



## YBS INTERNATIONAL BERHAD

Registration No.: 200201014380 (582043-K)  
(Incorporated in Malaysia)

Minutes of the **Twenty-First Annual General Meeting (“21<sup>st</sup> AGM” or “meeting”)** of **YBS International Berhad (“YBS” or “the Company”)** held at Iconic 3, Level 7, The Iconic Hotel, 71 Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Thursday, 24 August 2023 at 11.00 am

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

- In Attendance:**
- Management Team
1. Ms. Poa Mei Ling, General Manager (via mobile)
  2. Ms. Yew Li Fang, Finance Manager
- Representatives of BoardRoom Corporate Services Sdn. Bhd.
3. Ms. Ong Tze-En, Company Secretary (“Ms. Ong”)
  4. Ms. Tan Hooi Si, Manager

- External Auditors:**
- Crowe Malaysia PLT
1. Mr. Ng Kian Hian, Partner
  2. Ms. Chew Hwi Ling
  3. Ms. Koh Kai Xian

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

**Scrutineer:** Cygnus Technology Solutions Sdn. Bhd.

**Shareholders / Corporate Representatives / Proxies / Invitees** As per the Attendance List attached

The shareholders, corporate representatives, proxies and invitees (collectively “**the Attendees**”) who attended the 21<sup>st</sup> AGM are set out in the Attendance List attached to and which formed an integral part of these Minutes.

### **Welcome address**

- (A) The Chairman of the Board of Directors (“**Board**”) of YBS, Dato’ Dr. Mohd Sofi Bin Osman (“**Dato’ Dr. Chairman**”) welcomed all Attendees to the 21<sup>st</sup> AGM.
- (B) Dato’ Dr. Chairman proceeded to introduce his fellow Board members, the Company Secretary, and engagement partner from the external auditors, Crowe Malaysia PLT.
- (C) He then expressed his heartfelt condolences on the unexpected demise of Dato’ Dr. Pahamin Abdul Rajab, Independent Non-Executive Chairman of the Company on 8 July 2023.
- (D) Datuk Chairman put on record of the Board’s sincere appreciation of the late Dato’ Dr. Pahamin’s contribution and support over the years and noted his long service as Chairman of the Board for 15 years. He remarked that the dedication, active participation in meetings and professionalism that the late Dato’ Dr. Pahamin has shown had immensely motivated his fellow Board members. The late Dato’ Dr. Pahamin’s ability to grasp the key points and see the big picture of project materials demonstrated his sharpness of mind despite his not having industry domain knowledge. That is so reflective of who he was most well-known for; a co-founder of Airasia. A person who saw the bigger picture and potential of budget airlines to fuel travelling.
- (E) Dato’ Dr. Chairman also noted the late Dato’ Dr. Pahamin’s gentle humour, principled approach and big ambitions for the Group. He added that the late Dato’ Dr. Pahamin was a consensus builder and has always been able to gather everyone around for decisions.
- (F) He requested all Attendees to note the administrative arrangements as sent together with the Notice of the 21<sup>st</sup> AGM dated 28 July 2023 and encouraged them to have a word with representative of share registrars, Mega Corporate Services Sdn. Bhd. (“**MCS**”) should the need arose. He added that voice or video recording of the meeting proceeding is strictly prohibited.

### **Call to order and determination of quorum**

- (G) 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**

- (H) Dato’ Dr. Chairman informed that the Notice of the 21<sup>st</sup> AGM was first announced and circulated to the shareholders, Directors and the external auditors, Crowe Malaysia PLT on 28 July 2023. The Notice of the 21<sup>st</sup> 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.

- (I) Dato' Dr. Chairman informed that there were eleven (11) Ordinary Resolutions 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 eleven (11) resolutions as stated in the Notice of the 21<sup>st</sup> AGM.
- (J) Dato' Dr. Chairman also highlighted that some of the shareholders had appointed him, 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.
- (K) Dato' Dr. Chairman also pointed the right of every member present at this AGM today either in person, or by corporate representative or by proxy, to participate, speak and vote on the resolutions as stated in the agenda of this 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.
- (L) Dato' Dr. Chairman then introduced MCS and Cygnus Technology Solutions Sdn. Bhd. as the appointed Polling Agent and Scrutineer to 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.
- (M) Dato' Dr. Chairman went on to inform that the Board had received written queries from Minority Shareholders Watch Group ("**MSWG**"). He then read out the queries from MSWG and invited the Managing Director, Mr. Yong Chan Cheah, Jackie ("**Mr. Jackie Yong**") to share the Board's response. The queries from MSWG and response were also screened 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.
- (N) Upon conclusion of the response to MSWG, Dato' Dr. Chairman proceeded to deal with meeting agenda.

## **1. Audited financial statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon**

- 1.1 The Audited Financial Statements for financial year ended 31 March 2023 ("**AFS FY2023**") of the Company and the Group together with the Directors' and Auditors' Reports thereon which had been previously circulated were laid at the meeting for discussion. Dato' Dr. Chairman proceeded to invite questions from the floor pertaining to any relevant accounting related matters on AFS FY2023.
- 1.2 7 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 FY2023 of the Company had been duly tabled and received.
- 2. To approve the payment of Directors' fees of up to RM250,000 to the Independent Non-Executive Directors for the period commencing one day after this 21<sup>st</sup> Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company in 2024 (Ordinary Resolution 1)**
- 2.1 Dato' Dr. Chairman informed that the second agenda of the meeting was to approve Directors' fees of up to RM250,000 to the Independent Non-Executive Directors for the period commencing one day after this 21<sup>st</sup> AGM until the conclusion of the next AGM of the Company in 2024.
- 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 RM70,000 for the period commencing one day after this 21<sup>st</sup> AGM until the conclusion of the next AGM of the Company in 2024 (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 RM70,000 for the period commencing one day after this 21<sup>st</sup> AGM until the conclusion of the next AGM of the Company in 2024. Details are enumerated in the Explanatory Notes accompanying the Notice of 21<sup>st</sup> 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 Chan Cheah (Ordinary Resolution 3)**
- (b) **Re-election of Mr. Low Hee Chung (Ordinary Resolution 4)**
- 4.1 Dato' Dr. Chairman informed that Ordinary Resolutions 1 and 2 dealt with the re-election of two (2) Directors, namely, Mr. Yong Chan Cheah and Mr. Low Hee Chung. 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 He added that details on the Board's justifications and basis in support of their re-election are included in the Explanatory Notes of the Notice of the 21<sup>st</sup> AGM.
- 4.3 On the proposal of Dato' Dr. Chairman, the Ordinary Resolutions 3 and 4 were put to vote individually by way of poll.

**5. To re-elect Dato' Dr. Mohd. Sofi Bin Osman 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 his re-election pursuant to Paragraph 107(2) of the Company's Constitution. He added that details on the Board's justifications and basis in support of his re-election are included in the Explanatory Notes of the Notice of the 21<sup>st</sup> AGM.

5.2 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 5 was put to vote individually by way of poll.

**6. To re-appoint Crowe Malaysia PLT as Auditors of the Company 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 Crowe Malaysia PLT as Auditors of the Company for ensuing year to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. He added that Crowe 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 on with the Special Business.

**7. Retention as Independent Director  
THAT contingent upon the passing of Ordinary Resolution 4, Mr. Low Hee Chung be retained as Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM of the Company in 2024 (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 2-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  
in accordance with the Malaysian Code on Corporate Governance until the  
conclusion of the next AGM of the Company in 2024  
(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.

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 2-tier voting process by way of poll.

**9. Waiver of Pre-Emptive Rights under Section 85 of the Companies Act 2016  
(Ordinary Resolution 9)**

9.1 Dato' Dr. Chairman informed the meeting that Ordinary Resolution 9 was to approve the waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 ("Act") read together with Paragraph 62(1) of the Constitution of the Company.

9.2 He mentioned that the Board is seeking mandate from the shareholders for waiver of pre-emptive rights over (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company's Employees Share Option Scheme and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company.

9.3 Dato' Dr. Chairman added that the shareholders' approval would allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of these new shares of the Company under Sections 75 and 76 of the Act.

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

**10. Authority to allot and issue shares by Directors pursuant to Sections 75 and 76  
of the Companies Act 2016  
(Ordinary Resolution 10)**

10.1 Dato' Dr. Chairman informed that Ordinary Resolution 10, 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.

- 10.2 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 subject to approval of all relevant regulatory bodies being obtained, where necessary.
- 10.3 Details of this resolution are set out in the Explanatory Notes accompanying the Notice of 21<sup>st</sup> AGM.
- 10.4 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 10 was put to a vote by way of poll.

**11. Renewal of authority to buy back its own shares by the Company  
(Ordinary Resolution 11)**

- 11.1 Dato' Dr. Chairman informed that the passing of Ordinary Resolution 11 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. 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 130 to 137 of the Annual Report, which had earlier been circulated to all shareholders, directors and external auditors.
- 11.2 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 subject to approval of all relevant regulatory bodies being obtained, where necessary.
- 11.3 Details of this resolution are set out in the Explanatory Notes accompanying the Notice of 21<sup>st</sup> AGM.
- 11.4 On the proposal of Dato' Dr. Chairman, the Ordinary Resolution 11 was put to a vote by way of poll.

**12. Any other business**

- 12.1 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.
- 12.2 Dato' Dr. Chairman then invited representative of the Polling Agent to take the meeting through the polling process.
- 12.3 Mr. 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.

- 12.4 He 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.
- 12.5 Upon conclusion of the briefing from the representative of MCS, Datuk Chairman proceeded to commence the voting session at 11.40 am.
- 12.6 The meeting then stood adjourned at 11.56 am 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.
- 12.7 The Attendees were invited to partake in the refreshments provided.

### 13. Polling Results

- 13.1 The meeting was reconvened at 12.25 pm. Dato' Dr. Chairman called the meeting to order and thanked the Attendees for waiting for the results.
- 13.2 Dato' Dr. Chairman then announced the poll results for all eleven (11) 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	56,945,479	99.9947	3,000	0.0053	Carried
2	56,945,479	99.9947	3,000	0.0053	Carried
3	56,948,479	100.0000	0	0.0000	Carried
4	56,948,179	99.9995	300	0.0005	Carried
5	56,948,479	100.0000	0	0.0000	Carried
6	56,948,479	100.0000	0	0.0000	Carried
7	56,948,179	99.9995	300	0.0005	Carried
8	56,948,179	99.9995	300	0.0005	Carried
9	51,709,079	90.7998	5,239,400	9.2002	Carried
10	56,915,479	99.9421	33,000	0.0579	Carried
11	56,948,479	100.0000	0	0.0000	Carried



Dato' Dr. Chairman then declared that all eleven (11) Ordinary Resolutions were passed by majority votes and therefore, carried.

**Resolved:**

**Ordinary Resolution 1**

“THAT the payment of Directors’ fees of up to RM250,000 to the Independent Non-Executive Directors for the period commencing one day after this 21<sup>st</sup> Annual General Meeting (“AGM”) until the conclusion of the next AGM of the Company in 2024 be and is hereby approved.”

**Ordinary Resolution 2**

“THAT the payment of Directors’ benefits payable of up to RM70,000 for the period commencing one day after this 21<sup>st</sup> AGM until the conclusion of the next AGM of the Company in 2024 be and is hereby approved.”

**Ordinary Resolution 3**

“THAT Yong Chan Cheah be and is hereby re-elected as Director of the Company pursuant to the Company’s Constitution.”

**Ordinary Resolution 4**

“THAT Low Hee Chung be and is hereby re-elected as Director of the Company pursuant to the Company’s Constitution.”

**Ordinary Resolution 5**

“THAT Dato’ Dr. Mohd. Sofi Bin Osman be and is hereby re-elected as Director of the Company pursuant to the Company’s Constitution.”

**Ordinary Resolution 6**

“THAT Crowe 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, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM of the Company in 2024.”

### **Ordinary Resolution 8**

“THAT Gor Siew Yeng be retained as Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM of the Company in 2024.”

### **Ordinary Resolution 9**

#### **Waiver of pre-emptive rights under Section 85 of the Companies Act 2016**

“THAT pursuant to Section 85 of the Companies Act 2016 read together with Paragraph 62(1) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company’s Employees Share Option Scheme and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company AND THAT such new shares when issued, shall rank pari passu equally to the existing issued shares of the Company.”

### **Ordinary Resolution 10**

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

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) (as may be amended, modified or re-enacted from time to time), provisions of the Constitution of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals from the relevant regulatory authorities, the Directors of the Company be and are hereby authorised 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.

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.

AND THAT, the new shares to be issued shall, upon allotment and issuance, 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 11**

### **Renewal of authority to buy back its own shares by the Company**

“THAT subject to the Companies Act 2016 (“Act”) (as may be amended, modified or re-enacted from time to time), the Company’s Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following: -

- (i) The maximum number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the total number of issued shares of the Company at any point of time (“YBS Shares”);
- (ii) The maximum fund to be allocated by the Company for the purpose of purchasing YBS Shares shall not exceed the retained profits of the Company which stood at RM13,483,192 as at 31 March 2023 based on the audited accounts.
- (iii) The authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue be in force until:
  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution of the shareholders of the Company made before the aforesaid expiry date and, in any event, in accordance with the ACE Market Listing Requirements of the Bursa Securities or any other relevant authorities;
- (iv) Upon completion of the purchase(s) of the YBS Shares by the Company, the YBS Shares shall be dealt with in the following manner:-
  - (a) to cancel the YBS Shares so purchased; or
  - (b) to retain the YBS 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 (“ESOS”) or as part of purchase consideration; or
  - (c) to retain part of the YBS Shares so purchased as treasury shares and cancel the remainder;
  - (d) in such other manner as the 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 or expedient to implement or to effect the purchase of YBS Shares.

#### **14. Conclusion**

- 14.1 There being no other business, the meeting concluded at 12.26 pm with a vote of thanks to the Chair.

Confirmed as correct

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Dato' Dr. Chairman



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

## **Response to Queries from Minority Shareholders Watch Group**

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1. The precision machining and stamping segment recorded a 21.3% decline in revenue to RM39.6 million in FY2023. The decrease was mainly due to softened market demand and the shortage of key components experienced by end customers. (page 15 of Annual Report (AR) 2023)

(a) Please provide the revenue breakdown for this segment by industry (e.g., telco, automotive, aerospace etc) for FY2023 and FY2022.

Answer:

The revenue distribution within the precision machining and stamping segment followed by a sequence which the telecommunications industry being the highest contributor, then succeeded by the automotive sector and subsequently the aerospace industry for both FY2023 and FY2022.

(b) Does the Group expect the revenue for this segment to recover in FY2024?

Answer:

The market remains soft and uncertain, which could impact the eventual outcome. The Group is carefully monitoring market trends and putting strategies in place to effectively handle the challenging conditions.

(c) Based on your current orders in hand, how long is the sales visibility?

Answer:

According to the current orders on hand, the sales visibility extends for a period of 6 months. However, this duration can be influenced by various external factors and may be subject to change over time according to customer requirement.

(d) Which industries does the Group expect to be the key revenue drivers going forward?

Answer:

The Group anticipates that the automotive industry will be a key driver of revenue moving forward, especially related to energy storage.

(e) What is the budgeted capex for FY2024 and its breakdown?

Answer:

The budgeted capex for FY2024 was mainly attributable to the investment in manufacturing of lithium-ion batteries with approximately USD 70 million allocated for the acquisition of machinery.

**2. The increase of RM18.08 million in borrowings was mainly due to renovation and extension of factory building projects. (page 13 of AR 2023)**

- (a) What is the total floor space and current utilisation rate for the new manufacturing plant at Penang Science Park?**

Answer:

The new manufacturing plant at Penang Science Park is situated on a 10-acre land parcel and the current utilisation rate is approximately half of its total available space.

- (b) What is the total capex for this plant?**

Answer:

The total capex for the plant at this junction is approximately RM100 million.

- (c) When does the Group expect this plant to run at full capacity? What is the potential revenue at full capacity?**

Answer:

The Group expects the plant to reach full capacity in FY 2025 according to customer demand and estimate the potential revenue projected to be increase approximately 3 to 4 times.

**3. The Group recently entered into a manufacturing agreement with Enovix Corporation to be the non-exclusive supplier of Enovix in Asia for the manufacture of lithium-ion batteries. Enovix will contribute 30% of the initial investment of USD\$100 million with the remaining 70% funded by YBS. YBS will provide the building and capital for equipment and labour for Fab2 and the Gen2 Autoline.**

- (a) How is YBS going to fund its portion of the initial capital outlay of USD\$70 million? Will there be a rights issue?**

Answer:

YBS intends to finance its portion of the initial capital outlay of USD\$70 million through term loan. As of now, there are no intentions to pursue a rights issue for this funding.

- (b) When do you expect this new venture to start operations?**

Answer:

The operations are expected to start in the next financial year.

Minutes of 21<sup>st</sup> Annual General Meeting held on 24 August 2023  
Response to Queries from Minority Shareholders Watch Group and Shareholders (cont'd)

## Corporate Governance Matters

4. **Practice 5.9 of the Malaysian Code of Corporate Governance stipulates that 30% of the Board should comprise women. As of FY2023, there was only one woman director which represents 14.3% female representation on the Board. Does the Company intend to apply Practice 5.9, and if yes, by when?**

Answer:

Applying Practice 5.9 will depend on the availability of suitable candidates with the necessary skills, expertise, and capabilities to contribute effectively to the Board's functioning. The Company is dedicated to ensuring a fair and transparent selection process to identify qualified women candidates who can contribute positively to the Company's governance and strategic decision-making.

As the Company focuses on identifying and attracting the right individuals, efforts will be made to increase female representation on the Board in a manner that is both meaningful and sustainable. Specific timelines for achieving this goal will be determined as suitable candidates emerge and conditions are met.

## Response to Queries from Shareholders

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### Shareholder 1

1. **The Enovix project is expected to cost USD100 million. Is all financed by loans? Any intention to undertake private placement to fund the Enovix project?**

Answer:

YBS would finance its 70% share of the project cost through bank loan and Enovix would contribute the remainder 30% for the investment cost USD100 million.

2. **What kind of products will be produced? Upstream or downstream?**

Answer:

YBS Group would produce battery cells which are raw materials for battery.

### Shareholder 2

3. **What is the potential profit margin from this Enovix project?**

Answer:

YBS Group undertakes the project as contract manufacturer for Enovix so the margin would be within the range of 4% to 6%.

Minutes of 21<sup>st</sup> Annual General Meeting held on 24 August 2023  
Response to Queries from Minority Shareholders Watch Group and Shareholders (cont'd)

**4. When will the Enovix project kick off?**

Answer:

The machine and equipment for manufacturing would be installed by the end of calendar year 2023 with ramp up plan in April 2024.

**Shareholder 3**

**5. What is the usage of the battery cells produced for Enovix?**

Answer:

These batteries are for energy saving and storage, four use in any electronic device.

**Shareholder 4**

**6. What is the partnership / collaboration model for the Enovix project?**

Answer:

YBS is the contract manufacturer supporting Enovix for this project.

**7. Any plan for new facility / expansion of present site? In the future should the need arise?**

Answer:

Management would expand its present manufacturing site to meet demand. It would be in the medium term.

**8. What is the biggest risk / advantage of Enovix project?**

Answer:

The biggest concern would be not being able to meet the specifications and delivery deadline.

On the flip side, partnering Enovix is a huge boost to the YBS Group, lifting presence to a different level.



**9. Will fabrication of Line 1 battery start in December 2023?**

Answer:

All things being equal, it should kick off in December 2023. As mentioned earlier, the project is in final planning stage.

**Shareholder 5**

**10. Next generation batteries are all solid state ones. What is the impact to Enovix product? An example is BYD, the automaker, setting up joint venture for car batteries. How would YBS respond to technology change?**

Answer:

These are lithium ion batteries with long shelf life. Enovix focuses on premium market for miniature batteries. The focus is not on big battery size as for automotive industry.

**Shareholder 6**

**11. Will YBS Group be seen as too dependent on Enovix? What about other customers?**

Answer:

The Enovix project is part of the Group's business expansion plan to venture into new industry and products. The Board has considered the viability of the Enovix's technology and products before green-lighting the project. There would be more focus on energy storage going forward. The Enovix project came through on the introduction by Dato' Dr. Mohd. Sofi Bin Osman, Chairman of the Board of Directors of YBS International Berhad.

Other projects are still ongoing and the management continued to pursue new customers in both existing and new industries.

**Shareholder 7**

**12. Who are the customers for these Enovix batteries? Local or foreign?**

Answer:

The Group is producing at component level to Enovix, its sole customer. In turn, Enovix will sell to its end customers whose information YBS Group is not privy to.