



YBS INTERNATIONAL BERHAD
Registration No. 200201014380 (582043-K)
(Incorporated in Malaysia)

Minutes of the **Twenty-Second Annual General Meeting** (“**22nd AGM**” or “**meeting**”) of **YBS International Berhad** (“**YBS**” or “**the Company**”) held at Room 5, Level 1, Ixora Hotel, 3096, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Pulau Pinang on Thursday, 29 August 2024 at 11.00 am

- Present:**
1. Dato’ Dr. Mohd Sofi Bin Osman (“Dato’ Dr. Chairman”), Independent Non-Executive Chairman
 2. Mr. Yong Chan Cheah (“Mr. Jackie Yong”), Group Managing Director & Chief Executive Officer
 3. Dato’ Jimmy Ong Chin Keng, Independent Non-Executive Director (“INED”)
 4. Mr. Low Hee Chung, INED
 5. Ms. Gor Siew Yeng, INED
 6. Mr. Yong Li-Xiang, Alternate Director

- In Attendance:**
- Management Team
1. Mr. Neoh Sze Tsin (“Mr. Steve Neoh”), Chief Financial Officer
 2. Mr. Low Maan Teong, Chief Operating Officer
 3. Ms. Yew Li Fang, Finance Manager
 4. Ms. Ong Ee Chin, Finance Manager
- Representatives of BoardRoom Corporate Services Sdn. Bhd.
5. Ms. Ong Tze-En, Company Secretary (“Ms. Ong”)

- External Auditors:**
- Grant Thornton Malaysia PLT
1. Mr. Terence Lau Han Wen, Partner
 2. Mr. Cheah Eu Gin, Principal
 3. Mr. Eric Gan Chee How, Senior

- Polling Agent:**
- Mega Corporate Services Sdn. Bhd.
1. Ms. Yip Yih Peng, Senior Manager
 2. Encik Norhisham Abdul Hamid, Manager

Scrutineer: Cygnus Technology Solutions Sdn. Bhd.

Shareholders / Corporate Representatives / Proxies / Invitees As per Attendance List

The shareholders, corporate representatives, proxies and invitees (collectively “**the Attendees**”) who attended the 22nd AGM are set out in the Attendance List and which formed an integral part of these Minutes.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

Welcome address

- (A) The Group Managing Director & Chief Executive Director of YBS, Mr. Yong Chan Cheah ("**Mr. Jackie Yong**") welcomed all Attendees to the 22nd AGM. He informed that the Board of Directors ("**Board**") had unanimously appointed Dr. Mohd Sofi Bin Osman ("**Dato' Dr. Chairman**") as Chairman of the 22nd AGM. He then invited Dato' Dr. Chairman to proceed with the meeting agendas.
- (B) Dato' Dr. Chairman then introduce his fellow Board members, the Company Secretary, and engagement partner from the external auditors, Grant Thornton Malaysia PLT.
- (C) He requested all Attendees to note the administrative arrangements as sent together with the Notice of the 22nd AGM dated 31 July 2024 and encouraged them to have a word with representative of share registrars, Mega Corporate Services Sdn. Bhd. ("**MCS**") should the need arise. He added that voice or video recording of the meeting proceeding is strictly prohibited.

Call to order and determination of quorum

- (D) Thereafter, Dato' Dr. Chairman called the meeting to order and proceeded with the meeting proper upon receipt of confirmation from the Company Secretary, Ms. Ong, that a quorum was present.

Notice of meeting

- (E) Dato' Dr. Chairman informed that the Notice of the 22nd AGM was first announced and circulated to the shareholders, Directors and the external auditors, Grant Thornton Malaysia PLT on 31 July 2024. The Notice of the 22nd AGM together with Annual Report are published on the corporate website as well. As the notice has been properly given, it is taken as read.
- (F) Dato' Dr. Chairman informed that on 19 August 2024 and 20 August 2024, the Board had announced the withdrawal of Ordinary Resolutions 3, 5 and 12 which would not be put to voting following the resignation of Ms. Poa Mei Ling and Mr. Yong Swee Chuan as Executive Directors of the Company. Hence, there were nine (9) Ordinary Resolutions remaining to be tabled for approval by the shareholders on poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**ACE LR**"). He then exercised his right, as Chairman of the meeting, to demand for poll in accordance with Paragraph 80 of the Company's Constitution for all nine (9) resolutions as stated in the Notice of the 22nd AGM.
- (G) Dato' Dr. Chairman also highlighted that some of the shareholders had appointed himself, as Chairman of the meeting, as their proxy to vote on their behalf. Therefore, he would vote for each resolution in accordance with the instructions given by the said shareholders.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

- (H) Dato' Dr. Chairman also pointed out that the right of every member present at this AGM today either in person, or by corporate representative or by proxy, is able to participate, speak and vote on the resolutions as stated in the agenda of the meeting. He requested for each member to introduce himself or herself by stating their name and whether he/she is a shareholder or a proxy or a corporate representative before raising questions.
- (I) Dato' Dr. Chairman then introduced MCS and Cygnus Technology Solutions Sdn. Bhd. as the appointed Polling Agent and Scrutineer who will conduct the polling and to verify the polling process respectively. He informed that the polling process would be conducted upon conclusion of the deliberation of all items on the meeting agenda. He added that the representative of the Polling Agent would brief on the voting procedures prior to the start of voting.
- (J) Dato' Dr. Chairman went on to inform that the Board had received written queries from Minority Shareholders Watch Group ("**MSWG**"). He then invited the Chief Financial Officer, Mr. Steve Neoh to read out the queries from MSWG and the Board's response. The queries from MSWG and response were also projected on screen for easy reference by the shareholders. The full text of the queries from MSWG and response from the Board is as disclosed under Appendix A.
- (K) Upon conclusion of the response to MSWG, Dato' Dr. Chairman proceeded with the meeting agenda.

1. Audited financial statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon

- 1.1 The Audited Financial Statements for financial year ended 31 March 2024 ("**AFS FY2024**") of the Company and the Group together with the Directors' and Auditors' Reports thereon which had been previously circulated were laid to the shareholders for discussion. Dato' Dr. Chairman proceeded to invite questions from the floor pertaining to any relevant accounting related matters on AFS FY2024.
- 1.2 4 shareholders raised queries. Dato' Dr. Chairman invited Mr. Jackie Yong to address the concerns from said shareholders which are disclosed under Appendix A.
- 1.3 There being no further question raised, it was recorded that the AFS FY2024 of the Company had been duly tabled and received.

2. To approve the payment of Directors' fees of up to RM300,000 to the Independent Non-Executive Directors for the period commencing one day after the 22nd Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company in 2025 (Ordinary Resolution 1)

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

- 2.1 Dato' Dr. Chairman informed that the second agenda of the meeting was to approve Directors' fees of up to RM300,000 to the Independent Non-Executive Directors for the period commencing one day after the 22nd AGM until the conclusion of the next AGM of the Company in 2025. Details are enumerated in the Explanatory Notes accompanying the Notice of 22nd AGM.
- 2.2 On the proposal of Dato' Dr. Chairman, the motion for Ordinary Resolution 1 was put to vote by way of poll.
- 3. To approve the payment of Directors' benefits payable of up to RM100,000 for the period commencing one day after the 22nd AGM until the conclusion of the next AGM of the Company in 2025 (Ordinary Resolution 2)**
- 3.1 Dato' Dr. Chairman informed that the agenda item 3 of the meeting was to approve payment of Directors' benefits payable of up to RM100,000 for the period commencing one day after the 22nd AGM until the conclusion of the next AGM of the Company in 2025. Details are enumerated in the Explanatory Notes accompanying the Notice of 22nd AGM.
- 3.2 On the proposal of Dato' Dr. Chairman, the motion for Ordinary Resolution 2 was put to a vote by way of poll.
- 4. To re-elect the following Directors retiring in accordance with Paragraph 102(1) of the Company's Constitution:**
- (a) **Re-election of Mr. Yong Swee Chuan (Ordinary Resolution 3)**
- (b) **Re-election of Dato' Jimmy Ong Chin Keng (Ordinary Resolution 4)**
- 4.1 Dato' Dr. Chairman informed that Ordinary Resolutions 3 and 4 dealt with the re-election of two (2) Directors, namely, Mr. Yong Swee Chuan and Dato' Jimmy Ong Chin Keng. Both of them retired pursuant to Paragraph 102(1) of the Company's Constitution and being eligible, have offered themselves for re-election.
- 4.2 As Mr. Yong Swee Chuan had tendered his resignation as Executive Director of the Company on 20 August 2024, the Ordinary Resolution 3 was withdrawn.
- 4.3 On the re-election of Dato' Jimmy Ong Chin Keng, Dato' Dr. Chairman added that details on the Board's justifications and basis in support of re-election of Dato' Jimmy Ong Chin Keng are included in the Explanatory Notes of the Notice of the 22nd AGM.
- 4.4 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 4 was put to vote individually by way of poll.
- 5. To re-elect Ms. Poa Mei Ling who retires in accordance with Paragraph 107(2) of the Company's Constitution (Ordinary Resolution 5)**
- 5.1 Dato' Dr. Chairman informed that Ordinary Resolution 5 concerned the re-election of Ms. Poa Mei Ling pursuant to Paragraph 107(2) of the Company's Constitution.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

5.2 As Ms. Poa Mei Ling had tendered her resignation as Executive Director of the Company on 19 August 2024, the Ordinary Resolution 5 was withdrawn.

6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration (Ordinary Resolution 6)

6.1 Dato' Dr. Chairman informed that Ordinary Resolution 6 was to re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2025 to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. He added that Grant Thornton Malaysia PLT had indicated their willingness to accept re-appointment.

6.2 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 6 was put to a vote by way of poll.

6.3 Having concluded the ordinary business of the meeting, Dato' Dr. Chairman proceeded with the Special Business.

**7. Retention as Independent Director
THAT Mr. Low Hee Chung be retained as Independent Director of the Company until the conclusion of the next AGM of the Company (Ordinary Resolution 7)**

7.1 Dato' Dr. Chairman informed that Ordinary Resolution 7 was to retain Mr. Low Hee Chung as an Independent Non-Executive Director of the Company ("**INED**"). Mr. Low has served as INED for more than 9 years. Details of the Board's justifications and recommendations to retain him were as set out in the Explanatory Notes to the Notice of AGM.

7.2 He highlighted that Practice 5.3 of the Malaysian Code on Corporate Governance issued by the Securities Commission ("**MCCG**") recommended for the Board to seek annual shareholders' approval through a two-tier voting process if the Board wish to retain any INED whose tenure has exceeded a cumulative term of nine (9) years.

7.3 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 7 was put to a two-tier voting process by way of poll.

**8. Retention as Independent Director
THAT Ms. Gor Siew Yeng be retained as Independent Director of the Company until the conclusion of the next AGM of the Company (Ordinary Resolution 8)**

8.1 Dato' Dr. Chairman informed that Ordinary Resolution 8 was to retain Ms. Gor Siew Yeng as an Independent Non-Executive Director of the Company. Ms. Gor has served as Independent Non-Executive Director of the Company for more than 9 years. Details of the Board's justifications and recommendations to retain her were as set out in the Explanatory Notes to the Notice of AGM.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

8.2 Dato' Dr. Chairman recapped the provision of Practice 5.3 of the MCCG. On his proposal, the Ordinary Resolution 8 was put through a two-tier voting process by way of poll.

9. Authority to issue and allot shares by Directors pursuant to Sections 75 and 76 of the Companies Act 2016 (Ordinary Resolution 9)

9.1 Dato' Dr. Chairman informed that Ordinary Resolution 9, if passed, would empower the Directors to allot and issue shares up to an amount not exceeding 10% of the total issued shares capital (excluding treasury shares) of the Company.

9.2 He added that the renewal of this general mandate would also provide the Board a certain amount of flexibility, when the need arises, to issue additional shares without any delay and cost in convening general meeting to specifically approve such issuance of shares.

9.3 Details of this resolution are set out in the Explanatory Notes accompanying the Notice of 22nd AGM.

9.4 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 9 was put to vote by way of poll.

10. Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares (Ordinary Resolution 10)

10.1 Dato' Dr. Chairman informed that the passing of Ordinary Resolution 10 would allow the Directors to exercise the power of the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company immediately upon passing of the resolution until the conclusion of the next AGM in 2025 or, if earlier revoked or varied by the shareholders in a general meeting. Dato' Dr. Chairman added that the proposed renewal of share buy-back authority was as set out in the share buy-back statement on pages 117 to 124 of the Annual Report 2024, which had earlier been circulated to all shareholders, directors and external auditors.

10.2 Dato' Dr. Chairman added that the proposed renewal of share buy-back authority was as set out in the share buy-back statement on pages 117 to 124 of the Annual Report 2024, which had earlier been circulated to all shareholders, directors and external auditors.

10.3 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 10 was put to a vote by way of poll.

11. Proposed Granting of Employees' Share Option Scheme ("ESOS") Options to Dato' Dr. Mohd Sofi Bin Osman, the Chairman/ Independent Non-Executive Director of the Company under the Company's ESOS that was Established in 2016 (Ordinary Resolution 11)

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

11.1 Dato' Dr. Chairman informed that Ordinary Resolution 11 concerned the proposed granting of ESOS Options to himself under the Company's ESOS Scheme that was established in 2016.

11.2 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 11 was put to a vote by way of poll.

12. Proposed Granting of Employees' Share Option Scheme ("ESOS") Options to Dato' Dr. Mohd Sofi Bin Osman, the Chairman/ Independent Non-Executive Director of the Company under the Company's ESOS that was Established in 2016 (Ordinary Resolution 12)

12.1 Dato' Dr. Chairman informed that Ordinary Resolution 12 concerned the proposed granting of ESOS Options to Ms. Poa Mei Ling under the Company's ESOS Scheme that was established in 2016.

12.2 As Ms. Poa Mei Ling had tendered her resignation as Executive Director of the Company on 19 August 2024, the Ordinary Resolution 12 was withdrawn.

13. Any other business

13.1 In response to Dato' Dr. Chairman, the Company Secretary informed that no notice of any other business for transaction at the meeting had been received.

13.2 Dato' Dr. Chairman also invited questions from the floor and none was noted.

13.3 Dato' Dr. Chairman then invited representative of the Polling Agent to take the meeting through the polling process.

13.4 Ms. Yip Yih Peng, representative of the Poling Agent, briefed that an identification wristband has been provided irrespective of whether attending this meeting as a shareholder, proxy, corporate representative, or in both capacities as shareholder and proxy. A QR (Quick Response) code has also been generated for shareholder, proxy, corporate representative to scan and access the e-polling system and to vote using smartphones or tablets when the voting session is open.

13.5 She added that an alternative approach to voting was for shareholder, proxy or corporate representative to use touch screen desktop stationed at the registration counter at the back of the meeting room.

13.6 Upon conclusion of the briefing from the representative of MCS, Dato' Dr. Chairman proceeded to commence the voting session at 12.00 pm.

13.7 The meeting then stood adjourned at 12.10 pm after all shareholders, corporate representatives and proxy holders had duly casted their votes. Dato' Dr. Chairman then invited representatives of the Scrutineer to witness the votes tabulation.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

14. Polling Results

- 13.1 The meeting was reconvened at 12.27 pm. Dato' Dr. Chairman called the meeting to order and thanked the Attendees for waiting for the results.
- 13.2 Ms. Yip Yih Peng, representative of the Poling Agent then announced the poll results for all nine (9) Ordinary Resolutions as tabulated below upon receipt of report from the Scrutineers, Cygnus Technology Solutions Sdn. Bhd.. The results of the poll were also projected on screen for ease of viewing by all Attendees:

Ordinary Resolutions	For		Against		Result
	No. of shares	%	No. of shares	%	
1	101,549,357	100.0000	0	0.0000	Carried
2	101,549,357	100.0000	0	0.0000	Carried
3	0	0.0000	0	0.0000	Withdrawn
4	95,117,857	93.6667	6,431,400	6.3333	Carried
5	0	0.0000	0	0.0000	Withdrawn
6	101,549,357	100.0000	0	0.0000	Carried
7(Tier 1)	72,495,157	100.0000	0	0.0000	Carried
7 (Tier 2)	29,041,900	99.9577	12,300	0.0423	Carried
8(Tier 1)	72,495,157	100.0000	0	0.0000	Carried
8 (Tier 2)	29,041,900	99.9577	12,300	0.0423	Carried
9	101,549,357	100.0000	0	0.0000	Carried
10	101,366,357	99.8198	183,000	0.1802	Carried
11	94,884,157	93.4365	6,665,200	6.5635	Carried
12	0	0.0000	0	0.0000	Withdrawn

Dato' Dr. Chairman then declared that all nine (9) Ordinary Resolutions were passed by majority votes and therefore, carried.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

Resolved:

Ordinary Resolution 1

“THAT the payment of Directors’ fees of up to RM300,000 to the Independent Non-Executive Directors for the period commencing one day after the 22nd Annual General Meeting (“AGM”) until the conclusion of the next AGM of the Company in 2025 be and is hereby approved.”

Ordinary Resolution 2

“THAT the payment of Directors’ benefits payable of up to RM100,000 for the period commencing one day after the 22nd AGM until the conclusion of the next AGM of the Company in 2025 be and is hereby approved.”

Ordinary Resolution 4

“THAT Dato’ Jimmy Ong Chin Keng be and is hereby re-elected as Director of the Company pursuant to the Company’s Constitution.”

Ordinary Resolution 6

“THAT Grant Thornton Malaysia PLT be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next annual general meeting and the Directors be and are hereby authorised to fix their remuneration.”

Ordinary Resolution 7

“THAT Low Hee Chung be retained as Independent Director of the Company until the conclusion of the next AGM of the Company in 2025.”

Ordinary Resolution 8

“THAT Gor Siew Yeng be retained as Independent Director of the Company until the conclusion of the next AGM of the Company in 2025.”

Ordinary Resolution 9

Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares

“THAT subject to the Companies Act 2016 (“**the Act**”), the Company’s Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company for the time being.

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

THAT pursuant to Section 85(1) of the Act to be read together with Paragraph 62(1) of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

AND THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Paragraph 62(1) of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 10

Proposed renewal of authority for the Company to purchase its own ordinary shares

"THAT subject to the Act, the Company's Constitution, the Listing Requirements and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

- (a) aggregate number of ordinary shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any point in time of the said purchase(s);
- (b) maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

- (c) the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:
 - (i) conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant government or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) to cancel all the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or transfer for the purpose of or under an employee share option scheme or as part of purchase consideration; or
- (c) to retain part thereof as treasury shares and cancel the remainder; or
- (d) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company.”

Minutes of 22nd Annual General Meeting held on 29 August 2024 (cont'd)

Ordinary Resolution 11

Proposed renewal of authority for the Company to purchase its own ordinary shares

“THAT, the Company has an existing ESOS which was effective on 1 March 2016 with further extension from 1 March 2021 to 28 February 2026, and subject to the approvals of the relevant authorities and/ or parties (where required) being obtained, the Board be and is hereby authorised at any time and from time to time during the duration of the ESOS, to offer and grant such number of ESOS Options to Dato’ Dr. Mohd Sofi Bin Osman, the Chairman/ Independent Non-Executive Director of the Company, subject to the provisions of the By-Laws of the ESOS (“By-Laws”), provided always that:

- (a) must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the ESOS; and
- (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of shares made available under the ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him (as defined in the Listing Requirements), holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws and any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

AND THAT, the Board be further authorised to issue and allot such number of shares arising from the exercise of the ESOS Options under the ESOS, from time to time, to the abovementioned person.”

15. Conclusion

- 15.1 There being no other business, the meeting concluded at 12.30 pm with a vote of thanks to the Chair.

Confirmed as correct

Dato’ Dr. Chairman



YBS INTERNATIONAL BERHAD
Registration No. 200201014380 (582043-K)
(Incorporated in Malaysia)

Response to Queries from Minority Shareholders Watch Group

1. The precision engineering and plastic injection moulding segment saw its revenue fall 45% to 13.6 million in FY2024, mainly due to softer market demand. On the other hand, the electronic manufacturing services segment recorded a 419% increase in revenue to RM12.1 million in FY2024. The significant growth was mainly due to the acquisition of new customers. (page 15 of Annual Report (AR) 2024)

(a) **What is the outlook for both segments? Does the Group expect demand to increase, maintain or decline in FY2025?**

Answer:

Precision engineering and plastic injection moulding segment

This segment provides services such as plastic injection moulding, insert moulding, and sub-assembly, has been affected by competitive pressures and market conditions. The Company is aware of these challenges and is likely exploring strategies to address them and improve the segment's performance.

Electronic manufacturing services ("EMS") segment

The outlook for the EMS segment is quite positive, with an expected further increase in sales, particularly from battery assembly. Additionally, the Company has secured new customers for PCBA (Printed Circuit Board Assembly). This growth trend is anticipated to continue in FY2025. The Company is also focusing on enhancing its manufacturing capabilities and exploring new market opportunities to sustain this growth.

(b) **How many new customers did the Group acquire in FY2024? Please provide some background on these customers and their core businesses**

Answer:

Under EMS segment, the Group acquired 10 new customers in FY2024, which 8 from electronic industries and 2 from batteries related industries. They have contributed RM8.6 million of revenue to the Group.

(c) **What is the budgeted capex for FY2025 and its breakdown?**

Answer:

The budgeted capex for FY2025 was mainly attributable to machineries and equipment at RM1.8 million and software at RM1.6 million.

2. The paper products segment continued its high growth trajectory with revenue growing 34% to RM29.7 million in FY2024, boosted by corrugated board manufacturing operations. (page 15 of AR 2024)

(a) What is the revenue breakdown between corrugated paper products and honeycomb paper products?

Answer:

Corrugated – 89%, RM26.5mil (FY2023: 82%, RM18.1mil)

Honeycomb – 11%, RM3.2mil (FY2023: 18%, RM4.0mil)

(b) Which industries does the Group supply its paper products?

Answer:

The Group mainly supply its paper products to customers from paper convertor, trading and furniture industries.

(c) Despite higher revenue, the segment's profit margin declined to 2.3% in FY2024 from 3.6% in FY2023 (page 97-98 of AR2024). Why is that so? What is the optimal profit margin for this segment?

Answer:

The decline in Bumblebee's profit margin to 2.3% in FY 2024 from 3.6% in FY 2023 is due to an increase in sales from Corrugated products, which generally have a lower profit margin compared to honeycomb products. The market for corrugated products is very competitive, and the Company is reviewing several possible options such as adding converting processes to provide a wider range of products to its customers and potential customers, targeting new customer and expanding into new markets or regions can help increase sales and improve economies of scale.

The optimal profit margin for paper products can vary depending on several factors, including market conditions, production costs, and competitive landscape. However, for the corrugated board manufacturing segment, the profit margin is generally lower compared to other paper products like honeycomb boards.

This segment optimal profit margin ranges from 3% to 8%.

Corporate Governance Matters

3. Under Resolution 11, shareholders' approval is being sought for the Proposed Granting of ESOS Options to Dato' Dr. Mohd Sofi Bin Osman, the Chairman/ Independent Non-Executive Director (INED) of the Company.

Why are the ESOS Options extended to the INED, who do not perform executive roles?

In line with better corporate governance, MSWG does not encourage giving ESOS to INEDs as they play the independent check and balance role (and not an executive role) in the Company and are responsible for monitoring the allocation to employees and executive directors.

Furthermore, ESOS, by definition, refers to a scheme for employees only. Independent directors are not employees.

Recognition of the INEDs' contribution to the Company and retention of quality INEDs could be compensated in other ways, including a competitive remuneration package. The directors' fees and other benefits should be structured to adequately compensate for the services rendered by them.

Answer:

The Board noted the comments from MSWG.

However, the Board wished to highlight the basis for extending the ESOS to the INEDs with details as disclosed in the circular to shareholders dated 28 January 2016 on proposed establishment of an employees' share option scheme of up to 30% of the issued and paid-up share capital ("**ESOS**") as follows:

- (a) reward the non-executive Directors for their contributions in the governance and operational performance of the Group;
- (b) promote active participation in the development, evaluation and implementation of the Company's strategic initiatives;
- (c) incentivise the non-executive Directors to continue providing strategic insight and direction to the Group; and
- (d) motivate the non-executive Directors to pursue the long-term growth and success of the Company.

As the INEDs come from different professions and backgrounds, they bring to the Group a wealth of experience in corporate governance and business management. Even though the INEDs are not involved in the day-to-day running of the Company, they are often consulted on various matters in relation to the business of the Company. As such, the offer of ESOS to INEDs is therefore in recognition of their services and contributions to the growth and development of the Company. Such grants will allow also the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company as INEDs and to motivate the existing non-executive Directors to take extra efforts in promoting the interests of the Company.

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Response to Queries from Minority Shareholders Watch Group

(cont'd)

4. **The Company is seeking shareholders' approvals to retain Low Hee Chung and Gor Siew Yeng (Ordinary Resolution 7 and Ordinary Resolution 8, respectively) as Independent Non-Executive Directors (INEDS) of the Company via a two-tier voting process.**

Both have served a cumulative term of more than nine years on the Board. YBS International Berhad 22nd AGM, 29 August 2024.

Does the Company plan to replace the INEDs who have served on the board for more than nine years? If yes, by when?

Answer:

The Nomination Committee and the Board recognize the importance of succession planning for the long-serving INEDs, Mr. Low Hee Chung and Ms. Gor Siew Yeng ("**Long-Serving INEDs**"). The Board has decided that the replacement of these Long-Serving INEDs will occur before they reach their service tenure deadlines by July 2025 and July 2026 respectively.

Sustainability

5. **The Sustainability Statement sets out the sustainability measures that the Group considers as material sustainability risks and opportunities, focuses on economic, environmental and social implications that the Group is exposed to, and arising from the Group's business operations (page 35 of AR 2024).**

However, a detailed sustainability approach, specific key performance indicators (KPIs), targets, and achievements in material sustainability matters were not included.

Including KPIs and targets will enhance the message and facilitate a better understanding of the Group's approach to sustainability matters.

Please consider including a detailed sustainability approach, specific KPIs, targets and achievements for each material sustainability matter in the Group's future Sustainability Statement.

Answer:

We take note of the suggestions from MSWG and acknowledged that inclusion of key performance indicators ("KPIs") and targets will enhance the message and facilitate a better understanding of the Group's approach to sustainability matters.

The Group will disclose detailed information on sustainability approach, specific, targets, and achievements in material sustainability in the Sustainability Statement for FY2025 in accordance with the provisions of the MMLR.



YBS INTERNATIONAL BERHAD
Registration No. 200201014380 (582043-K)
(Incorporated in Malaysia)

Appendix B

Response to Queries from Shareholders

Shareholder 1

1. **How much is the actual Employees' Share Option Scheme ("ESOS") expenses for FY2024? The major expenses was on ESOS which resulted in Company's losses.**

Answer:

The ESOS expenses of RM3.02 million is at gross profit level under cost of goods sold as the Group's employees are split into direct and indirect labour. Total ESOS expenses was RM5.02 million.

The purpose of ESOS is for employee retention. With ESOS in place, the Group was able to retain employees and at the same time attract new talents to join the Group. As the ESOS will expire in February 2026, the impact on ESOS expenses for financial year 2025 is approximately RM3 million for the same ESOS batches compared to RM5.02 million in FY 2024.

2. **To provide update on Enovix's investment of USD100million, of which YBS was set to raise USD70million to fund the machinery, as the amount is not reflected in the AFS?**

Answer:

The facilities and machinery were set up and bank facility was secured to finance the expenses. The amount is not reflected in the AFS as the loan will only be drawn down in accordance with instruction from Enovix. Further details can be referred from Enovix's Investor Relation page.

3. **What is the profit margin of Enovix to YBS and minimum quantity produced for this project?**

Answer:

Profit margin for contract manufacturing usually ranges from 4% to 8% (including salary being factored in). The Manufacturing Agreement stipulates the minimum order quantity. YBS will produce in accordance with the production schedule provided by Enovix with take or pay terms.

4. **Where do YBS source and purchase materials for Enovix? Is the consideration in United States Dollar ("USD")?**

Answer:

The Group make purchases from Enovix approved vendor list. All transactions are in USD save for power consumption which is paid in Malaysia Ringgit.

Shareholder 2

5. What are the reasons of resignation of 2 executive directors of the Company? Is there any succession planning?

Answer:

The two executive directors had resigned as directors of YBS to focus on their personal endeavours. They are still the directors of the subsidiaries in precision engineering and plastic injection moulding segment. We have recently hired a chief financial officer and chief operating officer to support the business of the Group.

6. What is Enovix position in YBS corporate structure?

Answer:

The wholly-owned subsidiary of the Company, Orifast Solutions Sdn Bhd is in collaboration with Enovix as a contract manufacturer. Enovix is our customer and we are the vendor.

7. Under the electronic manufacturing solutions (“EMS”) division, are the two new battery assembly customers related to Enovix? Is Enovix’s technology and whether being used for these customers? Is there any conflict?

Answer:

One customer is related to Enovix and one is not, both are multinational companies. There is no conflict as Enovix technology is only for their own use. Other customers are using different technology.

8. Follow up question from Shareholder 1 on utilization of USD70million bank facility. YBS have not spent any amount from the USD70million?

Answer:

The USD70million bank facility is ready for drawdown but we have yet to utilized it. Some monies were spent on capital expenditure.

9. How long is the cycle from manufacturing to end customers?

Answer:

We are not privy to such information as YBS only delivers to Enovix and Enovix will deal with their own deliverables with their customers directly.

Shareholder 3

10. As one of the existing new plant is reserved for Enovix, what is the optimum amount of lines that can be put in?

Answer:

According to architect, the maximum line is 8+1 but may be congested. The Group will plan ahead based on demand and orders and it is unlikely that the lines will be maximized in next 2 financial years.

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(cont'd)

- 11. Given the rise in demand for telecommunication, existing space would not suffice. Are there any plans for new plant for telecommunication and when will that be?**

Answer:

The Group is considering to either buy or rent a new plant. Updates and announcement will be made once decision is made.

Shareholder 4

- 12. Will Enovix pay if the batteries produced do not meet their specifications?**

Answer:

Any products produced must be paid regardless.

- 13. Any possibility for setting up more lines in Enovix facilities?**

Answer:

This is solely at the discretion of Enovix on where and when they intend to expand.

- 14. How does the partnership between YBS function? Does YBS funds the manpower and raw materials?**

Answer:

The announcement on the proposed private placement mentions that RM15mil of the proceeds to be raised will be used to part finance the Enovix project.

- 15. On the USD70 million loan obtained, will it be utilized now?**

Answer:

This would depends on Enovix's requirements on when they would utilize and draw down the loan. A portion of the machinery has been paid by Enovix.

- 16. What is the output and quantity of the Enovix battery products?**

Answer:

YBS is producing according to Enovix's schedule. The Company is unable to share the output and quantity as it is private and confidential information.

- 17. The RM100 million income stream from Enovix will be recognize in which financial year?**

Answer:

The income stream from Enovix would be recognised only when the production lines are fully operational.

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(cont'd)

- 18. Is YBS purchasing raw materials for Enovix? Is it possible that YBS is purchasing from Enovix's subsidiary?**

Answer:

YBS will purchase the raw material from Enovix's approved vendor list. YBS is unable to comment as it is a trade secret.

- 19. The announcement on the proposed private placement mentions that RM15million of the proceeds to be raised will be used to part finance the Enovix project. How does the partnership between Enovix and YBS works in terms of funding of manpower and raw materials?**

Answer:

The payroll is under YBS to avoid any delay in salary, taking into consideration the lead time between issuance of invoice and payment received. The hiring of top management is by Enovix whereas production staff is by YBS.