

YLI HOLDINGS BERHAD
(199501038047) (367249-A)
(Incorporated in Malaysia)

Minutes of the Twenty-Eighth Annual General Meeting of the Company conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tjih.online> on Monday, 28 August 2023 at 11.00 a.m.

PRESENT : As per attendance list

1. WELCOME & INTRODUCTION

On behalf of the Board of Directors, the Chairman, Dato' Haji Samsuri bin Rahmat ("Dato' Chairman") welcomed all members to the Company's Twenty-Eighth Annual General Meeting ("AGM") which was conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities.

Dato' Chairman informed that the quorum could be determined by the number of members logged-in at the start of the meeting. He further urged to take note that the attendance of AGM was restricted to Shareholders/ Proxyholders and authorised representatives of corporate shareholders who had registered to join the meeting remotely. Any visual or audio recording of the meeting was strictly prohibited unless prior written consent was obtained.

Dato' Chairman briefed that the Notice of the Meeting had been sent to all members within the prescribed period and it was unanimously agreed that the Notice of the Meeting be taken as read. The Chairman continued to introduce the Board of Directors and the Company Secretary. The auditors, Baker Tilly Monteiro Heng PLT joined the Meeting remotely via video conferencing.

Dato' Chairman then called the meeting to order after confirming with the Company Secretary that there was sufficient quorum present.

2. CHAIRMAN ADDRESS

Dato' Chairman informed that there were six (6) Ordinary Resolutions and one (1) Special Resolution to be tabled for consideration and approved by the shareholders. The ordinary resolutions required a simple majority of more than 50% from the members or proxies present via online and voting through online remote voting. Meanwhile, the special resolution required not less than 75% of the votes from those members present in person or proxies at this meeting. He informed the shareholders that the voting for all the resolutions to be put to vote would be by way of poll in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

He also informed that only members and proxies appointed for the Meeting who were virtually participating in the Meeting were allowed to vote, raise questions or seek clarifications which were relevant to the proposed motions in the Agenda. To facilitate the online voting process, the members/proxies were to submit their votes any time from the commencement of the Meeting until the end of the voting session to be announced later.

2. CHAIRMAN ADDRESS (...continued)

Dato' Chairman also notified that the poll would be conducted electronically via RPV facility provided by Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator and results of the poll would be verified by Coopers Professional Scrutineers Sdn. Bhd. as Independent Scrutineers.

Dato' Chairman notified that shareholders, Ms Boey Bee Gut and proxy holder, Ms Florawati Binti Ichsan had offered to be proposer and seconder for all the resolutions of the AGM.

He further informed that every member who was virtually participating either in person or by proxy had the right to ask question via query box and vote on the agenda of this meeting starting from the commencement of meeting until the end of the voting session which would be announced later. Remote Voting Procedures was played to facilitate the online voting process.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Dato' Chairman informed that the first item on the agenda was to receive the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon, copies of which have been circulated, were tabled before the Meeting.

Dato' Chairman explained to the shareholders that the Audited Financial Statements for the financial year ended 31 March 2023 are meant for discussion only as provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

He further informed the shareholders that the Company had received a letter dated 2 August 2023 from Minority Shareholder Watch Group ("MSWG"). A summary of the questions raised by MSWG on Operational and Financial Matters and the answers given by the Chairman on behalf of the Company were read by the Company Secretary and set out in Appendix A attached.

Dato' Chairman informed that the Board and the Management shall attend to the questions during the Q&A session.

4. RE-ELECTION OF SEAH HENG CHIN

Members of the floor ("Members") were informed that the proposed ordinary resolution 1 was to re-elect Mr Seah Heng Chin who retired as a Director of the Company in accordance with Clause 76(3) of the Company's Constitution and being eligible, had offered himself for re-election.

5. RE-ELECTION OF DATUK HAJI JALALUDIN BIN HAJI IBRAHIM

Members were informed that the proposed ordinary resolution 2 was to re-elect Datuk Haji Jalaludin Bin Haji Ibrahim who retired as a Director of the Company in accordance with Clause 76(3) of the Company's Constitution and being eligible, had offered himself for re-election.

6. RE-APPOINTMENT OF AUDITORS

Members were informed that the proposed ordinary resolution 3 was for the re-appointment of Baker Tilly Monteiro Heng PLT as Auditors to hold office until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Directors.

7. DIRECTORS' FEES AND DIRECTORS' BENEFITS

Members were informed that the proposed ordinary resolution 4 was to approve the payment of Directors' fees for the financial year ended 31 March 2023 and the Directors' benefits from 28 August 2023 until the next Annual General Meeting of the Company up to an aggregate amount of RM500,000.00.

8. WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016

Members were informed that resolution 5 was a Special Resolution and, if passed, would allow the Directors of the Company to issue new shares to any person under the proposed general mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

9. ISSUANCE OF NEW ORDINARY SHARES

Members were informed that the proposed ordinary resolution 6 was to seek approval from shareholders for issuance of new ordinary shares pursuant to Section 75 and 76 of the Companies Act 2016 as set out in Appendix B. This Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

10. AUTHORITY FOR SHARE BUY-BACK

Members were informed that the proposed resolution 7 was to seek approval on the proposed authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the total issued shares of the Company as set out in the Statement to Shareholders dated 28 July 2023 and the resolution was as follows:-

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company 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 and expedient in the interest of the Company provided that:

10. AUTHORITY FOR SHARE BUY-BACK (...continued)

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back Authority").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;

10. AUTHORITY FOR SHARE BUY-BACK (...continued)

- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee 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, variations and/or amendments (if any) as may be imposed by the relevant authorities."

Dato' Chairman informed that the details and rationale of the Proposed Renewal of Share Buy-Back Authority were as stated in pages 1 to 3 of the Statement.

11. ANY OTHER BUSINESS

Dato' Chairman informed that the Company did not receive any other notice under any other business.

12. QUESTIONS & ANSWERS SESSION

Dato' Chairman proceeded to address the questions received by the Company via the query box as per Appendix C attached hereto.

He informed that the management would respond to questions which they had not been able to address during the Meeting via emails after the Meeting.

13. VOTING SESSION

Dato' Chairman called upon the members to proceed to cast their votes and further announced that the voting session would be open for another 5 minutes. The voting instructions were re-played on the screen to facilitate the online voting process.

At 11.30 a.m., Dato' Chairman informed the closure of the online voting session and adjourned the Meeting to facilitate the counting of the votes.

The Meeting took a short recess and the corporate video was played to introduce and update the activities and achievements of the Company.

14. DECLARATION OF POLL RESULT

The Meeting resumed at 11.57 a.m. with the requisite quorum being present.

Dato' Chairman then called the Meeting to order for the declaration of results. He informed that the poll voting results had been duly validated by the Independent Scrutineers.

The poll voting results as follows were shared to the meeting on the screen:-

Result On Voting by Poll

| Resolution(s) | Vote For | | Vote Against | | Total Votes | |
|---------------------|--------------|---------|--------------|--------|--------------|---------|
| | No. of Units | % | No. of Units | % | No. of Units | % |
| Resolution 1 | 5,592,861 | 99.9583 | 2,583 | 0.0462 | 5,595,444 | 100.000 |
| Resolution 2 | 38,102,950 | 99.9932 | 2,583 | 0.0068 | 38,105,533 | 100.000 |
| Resolution 3 | 38,105,450 | 99.9998 | 83 | 0.0002 | 38,105,533 | 100.000 |
| Resolution 4 | 5,566,653 | 99.4855 | 28,791 | 0.5145 | 5,595,444 | 100.000 |
| Resolution 5 | 38,095,498 | 99.9737 | 10,035 | 0.0263 | 38,105,533 | 100.000 |
| Resolution 6 | 38,095,398 | 99.9734 | 10,135 | 0.0266 | 38,105,533 | 100.000 |
| Resolution 7 | 38,103,031 | 99.9934 | 2,502 | 0.0066 | 38,105,533 | 100.000 |

Based on the results, Dato' Chairman declared that all the resolutions were carried.

15. CLOSURE

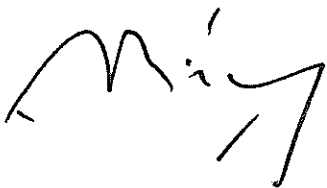
Before he closed the Meeting, Dato' Chairman informed that the Management would address those questions which they did not manage to answer during the Meeting via emails. He also thanked all shareholders for their support and participation at the Meeting.

Dato' Chairman further informed that the Company would be providing Touch n Go e-wallet top-up of RM30.00 to the shareholders who logged-in and participated at the AGM.

There being no other business to discuss, the Meeting ended at 11.59 a.m. with a vote of thanks to Dato' Chairman.

SIGNED AS A CORRECT RECORD

CHAIRMAN



YLI Holdings Berhad

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Answers to Questions posed in relation to the MSWG Letter dated 2 August 2023

Operational and Financial Matters

1. Financial Performance

In FY2023, YLI recorded an operating profit of RM5,571,000 compared to an operating loss of RM4,691,000 recorded in FY2022, which was mainly due to a one-off gain of RM15,000,000 from the disposal of freehold lands.

Without the one-off gain, the Group would have recorded an operating loss of RM9,429,000 in FY2023, which is a much higher loss compared to the previous year’s operating loss (Page 17 & Page 50 of the Annual Report 2023/AR2023).

From the operation point of view, will YLI be able to remain profitable without a significant contribution from the non-core business income, going forward?

Reply:

Higher operating loss recorded is mainly due to lower revenue recorded coupled with higher raw materials and utilities costs. Moving forward, supply chain of raw materials will gradually regularized post Covid-19 pandemic and inflation will be under better control, hopefully. Thereafter, the domestic and overseas business activities shall be picking up and that would help to increase the demand for water infrastructure projects and waterworks pipes. With all these events to happen, YLI is optimistic that the Group can turn from red to black moving forward.

2. During the year under review, the Group recorded a gross loss of RM835,000 (FY2022: Gross profit of RM4,332,000) when the cost of sales was higher than revenue. Apart from a year-on-year lower revenue recorded by the Group, the continued spike in raw material and utility costs was also the main contributor to the recorded gross loss in FY2023 (Page 17 & Page 50 of AR2023).

- (a) What is the need to sell below the cost of sales? Has the Group passed on the rising raw material and utility costs to the customers in FY2023?

Reply

The volume of sales did not manage to cover total increase in costs with softer market demand for waterworks pipes. We have passed the costs increase to customers to an extent agreed by us and the customers but it is still insufficient to cover the increase in raw materials and operating costs.

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(b) What are the drastic measures taken by the Board to address the above issue?

Reply

The Board has identified two (2) main strategies to address the above issue:

- i. To source raw materials such as scrap metal directly via our trading arm with licenses secured to reduce the raw materials costs
- ii. To actively explore in Renewable energy such as solar power to reduce on electricity costs incurred

(c) Can the Group achieve a gross profit in FY2023? If not, why?

Reply

The Board is cautiously optimistic that the Group can achieve on gross profit provided market demand for waterworks pipes for both domestic and international markets can recover with faster pace without further complication of current external issues such as political landscape, unusual inflation and further hike in utility costs and interest rate.

3. There is an impairment loss on contract assets of RM454,000 (FY2022: RM45,000) (Page 91 of AR2023).

(a) What is the reason for the significant increase in impairment on contract assets?

Reply

The impairment loss was made pursuant to MFRS 139 upon discussion with the Auditor in view of the longer timing in recovering back the said contract assets.

(b) What are the measures taken to recover the amount?

Reply

As mentioned, the said impairment loss was attributed by longer timing in recovering back the said contract assets. We have intensified efforts to recover back the said contract assets.

(c) What is the amount recovered, to-date?

Reply

The effort of recovering the contract assets is progressing well and we hope to have positive outcome soonest possible.

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4. Capital Expenditure

A total of RM1.119 million was expended during FY2023 to fulfill capital expenditure (CAPEX) requirement and the amount to be expended within the next financial year is expected to be within the range of RM4 million – RM5 million for the Group (Page 18 of AR2023).

(a) What are the types of CAPEX expected to be expended in FY2024?

Reply

We will focus primarily on plant and machineries.

(b) How this CAPEX investment can drive the future performance of the Group?

Reply

We intend to improve the production efficiency of our plant and machineries which have been in operation for more than 20 years. With better production efficiency, operating costs can be reduced and this will result in higher profit for the Group.

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Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016

“THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 (“the Act”) and pursuant to Sections 75 and 76 of the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

THAT such approval on the Proposed General Mandate shall be in force until:

- a. the conclusion of the next AGM of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting.

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

APPENDIX C

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QUESTIONS RECEIVED DURING THE MEETING

| No | Questions | Company's Response |
|----|---|---|
| 1. | Good Morning to the Board of YLI. Moving forward , could the Board share with us on your business plan for the group? Thanks. | In an effort to reduce NRW, the Groups sees potential business from pipe replacement as a result of this. We can capitalise on our good relations with authorities. The latest NRW statistics shows that currently the nation has an average NRW of 34.4%. Further, the old pipes especially in the state of Selangor (about 50% of which are Asbestos Cement pipes already in use for more than 30 years) would need replacement to reduce NRW of Selangor which is currently at 27.8% which is approximately RM1 billion loss in revenue due to NRW. The Company is hopeful that it would secure substantial business once the effort to reduce NRW intensifies owing to our good track records from our past dealings with government authorities. |
| 2. | What could company purpose to gain more profit? Does Johor recent reactive project by government promoting forest city, indirectly bring new order book to company? | The Group would gain from Non-Revenue Water projects to replace Asbestos Cement pipes which have been in use for the last few decades. The reactivation of Johor recent projects such as Forest City would benefit the Group directly. |