

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

	Participant	Message	Answer
1.	Jason Poh Yion Sun	Of the 45 HH outlets in both MY & SG. Can management disclose how many new outlets are opened in MY alone vs SG separately	As of 30 June 2024, there are 33 HH outlets in Malaysia and 12 HH outlets in Singapore. Total 9 new outlets were opened in FYE 2024, 7 in Malaysia and 2 in Singapore.
2.	Jason Poh Yion Sun	Any updates on East Malaysia (Sabah/Sarawak) outlets opening?	We are still looking for strategic locations in East Malaysia.
3.	Jason Poh Yion Sun	With total of 53 outlets, what is the management's view of the optimum or maximum outlets can YOCC expand domestically, considering there are also competition	Barring any unforeseen circumstances, we can open 5 new outlets every year.
4.	Jason Poh Yion Sun	Please do further explain the decline in domestic sales by RM8.4m due to consignment sales.	Domestic sales drop was due to lower Consignment, Project and Outright
5.	Jason Poh Yion Sun	Are there closure in consignment counters or purely due to actual demand drop?	Yes, lower consignment sales were due to closure of 9 consignment counters and slow market.
6.	Jason Poh Yion Sun	Is this coming from the local department store as stated in the Major Customer section where it shows an approximate RM5.8m decline?	Yes, RM5.8m drop was due to lower sales to Departmental stores.
7.	Jason Poh Yion Sun	Where does the remainder RM2.6m decline comes from?	Project and Outright Sales.
8.	Jason Poh Yion Sun	Vietnam shows a fluctuation of sales from RM5m in 2022, RM12m in 2023 and now declined to RM6.7m in 2024. It was attributed to fast economic growth earlier, what happen to this year?	Vietnam retails market was generally slow in FYE2024.

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9.	Jason Poh Yion Sun	Apart from explaining this fluctuation, please do share latest export market progress apart from SG?	Save for Singapore, our export markets are generally slow due to weak market sentiment in the countries concerned.
10.	Jason Poh Yion Sun	Please also provide an update on your e-commerce channel vs last year's 5% of total sales.	We have launched our own online platform through www.jeanperry.com.my via social media in FYE 2024, and our E-Commerce sales increased to 6.8% in FYE2024 from 5% in FYE2023 mainly due to pro-active marketing strategies.
11.	Jason Poh Yion Sun	Between trading & retail, where do you classify e-commerce in?	E-Commerce Sales is categorised under Trading
12.	Jason Poh Yion Sun	Instead of appointing agents or distributors why listing in international e-commerce platform like Amazon FBA hasn't being explored yet?	We have made arrangements to meet overseas e-commerce platforms including Amazon to expand our online sales in moving forward.
13.	Jason Poh Yion Sun	On page 24 - the energy consumption showed a declined from 2.3Gwh to 1.6Gwh. Just to confirm is there an actual decline in plant's capacity utilisation other than just efficiency?	There is no decline in plant's capacity utilisation, and the decline in energy consumption was from the energy saving from our 671KW solar photovoltaic module systems in our factory and warehouses in Nilai Seremban.
14.	Jason Poh Yion Sun	A similar trend is observed in the water consumption reporting.	Water consumption drop was due to water saving initiatives undertaken by the Company.
15.	Jason Poh Yion Sun	What is the current plant's utilisation compared to a year ago?	Our manufacturing plant presently operating at 65% capacity same as last year.
16.	Jason Poh Yion Sun	Actually a 40% decline in Design & Manufacturing external revenue is concerning, what is the cause for this?	Decline in Design & Manufacturing was mainly due to lower export sales and with the completion of the acquisition of TC Homeplus Pte Ltd in Singapore, all sales to TC Homeplus from January 2024 to June 2024 was taken up as Inter-segment revenue. Accordingly, Singapore Sales increased from RM6.8million to RM30.1million as shown under geographical information on Note 30 Page 119 on the Annual Report 2024. Thus the decline was due to recategorization of sales

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17.	Jason Poh Yion Sun	Staff Costs increased by approx 16% - what is the attribution to this?	Staff costs increased was mainly due to minimum wage order of RM1,500, employees earning up to RM4,000 per month are eligible for overtime pay and additional staff recruited for new shops.
18.	Jason Poh Yion Sun	Please justify a 9% increase in directors remuneration considering PAT declines by 15.5%.	The 9% increase in directors' remuneration was mainly due to One (1) additional non-independent non-executive director compared with previous years.
19.	Jason Poh Yion Sun	Can management affirm not to increase directors remuneration next year?	The Directors' remuneration has not been revised since year 2018 and to attract and retain directors with the relevant working experience, knowledge and skills, we believe it is fair and reasonable to revise their remuneration in view of the current inflationary environment and additional roles and responsibilities.
20.	Jason Poh Yion Sun	Why is there a big drop in training hours for staffs from 4345 to 1597?	The Company has recruited a batch of 82 foreign workers in FYE2023 compared with 40 foreign workers in FYE2024, the lower training hours was due to fewer workers attended the 3 months mandatory in-house training in FYE 2024.
21.	Jason Poh Yion Sun	TC Homeplus profit for 6 months in 2024 contributes to RM26.9 million of revenue and RM1.2 million of profit. Grossing it up to full year, it shows a significant decline on profits. This translates to an acquisition multiple of ~26x (2024E) from 8x (2022A) as announced. Please do explain this drop in profit, and how to justify the higher post-acquisition multiple due to this especially when management was confident in the profitability & growth earlier.	TC Homeplus changed its accounting policies including fixed assets depreciation, restoration cost, doubtful debt and slow-moving stock in FYE2024 in tandem with YOGB Group policy which had impacted its profit.
22.	Jason Poh Yion Sun	What are some post-acquisition activities being done on TC Homeplus to realise synergies?	We are presently working with the TC Homeplus management team in its business expansion plans including wider range of products, new product range , designs, new market and locations and new promotional strategies .

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23.	Jason Poh Yion Sun	As TC Homeplus is only a distributor carrying YOCCB's brand in SG, I'm concern if the company has overpaid for this acquisition especially with such decline rather than growth.	TC Homeplus posted sustainable sales in FYE 2024, but its profit was impacted by the change in accounting policies. TC Homeplus gives YOCCB Group the opportunities to extend its range of brands, products, and services in Singapore. We are confident of improving TC Homeplus business and we believe we can synergistically grow its fully owned shops, consignment counters and expand its institutional supplies.
24.	Jason Poh Yion Sun	Borrowings of RM7.6 million jumps from RM2.5 million a year earlier. Is this increased due to TC Homeplus's debt?	Yes, the increase was from TC Homeplus debt
25.	Jason Poh Yion Sun	Given the drop in profit of TC Homeplus, please guide on how such debt exposure is managed.	We are confident that TCHomplus will continue to post profit in coming months and the debt will be settled from its internally generated funds.
26.	Jason Poh Yion Sun	Is there a special dividend before the implementation of new 2% dividend tax?	No special dividend
27.	Jason Poh Yion Sun	How would this 2% dividend tax change the management's plan on capital management moving forward?	The 2% dividend tax change applies to dividend income received by individual shareholders and the Company has no tax implications. The Company has no plan to circumvent the proposed dividend tax. The dividend for FY 2024 has already been declared and announced earlier.
28.	Jason Poh Yion Sun	Over the past 1 year there are a few new institution investors coming in. Have the management engaged with them as part of Investor Relation effort?	We had held several Investor Relation sessions to foster relationships with shareholders and prospective investors.
29.	Jason Poh Yion Sun	Would the management engage more as part of an exercise to boost the company's profile?	We will engage more Investor Relations session in moving forward to boost the Company's profile and have timely and comprehensive communication with our stakeholders.

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30.	Jason Poh Yion Sun	Based on principal of ensuring symmetry of information dissemination and best practice, would appreciate any presentation made to institutional investors to be made public as well.	It has been the policy of the company to disseminate information on a timely manner and equal access to all shareholders bases. Information made available to institutional investors will also be announced to the public through Bursa Malaysia.
31.	Jason Poh Yion Sun	Shares liquidity is also limited which would prevent larger investors to come in or causes volatile share price movement. What are the plans to improve such liquidity?	We will deliberate internally and with the relevant parties including Investment Banker to improve the Company's share liquidity.
32.	Jason Poh Yion Sun	Eastern Decorator (owner of Akemi & Hooga) are your most direct competitor as they also own a manufacturing facility with similar distribution footprint as YOCE. They are a lot of USP similarities including the multi-brands strategy too. Moreover, they are also in-trend by selling Scandi inspired products while YOCE's products still look classic, which may incur inventory write-off due to slow moving.	The Company have been awarded the top selling brands in both bedding & bath and home& living category by the departmental stores and e-commerce platforms have demonstrated the Group's products and design are well received. Furthermore, the Company's accounts shown substantial written back of impairment from slow moving stocks in recent years had evidenced that the Company's slow-moving stock are manageable.
33.	Jason Poh Yion Sun	Can management provide a meaningful discussion on how to remain a leader in this space?	<ul style="list-style-type: none"> a. Enhance its online trading channels b. Its integrated operations with full-fledged provider will continue catering for all segments c. Its in-house design will come up with more diverse designs d. Pro-active marketing strategies e. Innovative advertising and promotion plans
34.	Jason Poh Yion Sun	What must management do differently in the next 12 months to stay ahead?	Certain specific business and management strategies and decisions are proprietary and confidential in nature.

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35.	Jason Poh Yion Sun	Reference to Bursa announcement made in 29 March 2024 relating to a director's trading activity. The earliest trading date was 7 November 2024 while latest trading date was 4 January 2024. Between the traded dates and announcement date, why is there such a big gap? Is there a breach of Bursa/CMSA rules?	The director had reported the matter to the Listing Division of Bursa Malaysia Securities Berhad (Bursa) and Bursa had taken note of the matter by its reply dated 25 June 2024 to the Company Secretary.
36.	Jason Poh Yion Sun	This director is also a partner of the firm's solicitor. Can management differentiate the role he plays as a director vs as the firm's solicitor? Is there an overlap where he's getting director's fees as well as being remunerated in his law firm rendering their service? Ethical breach or conflict of interest is a concern here.	The Non-Independent Non-executive (NINE) director's independence remains intact as the legal services rendered by their firm do not impact their ability to execute independent and professional judgement. Hence, there is no overlap in the director's roles as NINE director and a law firm partner and the Board is satisfied with the arrangement.