YOONG ONN CORPORATION BERHAD
17th Annual General Meeting
Questions & Answers

	Participant	Message	Answer
1.	Ang Lii Chuan	a. How many wholly owned retails shop? b. How many New Home's Harmony Shops does the Group intend to open this year? c. Where are the targeted locations?	a. We have total 53 wholly owned shops, 41 shops in Malaysia and 12 shops in Singapore as of 30 June 2024. b. We intend to open 6 more shops this year. c. We are looking at Penang, Johor, East Coast, East Malaysia (Sabah and Sarawak) and Singapore.
2.	CHAI MING CHIUAN	Will the Company plan to pay a special dividend or bonus issue to shareholders?	The Company has no plan to pay a special dividend or issue bonus shares.
3.	EE YIH CHIN	Refer Note 6c, for the 6-month ended Jun 30, TC Homeplus recorded RM27m revenue and RM1.2m profit after tax (PAT), implying PAT margin of 4.6%. However, in 2022 full year TC Homeplus PAT was much higher at RM8m, and PAT margin 14.3%. a. What has caused margin compression? b. What is the latest situation? c. What is the target revenue and PAT margin for FY2025?	a. TC Homeplus posted a lower PAT margin was mainly due to higher operating expenses and higher provision made after it changed its accounting policy in tandem with the YOCB Group policy including fixed assets depreciation, restoration cost, doubtful debt and slow-moving stocks. b. Retail market in Singapore is slower compared with year 2022. c. The revenue for FYE2025 will be better than FYE2024 but the PAT margin would be likely like FYE2024 due to high operating expense and provision for certain expenses.
4.	EE YIH CHIN	What is the same-store sales growth in Malaysia and Singapore respectively in FY2024?	Even though not all stores recorded sales growth, all stores posted sustainable profit in FYE2024.

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5.	EE YIH CHIN	Page 14 mentions that "As at 30 June 2024, we have a total of fifty-three (53) retail shops". This is a marked increase from June 2023. a. Can you provide the breakdown of how new stores acquired from TC Homeplus in Singapore versus organic expansion in Malaysia? b. What is the target for FY2025?	 a. We have total 53 wholly owned shops, 41 shops in Malaysia and 12 in Singapore at of 30 June 2024. b. We intend to open 6 more shops this year.
6.	KOE WENG SHIN	Regarding the outlet expansion: a. May I know what is the expected expansion plan (numbers of Home Harmony, Niki Cains and Home Outlets) for next year? b. Does the company look for outlet expansion in East Malaysia (Sabah, Sarawak), Singapore and overseas (Vietnam, Cambodia) for next year? c. Does the company plan to fully acquire SG TC Homeplus (remaining 40% equity interest) in the coming 1-2years since the cash level is at RM101 million? d. What is the average number of workforces per outlet (Home Harmony, Niki Cains and Home Outlet)? e. And does the minimum wage adjustment from RM1500 to RM1700 affect the business payback period (1-2years) which mentioned during FY2023 AGM?	 a. We intend to open 6 more shops for this year. b. Yes, we are constantly looking for strategic locations in East Malaysian (Sabah & Sarawak) and Singapore. c. We have no plan to acquire 100% of TC Homeplus. d. The average number of staff for an outlet depends on the size of the outlet. A shop size exceeding 10,000 sq ft requires more than 10 staff. e. The RM1,700 Minimum wage order will increase the staff cost but will not have a material impact on the Group profit margin.

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7.	KWANG QI CAI	a. Across your Home Harmony outlets, are you able to share which are your top-performing outlets and which are outlets that are underperforming? b. For those underperforming outlets, what are management action plans to turn them around? c. At what point do you decide to close a particular outlet?	a. All Home's Harmony outlets recorded sustainable profit. b. It is our practice to assess the product mix, pricing, placing and promotion activities to make sure they are commercially viable. c. We will close an outlet when it has persistently failed to meet its targeted sales and profit.
8.	KWANG QI CAI	a. For outlet expansion, are you still seeing good opportunities or are you seeing more saturation? b. Could you share some of your top benchmarks/ KPIs/monitoring criteria for your new outlet opening?	a. There may have been saturation in certain areas in Klang Valley but there are opportunities in East Coast and East Malaysia (Sabah and Sarawak). b. Sales and Profit are our benchmarks for outlets.
9.	KWANG QI CAI	a. In term of cost control for physical outlets, could you share some insights into various observations such as the availability of staff, lease term strategy (longer or shorter) b. Do you need to stock more inventory or are sales consistent. c. Any spike in rental prices? Thank you!	a. We will monitor and control staff overtime and cease the hiring of part-time staff during off peak season. For the lease term, we will negotiate for 3 years term on agreed rate. b. Our business is seasonal subject to variations like festive seasons, holidays and carnivals, we will stock up accordingly to meet our targeted sales. We must ensure there is the right product mix, wide range of product, new design, new products and sufficient of sellable items to meet customers' needs. c. Yes, shop rental spikes are inevitable.

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10.	KWANG QI CAI	Do you see any significant differences between the consumption or purchase preference of Singapore and Malaysia customers?	We do not see any significant differences in purchase preference between Singapore and Malaysia customers.
11.	KWANG QI CAI	a. From your market observation, are you seeing any rise in competition b. Is there any strategy that you are adopting at the moment in terms of distribution channel, location selection, size of store, etc.	a. Yes, retail business is very challenging with competition from both local and overseas competitors. b. Our marketing strategies include a diverse product range, contemporary design, strategic locations and pro-active promotion.
12.	LAM HSIEN JIN	Noticed that you've been experimenting on a new rebranded concept called "Fun & Relax" at Ekocheras Mall. a. How many of these stores are there now? b. What's the difference vs. the Home's Harmony format – different SKUs, prices, interiors? How has traction been – sales, no. of customers, basket size and margins, especially compared to Home's Harmony?	a. We have one (1) Fun & Relax outlet as of today. b. Fun & Relax is a new concept store targeting younger customers. We do not expect it will contribute to a high profit margin due to aggressive promotion. We plan to open more Fun & Relax outlets to capture more younger customers and a bigger market share in moving forward.
13.	LAM HSIEN JIN	Can you breakdown FY24 revenue earned from your fully owned retail outlets, consumer fairs and online sales? Are these all categorised under the retail segment?	Fairs sales are retail in nature and are categorized under retails whereas Online sales are outright sales and are categorized under distribution. Retails including fairs sales contribute approximately 43% of Group Sales and Online sales contribute approximately 7% of Group sales.

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14.	LAM HSIEN JIN	How are you trying to stay relevant and attractive to the younger generation of customers?	We will come up with more vibrant color, trendy, contemporary designs and products to target younger generation of customers.
15.	LAM HSIEN JIN	a. How have sales been trending into 1QFY25 and Oct-Nov so far? b. Seems like demand for bedding products in general is quite soft now based on mattress manufacturer and retailer Lee Swee Kiat's recent quarterly results.	a. The Group posted higher sales from July 2024 till November 2024 mainly from Higher Retail and Online sales. b. Higher sales from July 2024 till November 2024 were from Higher sales of the Group's core product home linen.
16.	LAM HSIEN JIN	a. Has the competitive landscape changed in the last 3-6 months from your observation – especially on social and e-commerce channels like Shopee, Lazada, Taobao, Temu, TikTok Shop and VIPSHOP? b. Where do you think you stand today against your key competitor brands like Eastern Decorator's Akemi and Hooga?	a. Our online sales are encouraging as evidenced by our recent online sales growth via social commerce and E-Commerce platforms. b. We have been awarded the top selling brands in both bedding & bath and home & living category by the departmental stores and e-commerce platforms recently have demonstrated the Group's products and design are well received.
17.	LAM HSIEN JIN	a. Is Ashley Myles a new brand? b. When was it launched and who is the target market? c. How has traction been?	a. No, Ashley Miles is Not a new brand b. Ashley Miles is our registered brand launched more than 20 years ago to target mass market customers. c. Ashley Miles home linen product are available in 3rd party departmental stores in Sabah and Sarawak, hypermarket in peninsular Malaysia and our wholly owned shops, Niki Cains Concept store.

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18.	LEE SIEW MENG	a. Will the Group business to be impacted from tariff hike imposed by USA against China product in future? b. Will the Group benefit from strengthening of RM against USD? c. How is the online sales doing? d. What is the business outlook in Singapore? e. Will management consider 100% fully acquire TC Homeplus? f. Will the Group impact from implementation of minimum wages to RM1,700? g. Does the Group face any shortage of foreign labour? h. What is the current price trend for raw materials of the Group? i. Please post the summary of Q&A for all AGM in the Group official website. j. Please maintain virtual AGM in future to ease shareholders who are unable to participate physically. k. Appreciate if door gift is provided to shareholders who attend AGM. Thank you.	a. No, the Group business will not be impacted from the tariff hike imposed by USA because the Group does not export to USA b. Yes, the purchase transacted in USD will result in lower purchase cost c. Our online sales are encouraging as evidenced by our recent online sales growth via social commerce and E-Commerce platforms. d. Retail market in Singapore may be slow but we are confident to expand our Singapore business. e. We will not acquire 100% in TC Homeplus. f. The RM1,700 Minimum wage order will increase the staff cost but will not have a material impact on the Group profit margin. g. We have applied to the relevant authority for foreign workers to meet our FYE2025 workers requirement. h. The current price of raw materials is steadily increasing but will not materially impact our business operations and profit margin. i. We will reply to all questions in writing and all written questions and answers will be published in our website at www.yoongonn.com j. Yes, we will consider holding virtual or hybrid meeting next year. k. We will consider giving door gifts to our shareholders in the next AGM.

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19.	LAU CHUAN HOOI	Any door gift?	We will consider giving door gifts to our shareholders in the next AGM.
20.	LEW TUCK WAI	The Group's employee turnover rate for F&2024 is recorded at 22.6%. The highest number of employee turnover is in the Non-Executive/Technical Staff (page 29 of AR) a. What are the reasons for the higher turnover rate in FY2024? b. Steps taken to improve the turnover rate. c. What is the percentage of skilled foreign labour as a total of the Group's workforce?	a. The high turnover of the Non-Executive and Technical Staff was mainly due to foreign workers leaving the Group En bloc because their contract and work permit expired. b. It is our Group practice to provide familiarization training, job training, health and safety working environment, conducive workers accommodation, free lunch, transport etc. for workers. c. 70% of the foreign workers are skilled workers and the remaining 30% are semi-skilled and unskilled.
21.	LEW TUCK WAI	The Administrative and Operating Expenses increased by 35% in FY2024 to RM72.760 million. a. Which expenses had the highest increase in FY2024? b. What are the steps taken by management to ensure that the Admin and Operating Expenses will not see another double digit increase in FY2025?	a. Higher administrative and operating expenses (Opex) in FYE2024 were mainly due to :- • higher outlet rental mainly due to the opening of 7 new outlets • higher promotional rental • advertising and promotion • higher staff cost due to RM1,500 minimum wage order, overtime and additional marketing personnel for new outlets • consolidating TCHomeplus 6 months Opex from January 2024 to June 2024. b. Higher Opex is inevitable in FYE2025 with the opening of new outlets, higher advertising and promotion activities, RM1,700 minimum wage order, recruitment of additional marketing personnel and consolidating of TCHomplus full year 12 months Opex for the year ending June 2025.

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22.	LEW TUCK WAI	Group domestic sales which recovered since the Covid-19 pandemic saw a 3.5% decline in sales in FY2024. a. Is the decline due to softer market demand or a reduction in market share due to competition? b. Based on the performance from July to Oct 2024, have sales recovered for FY2025 vs same period in FY2024?	a. Lower sales in FYE 2024 compared with FYE2023 were due to softer market demand and not a reduction in market share. b. The Group posted higher sales from July 2024 till October 2024 mainly from Higher Retail and Online sales.
23.	LEW TUCK WAI	I have posted 3 live questions to the meeting and none of them were answered during the meeting. Please adhere to good corporate governance and answer all questions posed live by shareholders. Thank you.	We will reply to all your questions in writing and all written questions and answers will be published in our website at www.yoongonn.com
24.	STEPHEN LYE TUCK MENG	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad. Please be considerate to us shareholders during these trying times. TQ	We will consider giving e-vouchers, food vouchers or e-wallets to our shareholders in next year's annual general meeting.
25.	STEPHEN LYE TUCK MENG	Pls allow us to vote when the meeting starts. TQ	Yes, you may vote when the voting starts.
26.	TEH KIAN LANG	WILL 2025 BE BETTER THAN 2024?	YES, we are confident FY2025 sales will be better than FY2024 with higher retail and online sales.
27.	WONG HIE NGIIK	Can issue HOME LIVING voucher to shareholder as gift, so shareholder can shop.	NO, we can't do that because Home Living is not related to Yoong Onn Group.

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28.	WONG HIE NGIIK	a. As know YOCB had bought Singapore new business, may I know how is potential for that business? b. what made YOCB decide to acquire the business.	a. We are confident we can synergistically grow its fully owned shops, consignment counters and expand its institutional supplies to cruise, hotels, hospital, and resorts. b. The acquisition of TC Homeplus gives YOCB group the opportunities to extend its range of brands, products, and services in Singapore. It will enhance the Group's earning base and benefit from the consolidation of TC Homeplus' results and bring synergistic value and enhance the future growth prospects of YOCB Group.
29.	YEA SEAN KING	A lot of products can be found online nowadays, with discounts provided by platforms, some of these products are cheaper and made in china. I am worried that our cost structure, comprising store rentals, and staff, foreign staff, is not able to compete with these online sellers that are leaner. What is the management's view?	Our wholly-owned shops provides value added services and have the competitive edge as detailed below : i. Our shop serves as a one-stop supply center offering a wide range of products and designs to meet customers' needs. ii. Personalized experience allowing customers to ask questions, seek assistance and recommendations. iii. No delay in delivery and customers can take their purchases home with them immediately. iv. No shipping or delivery fees. v. Check, try on or test our products in person to ensure the quality is right for the customers. vi. Our in-store promotions like member discounts, shopping bags, free gifts, purchase with purchase etc.