

YLI Holdings Berhad

25th Annual General Meeting (“AGM”) conducted on a fully virtual basis through online remote voting and live streaming from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Monday, 28 September 2020 at 11.30 a.m.

REPLY TO PRE-AGM QUESTIONS RAISED BY THE SHAREHOLDERS

The following question 1 was raised by Mr. Tan Teng Chee, a proxy holder and the Board responded as follows:

Question 1:

Please consider giving the shareholders eWallet to help during this Covid storm.

Reply:

Mr Seah Heng Chin replied that the Company was facing very challenging operating environment and immediate industry outlook remained uncertain. The Group has embarked on a cost-cutting measures and was trying its best to achieve a turnaround. The Board might consider this suggestion if the Group could manage to turnaround and become profitable again.

The following questions 1 to 3 were raised by Mr Kow Lih Shi, a shareholder and the Board responded as follows:

Question 1:

Will YLI introduce any dividend policy this year?

Reply:

Mr Seah reverted that the Company does not have a written dividend policy. However, it has been YLI’s practise to declare dividends out of current year profits since its listing since 1997.

Question 2:

Do we have enough fund to survive?

Reply:

Mr Seah replied that as far as cash flow management was concerned, they did not foresee any pressing concern. In addition to the cashflows from the collection of trade receivables, the Group has banking facilities to support the operations of all its businesses.

Question 3:

Any new business?

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Reply:

Mr Seah replied that as disclosed in the Management Discussion and Analysis on page 5 of the Annual Report, under the last paragraph under “Prospects”, “In order to mitigate the risk of specialising in very limited fields or industries, the Group would continue to scout for investment opportunities to further diversify the earning base of the Group and enhance the returns to its shareholders”.

REPLY TO AGM LIVE QUESTION RAISED BY THE SHAREHOLDER VIA QUERY BOX

The following question 1 was raised by Mr Kow Lih Shi, a shareholder and the Board responded as follows:

Question 1:

Will YLI raise any rights issue in the near future and how was the sustainability of the Group?

Reply:

Dato’ Chairman replied that there was currently no plan to issue rights shares to the shareholders of YLI. As far as funding requirement for YLI’s business was concerned, the Group has adequate internally generated funds as well as banking facility to sustain the business of the Group. The Group might also consider investing into any viable project if there was such an opportunity.

In terms of sustainability, the Group was able to maintain a good financial performance even though Covid-19 pandemic has affected some of their operations. Dato’ Chairman mentioned that strong commitment from the Board Members in managing the Group’s operations has contributed to the healthy financial position and low gearing ratio of the YLI Group.

The Group was always on a look out for any market opportunities and hopefully would able to outperform after the Covid-19 lockdown, especially on the development of projects for non-revenue water to be launched. In Malaysia, approximately 43,000 km of the aged underground water pipes have been around for 40 years and the Group sees that as an opportunity that would sustain the Group. The Group has always been a major supplier of premium ductile pipes throughout Malaysia. The Group has also identified a market opportunity of 34% of the non-revenue water (“NRW”) from water treatment plant in the transition in Malaysia. Hopefully the forecast projects would be launched soon.