

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

Minutes of the Nineteenth Annual General Meeting of the Company held on a fully virtual basis through remote participation and electronic voting via online meeting platform: GoToWebinar by megacorp.com.my provided by Mega Corporate Services Sdn. Bhd. on Thursday, 23 September 2021 at 11.00 a.m.

Attendance

As per Attendance List

The Meeting commenced at 11.00 a.m. with the requisite quorum being present.

Notice

The Notice convening the Meeting was taken as read.

1. CHAIRMAN'S ADDRESS

Mr. Yong Chan Cheah (Mr. YCC) was elected to chair the Meeting as YBhg Dato' (Dr.) Pahamin Ab Rajab was still attempt to join the Meeting. Mr. YCC wished all members present a very good morning and welcomed them to the Company's Nineteenth Annual General Meeting. Upon the confirmation of a quorum being present, Mr. YCC then proceeded to conduct the Meeting.

It was noted that in view of the movement control restrictions imposed nationwide, the Board decided to hold this 19th AGM on a fully virtual basis via live stream webcast and online remote voting without the need of physical attendance by shareholders and proxies.

The Step-by-step guide together with a short audio clip on the online voting module within the GoToWebinar meeting platform was shown for Shareholders / Proxies information.

The meeting was informed that all the Proposed Resolutions to be determined by poll voting. As declared, Mega Corporate Services Sdn. Bhd. is the appointed Poll Administrator for this meeting while Cygnus Technology Solutions Sdn. Bhd. is the appointed Independent Scrutineer to verify the results of the poll voting.

The Notice convening the Meeting was then taken as read.

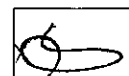
2. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND OF THE AUDITORS THEREON

The Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and of the Auditors thereon (FS 2021), copies of which have been circulated, were tabled before the Meeting.

In view that the tabling of FS 2021 is only meant for discussion, it shall not be put forward for voting. Hence, Mr. YCC then declared that the FS 2021 now laid before the meeting, be received.

To facilitate a smooth voting process, Mr. YCC read out the Ordinary Resolution 1 to 9 and then proceed to address the questions and clarifications raised by shareholders.

Chairman's Signature



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3. ADDRESS OF QUESTIONS AND CONCERNS

Mr. YCC proceeded to address the questions and concerns raised by the shareholders that related to the agenda of 19th AGM, a list of which were summarized in Appendix I attached.

Mr. YCC then move on to address the questions and concerns raised by the shareholders that not related to the agenda of 19th AGM, a list of which were summarized in Appendix II attached.

YBhg Dato' (Dr.) Pahamin Ab Rajab (Dato'Chairman) joined the Meeting and took over the chair at 11:19 a.m.

For the record, Dato Chairman notified the Meeting that the Company has not received any notice of motion from the shareholders of the Company since the despatch of the notice of 19th AGM.

The Meeting was adjourned at 11.27 a.m. to facilitate the calculation of polling results and corporate video was played during the transistion.

The Meeting resumed at 11.30 a.m.

4. TO APPROVE THE PAYMENT OF DIRECTORS' FEES

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,336,855	99.9985	11,300	0.0105	Carried

It was resolved that the following be approved:-

The proposed payment of Directors' Fees of up to RM169,000/- for the period from 1 October 2021 until the next Annual General Meeting of the Company.

5. TO APPROVE THE DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEE)

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,325,855	99.9792	22,300	0.0208	Carried

It was resolved that the following be approved:-

The proposed Directors' benefits (excluding Directors' Fee) payable of up to to RM29,800/- for the period from 1 October 2021 until the next Annual General Meeting of the Company.

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6. TO RE-ELECT MR. YONG CHAN CHEAH A DIRECTOR RETIRING UNDER THE PROVISION OF PARAGRAPH 102(1) OF THE COMPANY'S CONSTITUTION

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,346,155	99.9981	2,000	0.0019	Carried

It was resolved that Mr. Yong Chan Cheah be re-elected as Director of the Company.

7. TO RE-ELECT MR. LOW HEE CHUNG A DIRECTOR RETIRING UNDER THE PROVISION OF PARAGRAPH 102(1) OF THE COMPANY'S CONSTITUTION

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,346,155	99.9981	2,000	0.0019	Carried

It was resolved that Mr. Low Hee Chung be re-elected as Director of the Company.

8. TO RE-ELECT DATO' JIMMY ONG CHIN KENG A DIRECTOR RETIRING UNDER THE PROVISION OF PARAGRAPH 107(2) OF THE COMPANY'S CONSTITUTION

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,346,155	99.9981	2,000	0.0019	Carried

It was resolved that Dato' Jimmy Ong Chin Keng be re-elected as Director of the Company.

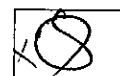
9. TO RE-APPOINT MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,346,155	99.9981	2,000	0.0019	Carried

It was resolved that Messrs. Crowe Malaysia PLT be re-appointed as the Auditors of the Company for the ensuing year and mandate be given to the Board of Directors to fix their remuneration.

Chairman's Signature



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10. AS SPECIAL BUSINESS

a) Continue in Office as Independent Non-Executive Director

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,346,155	99.9981	2,000	0.0019	Carried

It was resolved that through the above voting results the following was approved as Ordinary Resolution 7:-

“That subject to the passing of Resolution 4, authority be and is hereby given to Mr. Low Hee Chung who has served as an Independent Non-Executive Director of the Company to continue to serve as Independent Non-Executive Director of the Company upon expiry of his tenure of nine years as Independent Non-Executive Director on 31 July 2022 in accordance with the Malaysian Code on Corporate Governance.”

b) Authority to Issue Shares

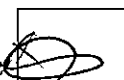
By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,344,955	99.9970	3,200	0.0030	Carried

It was resolved that through the above voting results the following was approved as Ordinary Resolution 8:-

“That pursuant to Companies Act 2016 and approvals from the Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities.”

Chairman's Signature



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10. AS SPECIAL BUSINESS (CONTINUED...)

c) Renewal of Authority to purchase its Own Shares

By the following voting results:-

Vote in Favour		Vote Against		Result
No. of Shares	%	No. of Shares	%	
107,344,955	99.9970	3,200	0.0030	Carried

It was resolved that the following was approved as Ordinary Resolution 9:-

“THAT subject always to the Act, 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Securities and all other applicable laws, regulations and guidelines for the time in force, the Directors of the Company be and are hereby given full authority, to seek shareholders’ approval for the renewal of authority for the Company to allocate an amount not exceeding the total available retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and in the best interest of the Company provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total issued shares of the Company at any point in time;

AND THAT upon the purchase by the Company of its own shares, the Directors are authorized to retain such shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased as treasury shares and cancel the remainder. The Directors are further authorized to distribute the treasury shares as dividends to the shareholders of the Company and/or resell the shares on Bursa Securities in accordance with the relevant rules of Bursa Securities or subsequently cancel the treasury shares or any combination thereof;

AND THAT such approval and authorisation shall only continue to be in force until:-

- (i) the conclusion of the first Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by 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 Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate.”

Chairman’s Signature 

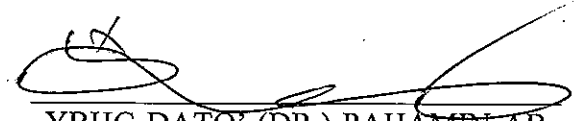
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11. TERMINATION

The Meeting concluded at 11.36 a.m. with a vote of thanks to the Chair.

Confirmed as a correct record


YBHG DATO' (DR.) PAHAMIN AB
RAJAB
Chairman

Key matters deliberated during the Nineteenth Annual General Meeting of the Company held on a fully virtual basis through remote participation and electronic voting via online meeting platform: GoToWebinar by megacorp.com.my provided by Mega Corporate Services Sdn. Bhd. on Thursday, 23 September 2021 at 11.00 a.m.

	<u>Enquiries / Concerns</u>	<u>Response from the Management</u>
1.	It is stated in the Management Discussion and Analysis that there is a new factory building of RM25.28 million as part of the Group's continuing expansion program. However, there was no such cash outlay for investing activities as per Statements of Cash Flows. Could the Management please elaborate on how the new factory building is being funded?	The new factory is being funded by term loan from financial institution. Please refer Note 33 (a) Right-of-use (ROU) assets, the cost of the ROU assets acquired have been offset with the finance via term loan and the net cash disbursed for addition of ROU assets was shown in the Statements of Cash Flows.
2	Similarly, based on Note 21 Borrowings, the Group's term loan has increased by more than RM19 million. However, there were no such cash inflows of that sum for financing activities as per Statements of Cash Flows. Could the Management please elaborate on how the borrowings had been obtained and utilized?	As elaborated in Note 33(a) & (b), the finance via term loan has been offset with the cost of ROU assets, therefore it was not shown as cash inflows in the Statements of Cash Flows.
3.	The Group's right-of-use assets increased by about RM28 million, but lease liabilities only increased by about RM2 million. Why is there such a huge gap between the increase in ROU assets and lease liabilities?	The increases of ROU assets was mainly contributed by the acquisition of new factory building which has been included under ROU assets and it was finance via term loan thus the increases in ROU will not has such corresponding increases in lease liabilities.
4.	It is stated in the Management Discussion and Analysis that the Covid-19 pandemic had affected the timing of collection from customers. However, there were no impairment losses recognized in this regard. Why does the Management assess that the balances outstanding more than 90 days past due will be fully recoverable and no expected credit losses required?	The outstanding more than 90 days past due payment has been received subsequent to the financial year end.

Key matters deliberated during the Nineteenth Annual General Meeting of the Company held on a fully virtual basis through remote participation and electronic voting via online meeting platform: GoToWebinar by megacorp.com.my provided by Mega Corporate Services Sdn. Bhd. on Thursday, 23 September 2021 at 11.00 a.m.

	<u>Enquiries / Concerns</u>	<u>Response from the Management</u>
5.	<p>Key Audit Matter – Impairment assessment of goodwill: One of the key assumptions is that the growth rate is forecasted ranging from 4% to 20% per annum, for the financial years 2022 to 2026 as well as beyond the 5 years forecast period.</p> <p>However, the Group’s revenue had decreased year by year throughout FY2017 to FY2021. How does the revenue growth be justified and supported? Could the Management provide details regarding the committed and estimated additional orders from both new and existing customers that are factored into the impairment assessment?</p>	<p>The forecasted growth rate is based on the commencement of new production plant at new factory building with higher capacity for new project. Moreover, certain subsidiaries had secured book order for the next 6 months.</p>

Enquiries and concerns raised by shareholders / proxies during the Nineteenth Annual General Meeting of the Company held on a fully virtual basis through remote participation and electronic voting via online meeting platform: GoToWebinar by megacorp.com.my provided by Mega Corporate Services Sdn. Bhd. on Thursday, 23 September 2021 at 11.00 a.m.

<u>Enquiries / Concerns</u>	<u>Response from the Management</u>
1. Please give all participants of this virtual meeting some vouchers, evouchers or ewallet top ups as token of appreciation. Thank you.	Mr. YCC expressed his gratitude to shareholders' participation at the AGM of the Company. He explained that for past years, lunch treat will be provided to participants at AGM. The Management took note on the suggestion from shareholders on door gifts, i.e. vouchers, e-wallet reload. etc and will consider it accordingly.
2. Shareholders are taking time & efforts to register, go online & participate in the Virtual AGM & would appreciate that the company reward us appropriately with Touch&Go credits or post some food vouchers to us. Thank you.	
3. What are the 3 year plan to grow the Company?	Following the completion of acquisition of new property this year, the Management will concentrate on its expansion plan in the new plant in this 2-3 years time. The Group has concentrate on the business development with existing customers due to the pandemic. Mr. YCC added that the Management will put effort on expanding the customers base in Vietnam and India after the pandemic.
4. Any involvement in current Semicon boom?	The Group has started its involvement in semiconductor industry in January 2021. The Group has submitted its application for admission to Semiconductor Supply Chain and is in the auditing stage. He added that the Group is currently a Tier 3 and 4 vendor, providing spare parts for existing customers.
4. What's the current utilisation rate of the new plant?	The Management is arranging the production to be moved into the new plant progressively. The Group expected to utilize 60-70% of the capacity in new plant upon commencement of operation.