dividends of 4 sen for FY2025 represents a dividend payout ratio of more than 140%.

FUTURE FOCUS

By embracing a culture of learning and adaptation, we strive to implement meaningful and impactful changes. In alignment with our strategic and capital allocation priorities, we continued to simplify the way we work to strengthen the discipline of cost optimisation. We aim to drive greater efficiency across our business to reset our cost base to a more sustainable level, while continuing to invest in our future growth engines, such as product expansion and widen product distribution networks effectively.

Statistically, the Malaysian economy registered commendable growth in 2024, along with moderate inflation. Despite challenges from the global macroeconomic environment, Malaysia’s economy performed well in 2024. The economy recorded a stronger growth, expanding by 5.1% (2023: 3.6%) on the back of robust domestic demand with strong investments, as well as a rebound in exports. Domestic inflation moderated in 2024 against a backdrop of easing global cost conditions and the absence of excessive demand pressures. Both headline and core inflation averaged 1.8% for the year (2023: 2.5% and 3% respectively). (Source: Bank Negara Malaysia (“BNM”) Annual Report 2024) Nonetheless, despite the improved economic backdrop, the industry in which we operate continued to face persistent challenges from factors including softening demand trends and cost pressures.

CHAIRMAN'S STATEMENT (continued)



10 years Total Cash Dividend

>RM280 million



10 years Average Cash Dividend
payout ratio

80%

Malaysia's economy remains on a strong footing and is projected to grow between 4%–4.8% in 2025. Domestic demand has been resilient and will continue to support growth going forward. Favourable labour market conditions, particularly in domestic-oriented sectors, and policy measures will continue to underpin private consumption. Headline inflation is projected to remain moderate, averaging between 1.5% and 2.3% in 2025. Inflationary pressure from global commodity prices is expected to remain limited, contributing to moderate domestic cost conditions. (Source: Press Statement by BNM dated 24 July 2025 titled "Malaysia's economy remains on a strong footing and is projected to grow between 4% – 4.8% in 2025")

As we look ahead, we know that challenging economic conditions will persist in the near term. Staying ahead means being decisive — strengthening our product offerings, expanding distribution platforms, deepening partnerships, and doubling down on areas where we have a clear edge,

while maintaining a rigorous approach to risk management amid heightened uncertainty. We are cognisant of the headwinds currently facing the business including impact of the expansion of SST, which led to some upward price pressures for certain categories of consumer goods and services and the continued softness in consumer spending. We will remain disciplined in our approach and will make changes as appropriate, to navigate these headwinds.

Broadly, to boost sales in the Wholesale and Retail Segments, the Group is reviewing and assessing the effectiveness of the current sales incentive scheme to motivate sales personnel and outlet supervisors. On-going efforts will be focused on product development for all the 3 business segments with the aim to expand product offerings and formulating a more effective product mix that complements sales across all channels through closer collaboration, interaction and sharing of customer insights.



A momentous occasion with our distributors, celebrating the promotion of Sales Managers (SM) and Senior Sales Managers (SSM).

CHAIRMAN'S
STATEMENT

(continued)



The fresh new look at our Retail outlet in Bandar Mahkota Cheras.

Advertising and marketing which is an essential part of our business will be undertaken in a more structured manner with greater communication between business segments to achieve the desired outcomes while maintaining cost efficiency. As the bottom line of the Group is highly correlated to cost, cost management will remain a key focus for the next financial year. Our management team will closely monitor this area to ensure that we remain both proactive and responsive in maximising the deployment of our resources.

The Board and management are working at pace to implement various strategic business plans aims to enhance performance supported by strong collaboration and commitments at all levels. We are pleased to be building on strong foundations which we believe this will further strengthen resilience across all our business segments. Our journey has brought us a long way from where we began, and I am confident that with the right values and above all, the right team of people, we are well positioned for the future.

LEADERSHIP CHANGES

The Board and its committees, together with the senior management team, play a key role in delivering long-term returns to our shareholders. The effective execution of our strategy depends on high quality deliberations around the boardroom table, with active participation and meaningful contributions from all Directors.

On behalf of the Board, I would like to express our gratitude to Mr. Soon Eng Sing, who stepped down as an Independent Non-Executive Director with effect from 1 December 2024 after serving the Group for a term of 9 years, in line with the Board Charter. Along with Mr. Soon's resignation, he relinquished his roles as the Chairman of the Audit Committee and Remuneration Committee and as a member

of Nominating Committee. The Board now comprises 6 Directors, the majority (66.7%) of whom are Independent Non-Executive Directors who play crucial role in corporate governance in providing objective oversight and ensuring transparency and accountability.

SUSTAINABILITY AGENDA

Sustainability remains at top of our business agenda and we are collaborating closely with our stakeholders and setting sustainability targets across our business segments. I invite our shareholders to refer to the Sustainability Statement 2025 as part of this Annual Report for the Group's integrated sustainability and climate-related disclosures.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of Directors, we would like to recognise the hard work and commitment of our colleagues, who remain committed to supporting our business segments. I would also like to thank our customers, suppliers, and all our partners for their ongoing support throughout the year. Finally, a special word of thanks to our shareholders, as I know many of you have shown great loyalty to the Group for an extended period — not just during the past 12 months.

Thank you.

NG CHEK YONG
Chairman

19 August 2025

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR

"In 2025, our Group celebrates its 50th anniversary, marking five decades of market presence in Malaysia. This milestone reaffirms our commitment to delivering high-quality, value-for-money products to our customers and creating sustainable value for our shareholders whose support will remain vital in the years ahead."

Tan Keng Kang
Group Managing Director



This MD&A shares the operating and financial performance of the business of Beshom Holdings Berhad (“**BESHOM**” or “**Company**”) and its group of subsidiaries (“**BESHOM Group**” or “**Group**”) for the financial year ended 30 April 2025 (“FY2025”). The MD&A discusses the Group’s performance followed by detailed discussion of each segment’s performance and activities.

The information provided is in a summary form and does not purport to be complete as of the date of this Annual Report. Where appropriate, information is also provided in relation to activities that have occurred after FY2025. The MD&A is not intended to constitute and should not be relied upon as advice to shareholders or potential investors and does not consider the investment objectives, financial situation or needs of any investors. These should be considered with or without professional advice, when deciding if an investment is appropriate.

The MD&A may contain forward-looking statements or opinions including statements regarding our intent, beliefs or current expectations on the market conditions, and results of operations and financial conditions with respect to BESHOM Group’s business. Such statements are usually predictive in nature, may be based on assumptions made or

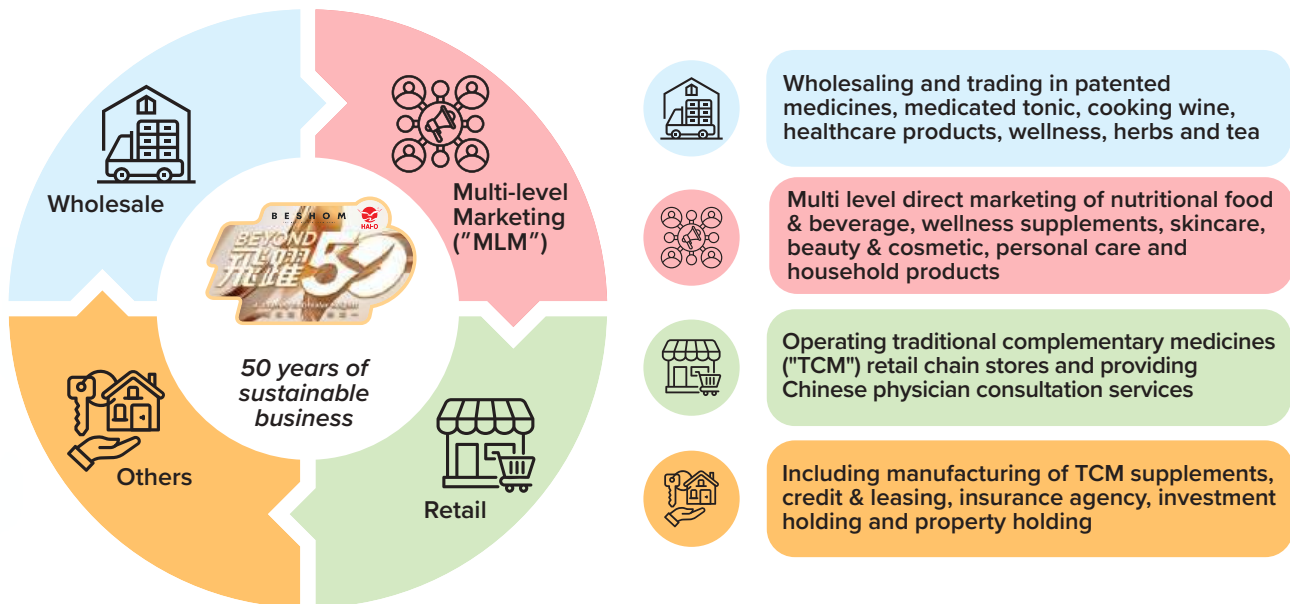
subject to unknown risks and uncertainties, which may cause actual results to differ materially from the results ultimately achieved. Readers are therefore cautioned and advised not to place undue reliance on any forward-looking statements.

For the FY2025, BESHOM Group’s business operations remained largely unchanged where our businesses segregated into 3 major business segments in Multi-Level Marketing (“**MLM**”), Wholesale and Retail. There are varying levels of integration between these segments, including sales and shared distributions services. Other businesses operated by the Group include manufacturing, credit & leasing, investment and property holding. Our “Hai-O” brand has built a deep connection with consumers as a trusted traditional health food supplier for 50 years. In 2025, our Group celebrates its 50th anniversary, marking five decades of market presence in Malaysia. This milestone reaffirms our commitment to delivering high-quality, value-for-money products to our customers and creating sustainable value to our shareholders whose support will remain vital in the years ahead.

FY2025 continued to be affected by elevated uncertainty amid heightened geopolitical tensions. The prolonged armed conflicts between Russia and Ukraine, as well as the

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A")

BY GROUP MANAGING DIRECTOR (continued)



Israel-Hamas war, which triggered the ongoing Red Sea crisis, further exacerbated the situation. These global developments, coupled with domestic policy adjustments such as higher utility tariff rates, Sales and Services Tax ("SST") amendments, and the implementation of targeted subsidies, have contributed to inflationary pressures, economic uncertainty, and subdued consumer sentiment. In this volatile macroeconomic and geopolitical environment, BESHOM remained especially vigilant in managing risks. Throughout the year, we managed price pressures and stay operationally agile to sustain sales and profitability. By leveraging our strong business fundamentals and exercising cost discipline and risk management, we navigated through these challenging times and concluded the financial year profitably.

FINANCIAL REVIEW OF FY2025

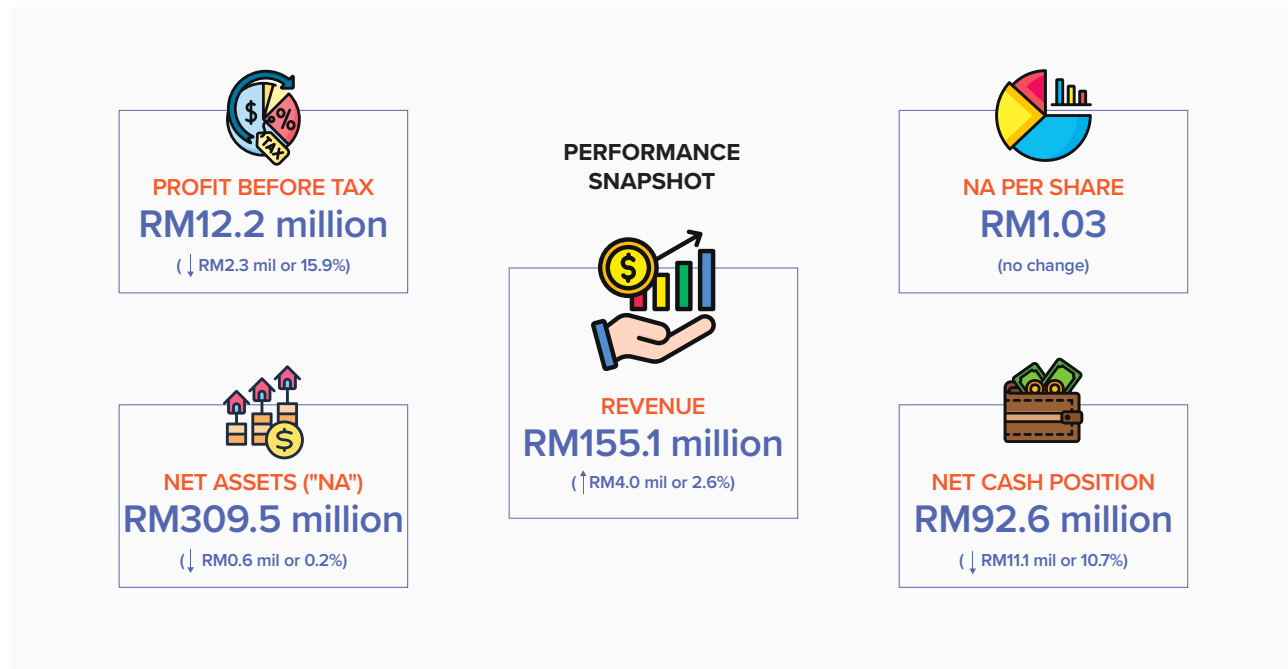
The geopolitical and macroeconomic headwinds continued to affect the businesses of the Group. Sector-specific challenges such as inflation and subdued consumer spending weighed on the Group's top-line performance and overall profits. Despite an uncertain macroeconomic backdrop, BESHOM delivered resilient financial performance for FY2025. All business segments recorded an

improvement in revenue bringing the total revenue of the Group to RM155.1 million (FY2024: RM151.1 million), an increase by approximately 2.6% as compared to the previous financial year. Our business segments in MLM, Wholesale and Retail each charted a modest increase in revenue of between 2% to 3.0%. Despite an improvement in revenue, our businesses were impacted by rising costs. The gross profit margin for FY2025 moderated from 41.5% in FY2024 to 40.5% in FY2025.

The impact of cost pressures extended beyond direct input costs, affecting other indirect operating expenses, particularly within the Retail segment. Although we proactively implemented various cost management initiatives and practiced cost discipline across all business levels, our businesses were affected by higher import cost and the increase in personnel and rental costs. We recorded profit before taxation ("PBT") of RM12.2 million for FY2025 which represents a reduction of 15.9% against previous year PBT of RM14.5 million. Profit of the year attributable to the owners' of the Company is RM8.5 million for FY2025 which reduced by 21.9% as compared to last financial year.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)



STRONG BALANCE SHEET

Despite a modest results achieved for FY2025, we maintained a prudence approach to capital management. We have strong liquidity where our total current assets is RM189.7 million against a total current liabilities of RM26.6 million as at 30 April 2025. The consolidated net assets (NA) of the Company or the equity attributable to owners of the Company as at 30 April 2025 was at RM309.5 million (FY2024: RM310.1 million), supported by total assets of RM355.2 million (FY2024: RM349.7 million) and total liabilities of RM34.3 million (FY2024: RM27.7 million). The major component of the Group assets is in the form of cash and cash equivalents and other investments of financial assets in unit trusts amounted to RM92.6 million as at 30 April 2025 (FY2024: RM103.7 million), which is aligned to our business activities which are mostly transacted on a cash basis.

Borrowings remained low at RM4.9 million as compared to our assets and equity despite a term loan to finance a purchase of a shop lot for FY2025. The credit facilities available to the Group are to meet short-term working capital and trade purposes. We continue to enjoy significant financial flexibility as and when we need to tap on the debt market for any potential investment opportunity.

We have a 50-year track record as stewards of shareholders' capital. Over the past 5 decades, our Group grows progressively while striving our best to improve return on equity. This is clearly demonstrated by our high dividend payout ratio for the past years. Despite the industry wide challenges, for FY2025, BESHOM declared an interim dividend of 1.5 sen and proposed a final and special dividend of 1.5 sen and 1.0 sen respectively totalling 4 sen for the FY2025, representing more than 140% payout ratio. As long as our business and financial fundamentals permit, BESHOM Group remains committed to balance growth ambitions and provide sustainable returns to shareholders.

The Group's overall financial performance for FY2025 reflects our persistent efforts to deliver returns to our shareholders amid a tepid economic backdrop and cautious consumer spending. The rising cost of living continued to weigh on consumers, while global geopolitical uncertainties caused ripple effects on both business and financial performance.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

REVIEW OF OPERATIONS



MLM Segment

For FY2025, the MLM segment contributed about 35% and 36% of the total revenue and PBT respectively generated by the Group. Sahajidah Hai-O Marketing Sdn. Bhd. (“SHOM”) operates the businesses of multi-level direct marketing of nutritional food & beverages, wellness, skincare, beauty & cosmetic, personal care and household products. The products under the MLM segment are distributed to members via our wide online and offline distribution networks through 29 physical stores in the form of branches, stockists and sales points across Peninsular and East Malaysia, and 1 branch in Brunei. The MLM segment has also set-up a Members Portal dedicated to members serving as a platform for sales and a central hub for up-to-date information on the company, products, promotional activities, and compliance updates.

In FY2025, the MLM segment recorded a total revenue of RM53.5 million (FY2024: RM52.0 million) and PBT of RM4.4 million (FY2024: RM1.5 million). This sale performance was driven by various strategies implemented throughout the financial year. Along with the improvement in revenue, the MLM segment PBT improved by more than 190% as compared to FY2024, which was primarily contributed by the improved gross margin and ongoing cost management initiatives.

Recognising that subdued consumer spending is likely to persist in FY2025, the MLM segment has implemented various strategic initiatives, including **talent capability management, effective marketing campaigns, expansion of network, product mix enhancement and cost optimisation.**



REVENUE

RM53.5 million

Segment contribution : 35%



PROFIT BEFORE TAX

RM4.4 million

Segment contribution : 36%

Talent Capability Management

The financial and operational performance of the MLM segment for FY2025 is the result of the hard work from our management team and our respectable team of approximately 39,000 distributors as at end of FY2025, based across Malaysia. We remain humbled by the team's dedication to keep pace with the exceptional tough market. In FY2025 our investment in distributors focused on trainings initiatives aimed at retaining, developing, and enriching our distributors' network, following dynamic assessments carried out during the year. Acknowledging that our membership force is the backbone of the business, we remain committed to enhancing our distributors' capabilities as the MLM segment continues to grow in scale and maturity.



Dynamic assessments – The MLM segment started the year with a series of comprehensive assessments to evaluate the skills and quality of leaders and to address areas for improvement aimed at strengthening team relationships and effectiveness. The dynamic assessments were conducted in the form of workshops, offline and online trainings, capitalising on SHOM's internal resources and the expertise of CDMs who possess a deep understanding of our business culture, while also managing training costs. These workshops incorporated coaching, mentorship, and training activities aimed at fostering leadership development. The dynamic assessments were instrumental in evaluating leadership effectiveness and sales performance across our networks.

These assessments enabled us to identify teams that met or exceeded their targets, as well as those that faced challenges. The findings highlighted specific areas for improvement, including refining leadership styles and addressing motivational needs. This allowed us to tailor our support more effectively to help distributors overcome obstacles and drive stronger sales performance moving forward.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)



Distributors actively engaged at the CDM Conference 2025 with inspiring motivational training.

In addition to harnessing internal capabilities, we also collaborated with external professionals, including certified trainers and subject matter experts, to conduct specialised workshops and symposiums throughout the year. These sessions enriched our training ecosystem by offering fresh insights, expert guidance, and holistic development opportunities. This combination of internal leadership and external expertise helped ensure our distributor network remained agile, well-equipped, and future-ready in a rapidly evolving market.

Structured rewards and incentives system – Alongside the dynamic assessments, we continued to enhance the MLM segment's reward and incentive systems to maintain market competitiveness, aiming to retain and motivate distributors to pursue sales proactively. We introduced Founder's Legacy Diamond Award 2025 for Diamond level rank and Million Dollar Achiever Board Award 2025 for highest ranking distributors to foster performance

and group success. The Founder's Legacy Diamond Award 2025 focused on empowering our second-line leaders i.e. the Diamond Sales Managers (DSM) and Double Diamond Managers (DDM) to stimulate market growth and accelerate their development. This campaign served as a strategic pathway to groom and elevate the distributors towards achieving our highest leadership ranking, the Crown Diamond Manager (CDM), ensuring leadership continuity and long-term business sustainability.



The Incentive Trip Achievers to Bali, Indonesia, following their success in meeting the sales target.

The MLM segment continued to adopt travel incentive programs to drive sales, and bonus travel points were accorded for packages for the individual groups and leaders respectively. For travel incentives targets and packages specifically designed for special purposes, the teams successfully achieved their goals and earned incentive trips to Hanoi, Bali and Tokyo during FY2025.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

Talent retention – For FY2025, we achieved a total membership base of 39,000, which comprised 11,600 new members. This achievement was partly supported by the attractive membership fee of only RM10, making it more accessible for new and returning members. To further enhance value to our members, members were also given exclusive privileges to purchase selected food and beverage (F&B), wellness, beauty, skincare, and personal care products at attractive prices through our purchase-with-purchase (PWP) program — a move that encouraged product trial and experience. In addition, to create a positive first impression for new joiners, we streamlined the membership onboarding process, particularly by making the registration procedures more welcoming during events, roadshows, exhibitions and ground activation activities.

Members / Distributors development – As the years before, members / distributors development remained an on-going effort for our team, covering topics involving products knowledge, up-to-date ethics and compliance practices, and skill set training. For effectiveness of the development

program, we appointed dedicated managers to review and enhance training structures, segregating the training programs into 2 main categories: basic and leadership. As part of our continuous effort to strengthen product knowledge and sales competency, we conducted a series of 360 Thera Body Shaping Consultant (BSC) Workshops across Central, Northern, East Coast and East Malaysia. Hands-on tools such as mannequins and testing sets were used to enhance learning and allow real-time product experience. The workshops also served as a platform to promote the 360 Thera Starter Package, featuring the complete product series. In addition to these workshops, we also run weekly 360 Thera Insights Zoominars to continuously upskill our distributors. These sessions covered topics from the product knowledge to leadership development and business success stories, aimed at strengthening distributor’s knowledge, and to promote motivation and engagement.

While distributors development program usually focuses on enhancing the capabilities of the existing members, it also helped in recruiting high quality distributors. This was achieved through our Business Opportunities Programs at stockist and branches that would sharpen existing members acumen in business opportunities while attracting high-quality prospective members to join our MLM networks during product introduction workshops and promotional activities.



Distributors actively participating in the BSC Workshops across Central, Northern, East Coast, and East Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

Effective marketing campaigns

In FY2025, our marketing activities were executed through nationwide initiatives designed to enhance brand visibility, support distributor engagement, and increase consumer outreach. Participation in key events such as Jom Heboh, the International Islamic Trade & Tourism Expo, and Absolut Bazaar Raya provided platforms to showcase our products to a wider group of audiences. In addition, workshops and themed programs—including Beauty Day, BSC sessions, and the Infinence Skin Series were carried out to strengthen product understanding and customer interaction while building brand affinity and drive product experience. The MLM marketing campaigns planned for the year were complemented by tactical promotions including Women’s Day Flash Sales, the B-XTRA 5.0 Revamp Campaign, and the Awesome Raya Campaign.



Participated in exhibitions locally and abroad, including the Brunei Consumer Fair and MIHAS.

Expansion of network

One of the key growth opportunities for the MLM segment lies in expanding our global presence. Over time, supported by our localisation strategy, we endeavour to increase our business contribution from emerging markets. Expansion of international footprint was done through participation in exhibitions held locally and abroad, these includes participation in 2 Brunei Consumer Fairs and MIHAS (“Malaysia International Halal Showcase”) Exhibition. Through the market intelligence collected during these fairs, we successfully expanded our reach to Pakistan and Philippines. We will continue to develop more products with a local identity to cater for overseas markets.

During FY2025, we have successfully expanded our payment network to include the Buy Now Pay Later option through partnership with Atome. Currently, only a few big-ticket items such as the 360 Thera products, AiryVentz, Bio Velocity Sleep Mate and Bio-Evolve come with the Atome instalment payment option. This strategic expansion of payment option has gained traction among the members with more than 800 transactions recorded with sales value of approximately RM1.0 mil transacted via this payment option. We will consider to expand the payment options to more products in the future.

Enhancement of Product Mix

Enhancement of product mix and development was driven by 2 primary objectives — to increase product visibility and to reignite consumer interest in our existing products through innovative upgrades. A total of 11 new stock keeping units (SKU) were introduced during the year, including Thera Socks, 360 Pro-Shake Protein Drink, Nurich Garlic Enteric Coated Tablet and SHOM Peanut Bar Crunch.

In the skincare & cosmetic range of products, several new SKUs were launched under the brands Cozuma and Infinence, such as Cozuma LushVelvet Lipstick, True Matte Blush Stick, Shape Shifter Contour Stick, Cozuma Natural Skin Tint and the Infinence Radiance Ritual Collection — comprising Deep Hydration Elixir, Aqua Repair Masque, and Radiance Renew Essence. These introductions served both as replacements and extensions to our existing range of cosmetics and skincare series, aligning with our strategy to offer a more complete and functional routine. Notably, the enhancement of the Infinence skincare lineup now enables us to present a comprehensive basic skincare regime to consumers, capturing purchases for the entire basic skincare routine and further strengthening our competitive edge in the skincare category.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)



Cost Optimisation

The reopening of economies post-COVID-19 crisis saw a recovery in demand, resulting in significant inflationary pressures globally and locally. Although the MLM segment closed the financial year with marginal increase in revenue for FY2025, the scale of improvement in profitability in the MLM segment was more encouraging. While price adjustment for 5 products has helped to improve profitability, nonetheless, the better-than-expected profit level achieved by the MLM segment is primarily contributed by the continuing cost management initiatives undertaken during the year. Cost optimisation efforts were undertaken at all levels operationally, including reduction in personnel cost, improvement in inventory and logistics management, and product cost control through reduction in packaging cost and sourcing for suppliers which offer lower cost of supply. In terms of cost rationalisation from marketing and promotion activities, cost savings were achieved through sharing of costs with business partners for events and exhibitions.

The reduction in personnel cost is the most significant savings achieved by the MLM segment where employees are repurposed to take on different functions within the Group. Concurrently, the initiatives for inventory management and logistics management saw positive impacts through reducing stock holding and maintaining a healthy stock balance. Inventory management also benefited us to avoid unexpected rise in logistics expenses through better order planning. As we had experienced a substantial increase in transportation cost in the past during peak seasons, we worked on advance planning for promotional activities and systemised delivery schedule to reduce costly air freight especially for shipments to East Malaysia. We also made free delivery adjustments for eligibility in term of minimum orders and order dates, where we continue to support our distributors to share delivery charges with delivery fees capped at RM10 for qualifying purchases made after the 26th of each month, eliminating unconditional free delivery incentive during the year.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)



Wholesale Segment

It has been a challenging year for the Wholesale segment. The Wholesale segment contributed about 38% and 34% of the total Group’s revenue and PBT respectively for FY2025.

The Wholesale segment focuses on wholesaling and trading in Chinese medicated tonic and cooking wine, healthcare & nutrition products, general & value herbs, tea & others. For FY2025, the Wholesale segment recorded revenue of RM59.4 million (FY2024: RM58.3 million) and a PBT of RM4.1 million (FY2024: RM8.5 million). Despite the Wholesale segment managed to maintain the revenue level as recorded in the prior financial year, the segment PBT dropped by approximately 51.8%. The results of the Wholesale segment were primarily affected by changes in sales mix and higher costs incurred for import purchases and marketing & branding activities.

The Wholesale segment navigated the evolving market terrain and shifting consumer spending patterns during the financial year with strong commitment. Strategic plans were implemented to drive growth and address ongoing challenges, particularly the rising operating costs and margin squeeze from higher cost of import purchases and changes in product mix. During the year, several factors have contributed to the performance setback under the Wholesale segment, including the drop in sale contribution from the duty-free distribution channel and the lower sales recorded for higher margin products such as medicated tonic and vintage tea. Along with the Group’s 50th Anniversary celebration, the Wholesale segment incurred higher advertising and promotional expenses in FY2025 to support branding activities and customers appreciation events.



REVENUE

RM59.4 million

Segment contribution : 38%



PROFIT BEFORE TAX

RM4.1 million

Segment contribution : 34%

The strategies implemented by the Wholesale segment can be grouped into 3 main components, i.e. strategy to drive **revenue growth, cost optimisation and entrenched digital adoption**. Among the strategies implemented, focus was largely on driving revenue growth where various activities including reinforcing brand visibility through sales events, products focus and development, and network expansion that were undertaken throughout the year.



Revenue growth initiatives

Reinforcement of brand visibility

One of our main approaches to revenue growth is organising sales events throughout the year to reinforce brand visibility. Over 15 events were held during the year, varying in scale and format to meet different objectives. 2 major events took place at the event venue in Genting Highlands, namely the Pagoda Festive Night and the Hai-O Appreciation Night. These are customer engagement events to strengthen communication and brand awareness in preparation for future expansion of product portfolio. For the Hai-O Appreciation Night, we cooperated with business partners of medicated tonics to foster co-brand cooperation and to promote cross selling opportunities. We are confident that these events will extend customer recognition of our products and brands, creating positive associations and perceptions of the brands’ quality and overall experience.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)



Pagoda Festive Night—celebrating with our customers while building stronger relationships and brand awareness.

Smaller scale activities with deeper social ties were also organised, such as on-ground roadshows and exhibitions which were held in collaboration with events organised by business partners. These included the Miss Asia and Mr Asia Competition 2024, the 10th International Conference on Traditional Complementary Medicines at National Institute of Health, the 21st Anniversary Celebration of Klang Youzhi Club as well as an annual dinner held by Tan & Pantai Klang Association in Klang, Selangor.

Besides, ticket-based events were organised as platforms for product experiences. 3 such events were held during the year, allowing customers to enjoy their food paired with a variety of Japanese whiskies. The customers could also buy or place orders for the whiskies they enjoyed during the events.



The rebranding and launch of a new Osami Plum Wine flavor at Hai-O Appreciation Night in March 2025.

Product focus and development

Product focus and development was actively pursued as a key component of the revenue growth strategy. We started this action plan by identifying our top 40 products to track and monitor its product movements and stock levels. 10 market surveys were conducted to seek feedback on market trends, pricing and product range. Following these market surveys, we rebranded and re-packaged some products including the Lingzhi Chiew, Yang Sheng Chiew, Wincarnis, Hua Diao, Osami and 5 Inno Reno house brand products.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

In term of product development, our focus was on the development of fast-moving consumer goods (FMCG) which targeted on health food products such as the Kinds Welgrains-- Hericium Erinaceus, Iron Yam powder; Chinese Yam-Coix Seed-Euryale Ferox Seed powder; Five Black Soybean Milk powder, and Esenz Fruit Essence (Red Goji Berry and Black Goji Berry). Complementing our health food products, we also rolled out various health beverages including the Kinds Premix Cham and Ice Lemon Tea, Yu Yuan Tang Monk Fruit & Chrysanthemum, Misai Kucing Burdock Tea and Jiagulan Ginseng Tea.

Market expansion through resources integration

In addition to promotional activities, and product enhancement, the Wholesale segment had reassessed internal processes to promote revenue growth. This initiative was achieved through resource integration among subsidiaries within the Group such as product development with our manufacturing arm - SG Global Biotech Sdn. Bhd. and joint product promotion campaign with our retail operator, Hai-O Raya Bhd.. These initiatives yielded positive impact, especially on our hamper sales where we achieved better hamper forecast to minimise stock variance and product returns. As a result, together with Hai-O Raya Bhd., we achieved an encouraging sale increase for Chinese New Year (“CNY”) hamper sale of RM1.8 million, representing an increase by 50% as compared to the previous financial year. With proactive strategic plans in place, the main subsidiary under the Wholesale segment – Hai-O Enterprise Bhd. also successfully expanded its customer base to more than 50 new customers which included a significant sales contribution for a newly introduced wellness products of over RM9.0 million in FY2025.

Entrenched digital adoption

Recognising the secular shift toward digitalisation in business operations, resources were allocated to further entrench digital adoption within the Wholesale segment’s business and operational processes. This involves developing social media strategies, creating engaging content, managing online branding visibility, and deepening customers adoption. Promotional videos were uploaded on a regular basis on our official website and other social media platforms to create continuous engagement with customers. Various festive promotions, online exclusive free gift campaigns, and contest activities were featured across our multiple online channels. Key Opinion Leaders (KOLs) were engaged to synchronise with these activities to amplify their impact and drive business growth.



One of our ticketed events showcasing the experience of Japanese whiskies.

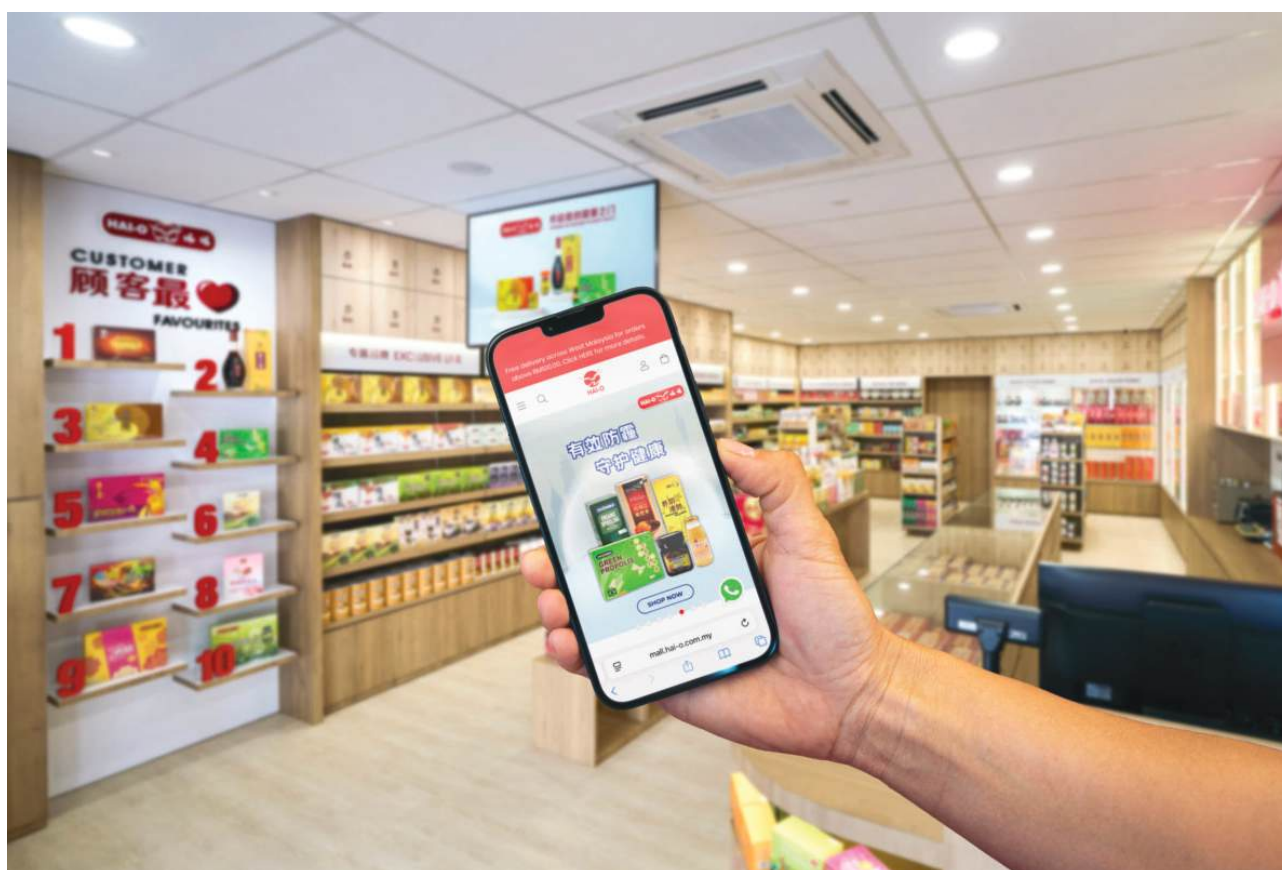
MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

We have started to adopt QR codes on our product packaging in stages, where QR codes have been incorporated for new product packaging and will be added to our existing products packaging progressively to bridge the gap between offline and online marketing efforts and to provide relevant product information to our customers. Our warehouse system using barcode system were being implemented in full swing during the year. This new system will enhance stock management including traceability and minimise stock variance, shorten processing time and improve logistics planning. To facilitate staff's familiarity of this new warehouse system, we developed a structured training plan after assessing their training needs. We provide ongoing support for our warehouse and logistic staff including gathering feedback for continuous improvement.

Cost optimisation

The action plans for cost optimisation were largely leveraging on digital adoption under the Wholesale segment. With our upgraded SAP ordering system, 99% of our sales are now performed through the SAP ordering portal, minimising paperwork and reducing human resources for paperwork processing. The online ordering portal streamlines order management, and improves efficiency in term of accuracy, hence saving time and resources. Through the SAP ordering system, we also minimise the use of paper ordering forms and hard copy invoices. We have moved towards utilising e-catalogue more regularly instead of printed catalogue to provide products information to our customers. Our ordering tablets are updated monthly to reflect new product launching and provide up-to-date pricing information, expected stock availability, and detailed product information. In addition, the Group reorganised its resources with the upgraded warehouse management system, which improves inventory control to optimise storage utilisation. As a result, excess storage space was freed up and subsequently rented out, generating additional rental income for the Group.



MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)



Retail Segment

The Retail segment contributed approximately 23% of the total Group's revenue but recorded a segmental loss for FY2025. The retail business of the Group is operated under Hai-O Raya Bhd. through its 56 retail chain stores and franchises in major states across Malaysia. Our brick-and-mortar stores are primarily located in Klang Valley (43%), followed by Southern Region (29%) and Northern Region (21%). We also have 1 retail store in East Coast and 3 physical stores in East Malaysia. During the financial year, we added 2 retail stores in Klang Valley and Southern Region. Customers can access our retail portfolio through a wide range of business networks including official website and 3rd party platforms.

The Retail segment recorded a segment revenue of RM35.5 million (FY2024: RM34.7 million), which represents an approximately 2.3% improvement. However, due to higher operating costs, the Retail segment posted a loss of RM0.4 million as compared to a profit before tax of RM0.5 million in the past financial year. The higher operating costs were attributable to an increase in personnel expenses, particularly employees' overtime expenses following the implementation of the higher minimum wage during the year and in line with the general increase in wage levels across the retail industry. Additionally, profitability of retail segment was further affected by rental costs which had increased by approximately 5% as compared to previous financial year and the higher sales commission charged by 3rd party marketplace such as Shopee and Lazada. Higher advertising and promotion expenses were incurred for the CNY Sale campaigns, but in return we posted good sale records for our CNY hampers.



REVENUE

RM35.5 million

Segment contribution : 23%



LOSS BEFORE TAX

RM0.4 million

Segment contribution : Nil



Since the COVID-19 crisis, the Retail segment has experienced prolonged changes that have greatly altered conventional buying patterns and created new consumer behaviours. These shifts have had a wide range of impacts on lifestyles and accelerated the adoption of digital technologies that support the new normal. The role of physical stores is anticipated to evolve through integration with the online purchasing process, as the trend toward a seamless merging of online and offline models continues. The Retail segment was also impacted by economic factors with subdued consumer spending and rising cost of operations in many areas, from salaries to rental, transportation to product costs. All of which have adversely impacted the profitability of the Retail segment. Although the Retail segment posted a loss for the financial year under review, we are confident that we can turnaround the situation with pre-emptive cost management measures in the future.



MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

In response to the challenging business environment, the Retail segment has implemented the following strategic initiatives:



ADVERTISING AND PROMOTION

1. In-store carnivals and roadshows
2. 5 key promotion campaigns mix



PRODUCT

1. Rebrand, brand refresh and redesign
2. New product launching



VALUE-ADDED SERVICES

1. Free TCM consultation campaigns
2. Informative health talks



PEOPLE

1. Retail sales kits for key products
2. New house brands incentive framework

Advertising and promotion – As part of the efforts to increase foot traffic in our retail stores, we focused on offering a series of promotions and sales campaigns aimed for short-term win and building medium-term momentum. We identified 3 outlets in Teluk Intan, Batu Pahat and Kuantan to participate in the in-store carnivals and roadshows which could be implemented quickly and yield immediate results. The Retail segment not only met the sale performance set but doubled the sales target during these in-store carnivals and roadshows. 5 key promotion campaigns were carried out to increase or sustain footfall to our physical retail stores. These included the Cordyceps Promotion, Member Privilege Sale, Stock Clearance Sale, Year End Sale and CNY Sale. Among these promotional campaigns, the CNY Sale Campaign was carried out with the support of a 3rd party branding consultant, through which a series of promotional activities and events were rolled out 2 months ahead leading up to CNY. As part of the campaign, we participated in roadshows at various prime locations,

including TRX Shopping Mall, One Utama Shopping Mall, Urban Fresh @ Setia City Mall, Gama Supermarket in Penang and Sutera Mall in Johor. Cross-segment collaboration with the Wholesale segment intensified the sales drive, and contributed to an increase in CNY hamper sales by the retail segment. Hai-O Raya Bhd. recorded approximately 12% increase in CNY hamper sales to RM3.3 million or more than 13,000 units in FY2025.

We remain committed to putting our customers first and have made steady progress over the years to serve them better. The Hai-O Friendship loyalty programme continues to strengthen, with an increase of 15% growth in members for FY2025. This was the outcome of 2 strategic initiatives, the members' referral program and exclusive members events with business alliances and partners. We began harnessing our customer data collected through our loyalty programme, to refine our product assortment and revamp our house brands and digital strategies.



Good response from customers at our in-store carnivals and roadshows.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

E-commerce growth has been a multi-sector trend for several years, especially in the retail industry, and its growth trajectory has continued despite the reopening of the economy following the COVID-19 pandemic. Today, online shopping has become seamlessly embedded in people's daily lives supporting a push toward faster, on-demand access to goods and services. We continue to leverage on online platforms to build brand awareness, engage with audiences, and drive business results. We believe by strengthening our digital marketing efforts, optimising our online presence, and fostering customer engagement, we can further boost footfall to our retail stores. For FY2025, we aired more than 120 videos, motion graphic contents and short Reels through our official websites and official e-stores and 3rd party platforms. Our active presence through 3rd party marketplace such as Lazada and Shopee was underpinned by sales growth, with more than 1,500 transactions contributing to an increase of approximately RM700,000 sales generated from e-commerce platforms.

Product – Rebranding and brand refresh initiatives were strategically undertaken to revitalise our existing brand's identity, aiming to modernise the image and feel while preserving the fundamental product values associated with each brand. As part of our rebranding efforts, we redesigned and repackaged a few shortlisted signature products such as the Hai-O Yen Min Chew and Zan Almond Walnut Cereal Powders during the year. The rebranding exercises involves refining visual elements, colour palette, typography, as well as adjusting messaging to better resonate with the current market trend.

From the product expansion front, we increased our product offerings by adding 2 new products to the market, i.e. the Diabetea and Tian Xian Ye. These products are entirely new product lines, with the potential to be developed into specialised range of products to meet specific customer needs in the future.



Going beyond standard offerings with free TCM consultation services and AI health check during roadshow.

The introduction of these 2 products took a cue from the market trend that more customers are willing to spend on products which address health issue such as diabetes. These products are supplements that may be beneficial and formulated to support better health management and mitigate health risks. We received encouraging market response of these 2 products. On a combined basis, these 2 products recorded nearly RM1 million in sales for the FY2025 since their introduction.



Value added services – Complementing the rolled out of Tian Xian Ye, we organised 5 online health talks and 1 physical session, aimed at sharing the complexities and insights of various health conditions while promoting how Tian Xian Ye may supplement patients who are undergoing medical treatment. To make our TCM consultation services more accessible to our customers, we added 2 retail outlets with TCM Practitioner services under our belt. Customers can now access our TCM services at our retail outlets in Alam Damai and Johor Bahru, bringing the total number of outlets offering these services to 9 outlets. In addition, we also organised free TCM consultation campaigns and health screening services for customers during the opening of the Puchong outlet and at the events held by our business partners, such as the campaign held by Paramount Property at Berkeley Uptown.

These are retail initiatives going beyond the standard offerings and providing additional value to our valued customers. These services are intended to make our core products more attractive, without any cost to our customers.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

People – Learning and development was also a key focus during the year with the introduction of Retail Sales Kit for some of the signature products of the Retail segment, including MingZhu Bai Feng Wan, Cordyceps Capsules, Zhen G Health Tonic and Honbo Series of Products. Our sales kits are collection of materials that contained among others, product ingredients, benefits of products, and how well the products align with a customer's specific needs, preferences and circumstances. The sale kits were created to help our outlets' personnel to effectively communicate with potential customers, address their needs, and close sales. It is a comprehensive package designed to help our staff to present a consistent message and showcase the benefits of our products.

To motivate and reward our sales teams to achieve specific goals and improve sales performance for our house brand products, Hai-O Raya Bhd. established a new house brand incentives framework to align individual efforts with overall company objectives to drive sales for our high margin house brand products. During the year, we continued our practice of conducting 2 essential training sessions -- Basic Occupational First Aid and Workplace Safety and Health Awareness to facilitate fun engagement between employees and at the same time, promote on-the-job safety awareness.



Other Operating Activities

The Group's remaining 4% of the total revenue for FY2025 was contributed by the Group's other operating activities in investment in properties and manufacturing of traditional Chinese medicines and food supplements. Other operating activities recorded a total revenue of RM6.7 million (FY2024: RM6.1 million) and PBT of RM4.1 million (FY2024: RM4.0 million) which represent an increase of 9.8% and 2.5% respectively. The increase was largely due to higher rental income received from our investment properties for the financial year with the performance of the manufacturing activities stayed largely unchanged as compared to the prior financial year.

OUTLOOK FOR THE NEXT FINANCIAL YEAR

The Government's continued focus to optimise expenditure through subsidy rationalisation is an important step in strengthening Malaysia's fiscal position. Beyond fiscal discipline, initiatives to strengthen industrial policy and climate resilience underscore Malaysia's ability to continue reforming and reinventing itself and will further lift Malaysia's future growth potential.

Looking ahead, the global economic and financial environment is subject to considerable uncertainties. These mainly reflect unfolding geopolitical developments surrounding both trade and non-trade restrictions. As a small and open economy, Malaysia is not insulated from these global developments.

In 2025, like many other economies, the Malaysian economy is expected to face challenges arising from global developments. This is against a backdrop of uncertainties surrounding tariffs and other policies from major economies, as well as geopolitical conflicts. Our resilient domestic demand, however, will serve as an important buffer against these external shocks.

(Source: Bank Negara Malaysia Annual Report 2024)

Since the announcement of Malaysia's 2025 GDP growth forecast in Bank Negara Malaysia's Economic Monetary Review in March 2025, the global economic landscape has changed considerably. The global growth outlook is affected by shifting trade policies and uncertainties surrounding tariff developments, as well as geopolitical tensions. As a small open economy, Malaysia's growth prospects will be shaped by these developments. It is to Malaysia's advantage that our economy is facing these external headwinds from a position of strength. The latest indicators, including advanced estimates for the second quarter growth, continue to point towards sustained strength in economic activity. Domestic demand has been resilient and will continue to support growth going forward. Favourable labour market conditions, particularly in domestic-oriented sectors, and policy measures will continue to underpin private consumption. Meanwhile, expansion in investment activity will be sustained by progress in multi-year infrastructure projects, continued high realisation of approved investments and catalytic initiatives under the national development plans.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

BY GROUP MANAGING DIRECTOR (continued)

The Malaysian economy remains on a strong footing and is projected to expand between 4% and 4.8% in 2025. Headline inflation is expected to average between 1.5% – 2.3% in 2025 amid moderate demand and cost conditions.

(Source: Press Statement by Bank Negara Malaysia dated 24 July 2025 titled “Malaysia's economy remains on a strong footing and is projected to grow between 4%–4.8% in 2025”)

We navigated FY2025 with satisfactory performance given the challenging macroeconomic backdrop and subdued retail environment. We remain confident in our ability to drive sustainable growth and deliver long term shareholder returns in the years ahead. Tapping into our 50-year market presence and branding strength, we are confident that we will continue to drive sales growth.

In the year ahead, cost management will be a forefront objective to improve profitability as we recognise that cost management is essential for financial stability and overall organisational success. Ongoing negotiations with business partners and product suppliers are already in place to share the costs of advertising and promotional campaigns, while simultaneously increasing cross-selling opportunities for our products. We will drive a more transparent and collaborative approach in negotiations with suppliers to achieve better pricing outcomes and enhance margins across our businesses. On product development, the focus will be on product extension to the existing product lines for deeper entrenchment in the already established market that we built, and to bring new products to the market to meet customer needs and to stay competitive and adapt to changing market demands.

In terms of network expansion, our plan is to optimise our existing infrastructure, by adding new components, and leveraging technology to improve reach, and responsiveness. We plan to scale up distribution of more products with business partners such as convenient chain stores and plan network expansion to increase brand visibility. Internally, we are at an advance stage of conducting some final details to initiate entrepreneurship project to provide career building opportunities for graduates and youth, which include mentorship and practical tips for starting a self-employed business. As our MLM distributors, sales team and retail staff are the key figures to drive sales growth, we will continue to review and refine various incentive plans to motivate the sales force and enhance productivity, along with the phase-based career advancement program for our retail employees.

As we look ahead, we recognise that challenging economic conditions are likely to persist in the near term. The Group is cognisant of the uncertainties caused by the US trade tariffs and its potential impact on the broader economy. In response, we will drive greater efficiency across our business to reset our cost base to a more sustainable level, while remain vigilant in managing our businesses and operations.

APPRECIATION

I would like to express my appreciation to our shareholders, our valued business partners, and to a wider community for your continued support. Most of all, my thanks go to our dedicated team of employees, who are key to the performance we made for FY2025.

To my fellow members of the Board, thank you for your continued guidance and support.

TAN KENG KANG

Group Managing Director

19 August 2025

SUSTAINABILITY SUMMARY REPORT

The BESHOM Group creates value for its stakeholders, including shareholders and investors, employees, customers and consumers, supply chain partners and business associates, society and community, and the natural environment. For us, doing business sustainably means to create positive values and minimise negative impacts for our stakeholders.

In this regard, our business objectives and strategies incorporate sustainability considerations, including economic, environmental, social, and governance aspects, striving to achieve a balance among stakeholder values as well as business performance in the short, medium, and long term. These are also considerations we make in driving the Group towards its Vision and through its Mission.



MISSION

We are committed to promoting healthcare culture and improving human's well-being.



VISION

We aim to become the premier healthcare company in Malaysia, thereby bringing the greatest value and pride to our customers, business partners, employees and shareholders.

The Group's management of sustainability matters is governed through the Board-approved Sustainability Policy, which is further aligned with our Corporate values. Guided by these policies addressing Economy, Governance, Product, People, and Planet, we demonstrate a strong commitment to protecting and developing our people, delivering social and environmental responsibilities, and building a sustainable business.

In addition to ensuring our operations and processes are developed incorporating practices from compliance standards to better international practices relating to environmental, social, and governance aspects, we also integrate the management of sustainability matters in our risk management process to enable effective management of sustainability-related risks and opportunities.

We are committed to delivering our CORPORATE VALUES

S

Social
Responsibility

E

Excellent
Services

A

Attitude

G

Growing

U

Unity

L

Loyalty

L

Learning

SUSTAINABILITY SUMMARY REPORT

(continued)

BESHOM's Sustainability Policy

SDG reference

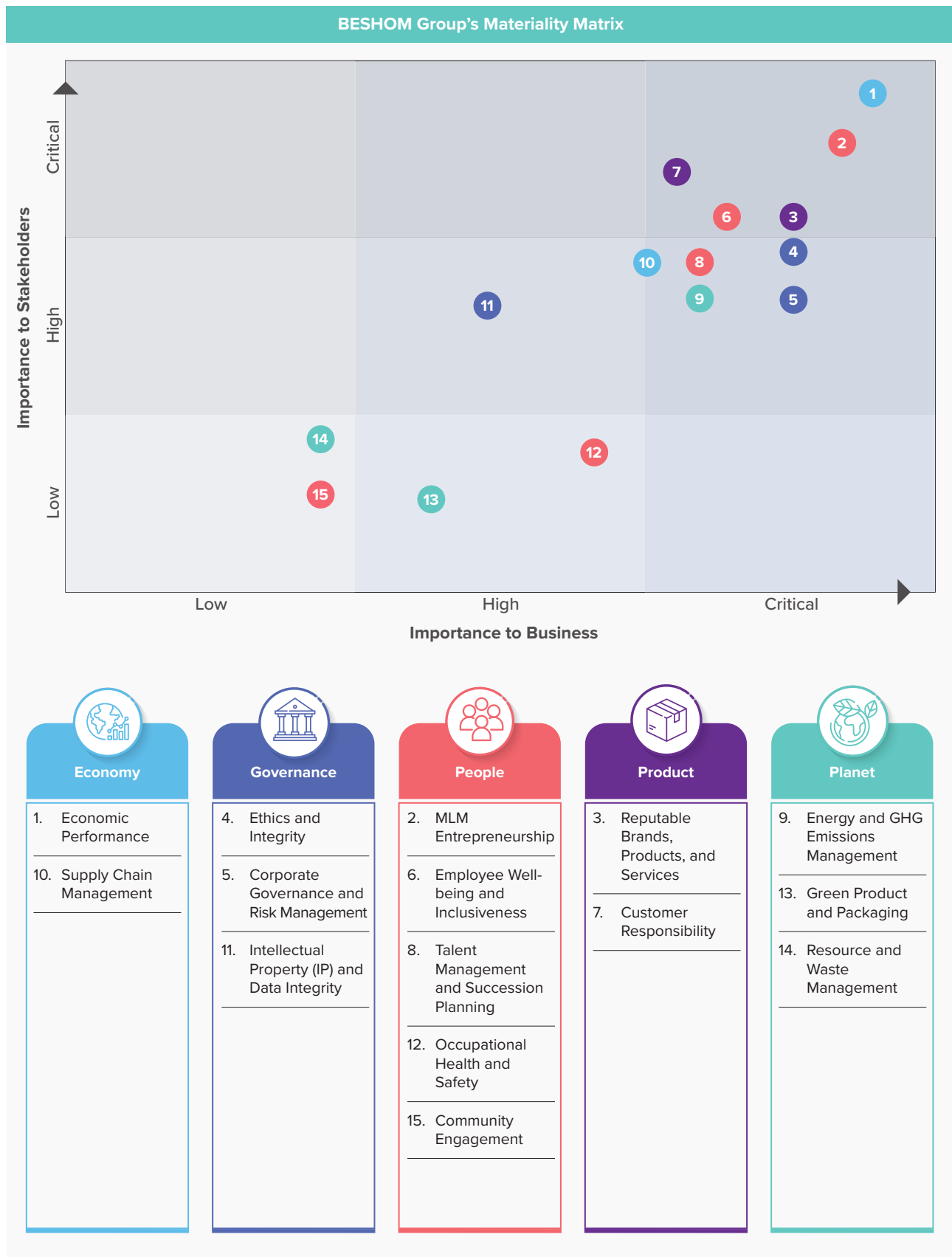
Economy 	<p>We shall create business and employment opportunities, recruit local talent, embed sustainability in our procurement practices and throughout our value chain, provide a skill development and business collaboration platform for distributors, and instil the “Hai-O My Choice for Life” team spirit.</p>	 
Governance 	<p>We shall prioritise compliance throughout our value chain, adhere to laws, regulations and internal conduct and policies, manage material sustainability matters, and embed integrity and transparency into our corporate culture.</p>	
People 	<p>For our employees, we shall ensure a safe and conducive workplace, provide fair remuneration, foster talent development and performance management system, provide regular training and development programmes, encourage employees' involvement in Kelab Muhibbah Hai-O and provide recognition for high-performing and loyal employees, teams, and franchisees.</p> <p>For the community, we shall strive to bring a positive impact, encourage quality education, support vulnerable communities, and continuously spread health awareness and community harmony.</p>	    
Product 	<p>We shall promote products that improve community well-being, provide high-quality and safe products and services, apply, and maintain standards and certifications, improve customers/ distributors' satisfaction, and establish sustainable and transparent lines of communication between BESHOM and our customers.</p>	  
Planet 	<p>We shall educate the practice of 4R (Reduce, Reuse, Recycle, Replace), reduce and replace less environmentally friendly materials in product packaging, promote green initiatives, and introduce products that contain eco-friendly ingredients that are less harmful to the environment as well as human health.</p> <p>We also acknowledge our roles in the global joint efforts towards combating climate change and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. We shall take necessary efforts to account for and report our greenhouse gas (“GHG”) emissions and to formulate appropriate strategies to mitigate our GHG impacts.</p>	  

The Group identifies, assesses, prioritises, and manages sustainability matters by adopting a materiality assessment process. During the financial year under review, BESHOM Group conducted a review of its materiality assessment and noted that the materiality ratings for the MSMs “Green Product and Packaging” and “Resource and Waste Management” have increased, while the other sustainability matters maintained their ratings. These changes reflect the growing awareness among our business operations regarding environmental sustainability.

SUSTAINABILITY SUMMARY REPORT

(continued)

The Group's FY2025 materiality matrix is presented as follows.



SUSTAINABILITY SUMMARY REPORT

(continued)

The next section of this Report discusses our 15 MSMs, with reference to BESHOM's key sustainability focus areas, relevant stakeholders, GRI disclosures, and relevant SDGs.

Key Sustainability Focus Areas	Material Sustainability Matters	Materiality Ranking	Description
 Economy	Economic Performance	1	Good economic growth will enable BESHOM to have adequate capital to maintain its licence to operate, comply with new regulations and standards as well as prepare for potential risks and changes in the future.
	Supply Chain Management	10	We aim to build long-term, mutually beneficial relationships with all third parties along our value chain. A good supply chain management supports operational efficiency, cost optimisation, risk management, and also strengthens our commercial positioning.
 Governance	Corporate Governance and Risk Management	5	BESHOM focuses on establishing a sound governance structure to maintain a fair and orderly market, a high level of investor confidence and to manage risks.
	Ethics and Integrity	4	Ethics, bribery, and corruption risk has been identified as one of the principal risks that could threaten our strategy, performance, and reputation. Building trust can only be achieved through an ethical approach and we place significant emphasis on adopting the right behaviours.
	Intellectual Property ("IP") and Data Integrity	11	Data integrity and intellectual property, including data privacy and cybersecurity, are increasingly important to maintain the relevance of the Group's businesses and safeguard the interests of stakeholders.
 People	MLM Entrepreneurship	2	We continuously invest in our Multi-Level Marketing business, which is one of our main economic contributors, to create job opportunities and a platform for entrepreneurship excellence.
	Employee Well-being and Inclusiveness	6	We nurture employees by providing fair remuneration and comprehensive benefits packages to assure job security for employees who are vital to BESHOM. We also embrace diversity and inclusiveness and do not discriminate in our employment practices.
	Talent Management and Succession Planning	8	<p>BESHOM's employment focuses on attracting and retaining the right talents to support the Group's long-term human capital sustainability. We make persistent efforts to equip employees with the right skills to keep them abreast of the latest knowledge and techniques, and training programmes are aimed at enhancing the skills, capabilities, and knowledge required for decision-making and creative thinking.</p> <p>It is paramount that we develop successors and identify next-in-lines to ensure a smooth transition in our operational structure. We oversee and follow up on the competency development of employees from their first day at work to help them in their career development.</p>




SUSTAINABILITY SUMMARY REPORT

(continued)

Relevant Stakeholder Groups	Relevant GRI Disclosures	Relevant SDGs
<ul style="list-style-type: none"> Shareholders and Investors Employees Local Communities 	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Procurement Practices 	
<ul style="list-style-type: none"> Vendors and Suppliers 	<ul style="list-style-type: none"> Child Labour Forced or Compulsory Labour 	 
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees 	Non-GRI Disclosure	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Shareholders and Investors Employees Vendors and Suppliers Distributors 	<ul style="list-style-type: none"> Anti-corruption Non-discrimination Freedom of Association and Collective Bargaining Child Labour Forced or Compulsory Labour Public Policy 	
<ul style="list-style-type: none"> Customers Distributors Vendors & Suppliers Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Customer Privacy 	
<ul style="list-style-type: none"> Distributors 	Non-GRI Disclosure	 
<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Market Presence Employment Occupational Health and Safety Diversity and Equal Opportunity 	 
<ul style="list-style-type: none"> Employees Shareholders and Investors 	<ul style="list-style-type: none"> Training and Education 	  

SUSTAINABILITY SUMMARY REPORT

(continued)

Key Sustainability Focus Areas	Material Sustainability Matters	Materiality Ranking	Description
 People	Occupational Health and Safety	12	We operate in accordance with the principles of occupational health and workplace safety to ensure a suitable and sustainable workplace environment.
	Community Engagement	15	BESHOM focuses on supporting and promoting the development of communities as a way to demonstrate social responsibility and create engagement with the community and wider society to achieve sustainable advancement.
 Product	Reputable Brands, Products, and Services	3	<p>BESHOM takes pride in its good branding and marketing strategies. We strengthen our corporate brand image by focusing on creative ideas that will build brand awareness while meeting customers' needs. We strive to contribute to a healthier community with innovative and safe products which our customers can trust and rely on. We listen to the individuals who use our products to better understand how they interact with our products and to identify how we can improve our products and services.</p> <p>Our commitment to "promoting healthcare culture and improving human's well-being" entails the provision of safe and quality products. Our healthcare products that improve consumers' well-being are safe and of the highest quality and comply with the statutory requirements and relevant standards. Our products are certified and are regularly audited by external experts, regulatory authorities, and external consultants. Furthermore, we consistently stay proactive to ensure that our manufacturing processes are undertaken in a safe and efficient manner.</p>
	Customer Responsibility	7	BESHOM aims to produce our products with sustainable raw ingredients and environmental packaging to reduce the negative impact towards our customers and the planet. We also ensure our products are advertising and marketing responsibility as the health and safety of our consumers is our main focus.
 Planet	Green Product and Packaging	13	BESHOM works towards offering green products by avoiding harmful materials, sourcing raw materials with lower environmental impact and utilising sustainable packaging materials.
	Energy and GHG Emissions Management	9	BESHOM strives to use resources and energy in an efficient and environmentally friendly manner to help alleviate global climate change. We strive to manage GHG emissions through emission reduction initiatives and pursuing emission-efficient operations.
	Resource and Waste Management	14	We aim to reduce waste across the Group while also stepping up efforts to reuse and recycle.

SUSTAINABILITY SUMMARY REPORT

(continued)


















Relevant Stakeholder Groups	Relevant GRI Disclosures	Relevant SDGs
<ul style="list-style-type: none"> Employees Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Occupational Health and Safety 	
<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Indirect Economic Impacts 	 
<ul style="list-style-type: none"> Shareholders and Investors Media Customers Distributors Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Customer Health and Safety 	  
<ul style="list-style-type: none"> Customers Certification, Standards, and Regulatory Bodies Distributors 	<ul style="list-style-type: none"> Marketing and Labelling 	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Customers 	Non-GRI Disclosure	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees 	<ul style="list-style-type: none"> Energy Emissions 	  
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees Vendors and Suppliers 	<ul style="list-style-type: none"> Water and Effluents Waste 	

SUSTAINABILITY SUMMARY REPORT

(continued)









The Group established a set of 14 key performance indicators (“KPIs”) to measure its overall sustainability performance, benchmarked against annual targets approved by the Board.

The Board is pleased to disclose that the Group has achieved 13 out of 14 KPIs set for FY2025, which were designed to assess performance across the Socioeconomic, Governance, and Environmental pillars. A summary of the Group’s progress towards the FY2025 sustainability KPIs, along with the updated sustainability KPIs established for FY2026, is presented as follows:

<div>Legends:</div> <div>  <i>slightly behind target</i> </div> <div>  <i>on track</i> </div> <div>  <i>exceed target</i> </div>					
Sustainability category	FY2025 Targets	FY2025 Performance	Progress	FY2026 Targets	Supporting the SDGs
Socioeconomic	at least 15% of the sales from MLM and Retail segments made via e-commerce platform	11%		at least 11% of the sales from MLM and Retail segments made via e-commerce platform	n/a
	facilitate at least 5 cross-over projects with business alliances to cater for market needs and synergy reach	7 cross-over projects/ events		facilitate at least 5 cross-over projects with business alliances to cater for market needs and synergy reach	n/a
	zero incidents of product recall	Zero incidents of product recall recorded		zero incidents of product recall	
	at least 75% of employees meet the minimum training hours required	98% of employees met the minimum training hours required		at least 85% of employees meet the minimum training hours required	
	maintaining a Gender Wage Parity Index of 1:0.91 among employees	1:0.95 achieved		maintaining a Gender Wage Parity Index of 1:0.95 among employees	
	achieving zero cases of work-related injuries	Zero cases of work-related injuries		achieving zero cases of work-related injuries	
	sponsorship, fund-raising, or similar programmes that benefit more than 6,000 students and teachers	Achieved 6,146 which consists of 5,810 students and 336 teachers for sponsorship and fund-raising programmes		sponsorship, fund-raising, or similar programmes that benefit more than 6,500 students and teachers	 
	resolving 100% of product complaints received	100% resolved		resolving 100% of product complaints received	n/a

SUSTAINABILITY SUMMARY REPORT






(continued)

Sustainability category	FY2025 Targets	FY2025 Performance	Progress	FY2026 Targets	Supporting the SDGs
Governance	achieving 100% training completion rate for management-level employees on mandatory topics	100% completion	★ ★ ★	achieving 100% training completion rate for management-level employees on mandatory topics	
	zero complaints on breaches of customer privacy	Zero complaints recorded	★ ★ ★	zero complaints on breaches of customer privacy	
	zero food safety incidents	Zero food incidents recorded	★ ★ ★	zero food safety incidents	
Environment	at least half of rebranded products or new products during the year incorporate elements of environmentally friendly packaging	7 out of 10 rebranded products or new products during the year incorporate elements of environmentally friendly packaging	★ ★ ★	at least half of rebranded products or new products during the year incorporate elements of environmentally friendly packaging	
	up to 15% of total energy usage (kWh) of the Group is from the renewable energy generated from the 3 properties with solar panel systems	21% of total energy usage from the renewable energy	★ ★ ★	up to 20% of total energy usage (kWh) of the Group is from the renewable energy generated and consumed from the 3 properties with solar panel systems	 
	to use LED lighting systems for all new outlets or newly refurbished outlets	LED installed for all new and newly refurbished outlets	★ ★ ★	to use LED lighting systems for all new outlets or newly refurbished outlets	 

SUSTAINABILITY SUMMARY REPORT

(continued)

Other FY2025 key sustainability performance of the Group, reported in the context of the 5 Key Sustainability Focus Areas of BESHOM's sustainability policy, namely **Economy, Governance, People, Product, and Planet**, is summarised as follows.

 <p>Our Economy</p>	<p>Profit Before Tax RM12.2 million</p> <p>Ratio of average entry-level non-executive wage to minimum wage¹ 1.5 : 1 (East Malaysia) 1.4 : 1 (West Malaysia)</p>	<p>Total Revenue RM155.1 million</p> <p>Internship Programme for 9 students</p>	<p>Total Assets RM355.2 million</p> <p>Gender Wage Parity Index of 1 : 0.95 (male-to-female)</p>	<p>45% local trade procurement</p> <p>Supplier/ Business Associates environmental and social impact assessment</p>
 <p>Our Governance</p>	<p>Anti-Bribery Policy</p> <p>2 GMP-certified TCM Manufacturing Plants</p>	<p>Code of Business Ethics for Suppliers and Business Associates</p> <p>ISO 9001:2015-certified MLM and Manufacturing</p>	<p>Responsible Sourcing Policy</p> <p>No breaches relating to customer data or privacy</p>	<p>SHOM's Business Handbook is made available in English, Bahasa Malaysia, and Chinese</p>
 <p>Our People</p>	<p>454 employees</p> <p>37% male 63% female Employee diversity</p>	<p>39,000 MLM Distributors</p> <p>27 training hours per employee</p>	<p>Community engagement activities Ai Hua Jiao Fund Raising Campaign, Higher Educational Aid, Excellent Academic Awards</p> <p>0 cases of work-related injuries</p>	
 <p>Our Product</p>	<p>Guidelines to govern responsible marketing</p>	<p>Compliant: MAL, Food Label, KKLIU</p> <p>0 cases of product recall</p>	<p>>150 products with HALAL certifications</p>	<p>100% of product complaints resolved</p>
 <p>Our Planet</p>	<p>8.13 kWh/ ft² Total electricity usage intensity (per square foot)²</p> <p>Electronic communication with stakeholders</p>		<p>1,009,466 kWh of renewable energy generated from the Solar Panel Project</p> <p>Efforts to reduce packaging and use of paper and plastic materials</p>	

¹ The minimum wage of RM1,500 was used from May 2024 to Jan 2025 and RM1,700 was used from Feb 2025 to April 2025.

² Covering the Group 4 main buildings at Wisma Hai-O, Lot 1388 (A) and (B), Wawasan Hai-O, and Menara Hai-O.



Detailed discussions on the sustainability matters, initiatives, and performance are reported in our Sustainability Statement FY2025, which is available on our Company website at www.beshom.com.