

YBS INTERNATIONAL BERHAD
(Formerly known as LNG Resources Berhad)
(Company No. 582043-K)
(Incorporated in Malaysia)

Key matters deliberated during the Sixteenth Annual General Meeting of the Company held at Iconic 1 & 2, Level 7, The Iconic Hotel, 71, Jalan Icon City, Icon City, Bukit Mertajam, 14000 Penang on Tuesday, 28 August 2018 at 11.00 a.m.

- | <u>Enquiries / Concerns</u> | <u>Response from the Management</u> |
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| a. Mr. Teh Poh Siang enquired what is the strategy used by the Management to grow the business of the Group especially its business in Vietnam. | Mr. Yong Chan Cheah (Mr. YCC), the Managing Director of the Company revert that the business development in Vietnam is encouraging with inception of 4 to 5 new customers recently. The Management has acquired additional machines in subsidiaries in Vietnam as part of its expansion plan. Besides, Mr. Gan Joe Yee an experienced General Manager has been transferred from Malaysia to Vietnam to lead the business development and operation in Vietnam.

Mr. YCC added that the Management has also undertake a few cost control measures with the aim to increase its profit margin in Vietnam, i.e. sourcing of raw material locally for saving of import duties. |
| b. Mr. Chee Hong Kok made reference to Page 50 of the Annual Report 2018 of the Group and enquired the nature of operating expenses disclosed therein. | Ms. Poa Mei Ling (Ms. Poa), the General Manager explained that operating expenses comprises of realized and unrealized foreign exchange loss of RM1.5 million and RM0.873 million respectively. |