

**YOONG ONN CORPORATION BERHAD**

200801012850 (814138-K)

(Incorporated in Malaysia)

Minutes of the **Seventeenth Annual General Meeting (“AGM”)** of YOONG ONN CORPORATION BERHAD (“**YOOCB**” or “**the Company**”) conducted fully virtual and live streamed through the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on **Thursday, 28 November 2024 at 10.00 a.m.**

---

Participated via : Board of Directors  
Video Conferencing (Zoom Meeting) Tan Sri Datuk Seri Dr. Suleiman Bin Mohamed  
Mr. Chew Hon Foong  
Mr. Chew Hon Keong  
Dato’ Tang Swee Guan  
Mr. Alan Fung Kam Foo  
Puan Hasmaliza Binti Othman

Absence with apologies

Mr. Yeoh Chong Keng

By Invitation

Mr. Jon Tan Peng, Group Chief Financial Officer  
Ms. Thong Siew Mee  
Mr. John Ler Ji-Yong (HLB Ler Lum Chew PLT)  
Mr. Kunalan Sornasingham (HLB Ler Lum Chew PLT)

In Attendance

Ms. Lau Yen Hoon, Company Secretary  
Ms. Yew Soo Jing (Tricor Corporate Services Sdn Bhd)

Members/Proxies : All members registered in Attendance Register  
Present

**1. CHAIRMAN**

Tan Sri Datuk Seri Dr. Suleiman Bin Mohamed (“**the Chairman**”), the Independent Non-Executive Chairman of the Company, introduced himself and welcomed all the shareholders and proxies who joined the AGM remotely through online meeting platform at <https://meeting.boardroomlimited.my>.

He then introduced the members of the Board, Management team, Company Secretary and External Auditors to the Meeting.

**2. QUORUM**

As the requisite quorum was present, the Chairman called the Meeting to order at 10.00 a.m.

**3. NOTICE**

The Notice convening the AGM having been circulated within the prescribed period and advertised in the newspaper as well as on the website of Bursa Malaysia Securities Berhad (“**Bursa**”), with the consent of the Meeting, taken as read.

4. **POLLING PROCESS**

The Chairman then briefed the Meeting on the AGM proceedings. He informed the shareholders that pursuant to Paragraph 8.29(A)(1) of the Main Market Listing Requirements of Bursa, all resolutions as set out in the notice of the AGM would be decided by poll, which would be taken at the end of the Meeting after all the agenda items and questions from the shareholders had been dealt with.

A video on the procedures for electronic poll voting using the remote participation and voting facility of Boardroom Share Registrars Sdn Bhd, the poll administrators, was presented. The Meeting was also informed that the Company had appointed Sky Corporate Services Sdn Bhd as the independent Scrutineers for poll verification.

Before the Meeting proceeded with the agenda, the Chairman informed that shareholders and proxies were welcomed to raise questions in real time by transmitting their questions using the “Query Box” on the online portal. The Board would respond to questions submitted during the Questions and Answers (Q&A) session after the conclusion of agenda of the Meeting and should there be time constraint, the responses would be emailed to the shareholders or posted on the Company’s website after the Meeting.

**ORDINARY BUSINESS**

5. **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The first item of the AGM agenda was to receive the Audited Financial Statements of the Company for the year ended 30 June 2024 together with the Directors' and Auditors' Reports thereon.

The Chairman informed that the provisions of the Companies Act 2016 (“**the Act**”) require the Audited Financial Statements and Reports to be laid before the Company at its AGM but does not require a formal approval of the shareholders. As such, this agenda item was meant for discussion only and not a business which requires a resolution to be put to vote by shareholders.

The Chairman further informed that the Directors would answer questions raised by the shareholders on the Audited Financial Statements after all the resolutions have been tabled. Thereof, the Chairman put on record that the Audited Financial Statements for the financial year ended 30 June 2024 have in accordance with the Act, been properly laid and received.

6. **ORDINARY RESOLUTION 1  
PAYMENT OF DIRECTORS’ FEE**

The Chairman proceeded with the second item of the agenda which was to approve the Directors’ Fee of RM252,000.00 for the period commencing 28 November 2024 until the next AGM of the Company.

7. **ORDINARY RESOLUTION NO. 2 & 3  
RE-ELECTION OF DIRECTORS**

At this juncture, the Chairman passed the chair to Mr. Chew Hon Foong to chair the Meeting.

The Meeting then proceeded with the agenda items on the re-election of Puan Hasmaliza Binti Othman and Tan Sri Datuk Seri Dr. Suleiman Bin Mohamed who would be retiring in accordance with Clause 104 of the Constitution of the Company and who being eligible, had offered themselves for re-election, as Directors of the Company.

Mr. Chew Hon Foong then passed back the chair to the Chairman.

8. **ORDINARY RESOLUTION NO. 4  
RE-APPOINTMENT OF AUDITORS**

The Meeting proceeded to the next agenda on the re-appointment of HLB Ler Lum Chew PLT as the External Auditors of the Company and to authorise the Directors to fix their remuneration.

The Chairman informed that HLB Ler Lum Chew PLT had indicated their willingness to continue office.

**SPECIAL BUSINESS**

9. **ORDINARY RESOLUTION NO. 5  
DECLARATION OF SINGLE TIER FINAL DIVIDEND OF 4.0 SEN PER ORDINARY SHARE  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

The Chairman proceeded with the fifth item of the agenda which was to approve the payment of single tier final dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2024 as recommended by the Board.

The final dividend if approved, will be paid on 17 January 2025 to shareholders whose names appear in the Record of Depositors on 19 December 2024.

10. **ORDINARY RESOLUTION NO. 6  
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE  
COMPANIES ACT 2016**

The Meeting proceeded with next agenda which was regarding the proposed Ordinary Resolution to authorise the Directors to allot and issue shares of the Company pursuant to Section 75 and 76 of the Act.

The Chairman informed that the details of this proposal had been set out under the explanatory note in the Notice of AGM.

11. **ORDINARY RESOLUTION NO. 7  
PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP  
TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE  
COMPANY**

The Meeting proceeded with the seventh agenda which was to approve the renewal of authority for the Company to purchase its own shares. This resolution if passed, would give authority to the Board to purchase its own company shares of up to 10% of the issued and paid up capital by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. This authority shall be valid, unless revoked or varied by the Company in a general meeting, until the next AGM.

**12. ORDINARY RESOLUTION NO. 8  
PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The next item on the agenda was the Ordinary Resolution to obtain the shareholders’ approval to allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions (“RRPT”) of a revenue or trading nature with certain related parties, as stated in the Notice of this meeting.

The Chairman informed that the full details of the proposed resolution were set out in Section 2.6(a) of the Circular to Shareholders dated 29 October 2024. Such transactions are necessary for the Group’ day-to-day operations and which are carried out in the ordinary course of business, on terms which are not more favorable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM

**13. ORDINARY RESOLUTION NO. 9  
PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Meeting proceeded to the next agenda which was regarding the proposed Ordinary Resolution to obtain shareholders’ approval to allow the Company and its subsidiaries to enter into a new RRPT of a revenue or trading nature with certain related parties, as stated in the Notice of this meeting.

The Chairman informed that the full details of the proposed resolution were set out in Section 2.5(b) of the Circular to Shareholders dated 29 October 2024. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

**14. TO TRANSACT ANY OTHER BUSINESS**

The last item on the agenda was to transact any other business.

The Chairman informed that the Company did not receive any notice to transact other matters, therefore the Meeting would proceed to the Questions and Answer (“Q&A”) session.

**15. QUESTIONS AND ANSWERS SESSION**

The list of questions and answers that had been addressed at the AGM was annexed hereto and marked as Annexure A.

**16. POLL VOTING**

There being no further question raised, the Meeting proceeded to the voting session and was adjourned at 10.40 a.m. for the counting of votes.

## 17. ANNOUNCEMENT OF POLL RESULTS

The Meeting was reconvened at 11.00 a.m. for the declaration of the following poll results, which had been verified by the independent scrutineers:-

| Resolutions No.              | Vote For    |         | Vote Against |        | Total Votes  |
|------------------------------|-------------|---------|--------------|--------|--------------|
|                              | No of Units | %       | No of Units  | %      | No. of Units |
| <b>Ordinary Resolution 1</b> | 96,344,602  | 99.9312 | 66,297       | 0.0688 | 96,410,899   |
| <b>Ordinary Resolution 2</b> | 89,871,281  | 93.0240 | 6,739,618    | 6.9760 | 96,610,899   |
| <b>Ordinary Resolution 3</b> | 96,490,781  | 99.8757 | 120,118      | 0.1243 | 96,610,899   |
| <b>Ordinary Resolution 4</b> | 96,608,783  | 99.9978 | 2,116        | 0.0022 | 96,610,899   |
| <b>Ordinary Resolution 5</b> | 96,597,883  | 99.9865 | 13,016       | 0.0135 | 96,610,899   |
| <b>Ordinary Resolution 6</b> | 96,553,708  | 99.9408 | 57,185       | 0.0592 | 96,610,893   |
| <b>Ordinary Resolution 7</b> | 95,997,774  | 99.9863 | 13,119       | 0.0137 | 96,010,893   |
| <b>Ordinary Resolution 8</b> | 11,865,544  | 99.8728 | 15,118       | 0.1272 | 11,880,662   |
| <b>Ordinary Resolution 9</b> | 11,766,544  | 99.0395 | 114,118      | 0.9605 | 11,880,662   |

Based on the poll results, the Chairman declared that all the proposed resolutions tabled at the AGM were carried.

It was RESOLVED as follows:-

### **ORDINARY RESOLUTION 1**

#### **PAYMENT OF DIRECTORS' FEE**

“THAT the payment of Directors' Fee of RM252,000.00 for the period commencing 28 November 2024 until the next Annual General Meeting be and is hereby approved.”

### **ORDINARY RESOLUTION 2**

#### **RE-ELECTION OF DIRECTOR**

“THAT Puan Hasmaliza Binti Othman, the Director who retiring in accordance with Clause 104 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

### **ORDINARY RESOLUTION 3**

#### **RE-ELECTION OF DIRECTOR**

“THAT Tan Sri Datuk Seri Dr. Suleiman Bin Mohamed, the Director who retiring in accordance with Clause 104 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

### **ORDINARY RESOLUTION 4**

#### **RE-APPOINTMENT OF AUDITORS**

“THAT the retiring auditors, Messrs. HLB Ler Lum Chew PLT having indicated their willingness to continue in office, be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that authority be and is hereby given for the Directors to determine their remuneration.”

**SPECIAL BUSINESS**  
**ORDINARY RESOLUTION 5**

**DECLARATION OF SINGLE TIER FINAL DIVIDEND OF 4.0 SEN PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

“**THAT** a distribution of single tier final dividend of 4.0 sen per ordinary share of the Company for the financial year ended 30 June 2024 be paid out of the profit of the Company on 17 January 2025 to the shareholders whose names appear in the Record of Depositors of the Company on 19 December 2024.

AND THAT the dividend declared shall be exempted from income tax under Paragraph 12B of Schedule 6 to the Income Tax Act, 1967.”

**ORDINARY RESOLUTION 6**

**AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital (excluding treasury shares) of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**ORDINARY RESOLUTION 7**

**PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

“**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:

- (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”).

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;
- 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 the 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.”

## **ORDINARY RESOLUTION 8**

### **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“**THAT** approval be and is hereby given for the Proposed Renewal of Shareholders’ Mandate for the Company and/or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature falling within the nature of transactions set out in Part B of Section 2.6(a) of the Circular to Shareholders dated 29 October 2024(“the Circular”), with

the related parties falling within the classes of persons set out in Part B of Section 2.5(a) under the Circular, such transactions are necessary for the Company and/or its subsidiaries' day-to-day operations and which are carried out in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

revoked or varied by resolution passed by the shareholders in a general meeting.”

### **ORDINARY RESOLUTION 9**

#### **PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT subject to the provisions of the Main Market Listing requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Part B Section 2.5 (b) of the Circular to Shareholders dated 29 October 2024 (“the Related Party”) provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business at arm’s length basis and on normal commercial terms and transactions prices which are not more favourable to the Related Party than those generally available to the Public; and
- (c) are not prejudicial to the minority shareholders of the Company,

(“the New Shareholders’ Mandate”).

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which the New Shareholders’ Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”)(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general



meeting,

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the New Shareholders' Mandate.”

**18. CONCLUSION**

There being no other business, the Chairman thanked the shareholders for their attendance and declared the Meeting closed at 11.20 a.m.

**SIGNED AS A CORRECT RECORD**

**CHAIRMAN**

Date:

ANNEXURE A

**Questions addressed during the Questions and Answers Session**

**Questions received before the Annual General Meeting**

The Chairman informed that the Company had received a letter containing questions raised by Jason Poh Yion Sun, a shareholder of the Company prior to the Annual General Meeting. The following questions and responses from the Management of the Company were projected onto the screen:-

1. Of the 45 Home's Harmony outlets in both Malaysia and Singapore, can management disclose how many new outlets are opened in Malaysia alone vs Singapore separately?

Answer:

As of 30 June 2024, there are 33 Home's Harmony outlets in Malaysia and 12 Home's Harmony outlets in Singapore. Total 9 new outlets were opened in FYE 2024, 7 in Malaysia and 2 in Singapore.

2. Any updates on East Malaysia (Sabah/Sarawak) outlets opening?

Answer:

We are still looking for strategic locations in East Malaysia.

3. With total of 53 outlets, what is the Management's view of the optimum or maximum outlets can YOOCB expand domestically, considering there are also competition?

Answer:

Barring any unforeseen circumstances, we can open 5 new outlets every year.

4. Please do further explain the decline in domestic sales by RM8.4 million due to consignment sales.

Answer:

Domestic sales drop was due to lower Consignment, Project and Outright.

5. Are there closure in consignment counters or purely due to actual demand drop?

Answer:

Yes, lower consignment sales were due to closure of 9 consignment counters and slow market.

6. Is this coming from the local department store as stated in the major customer section where it shows an approximate RM5.8 million decline?

Answer:

Yes, RM5.8 million drop was due to lower sales to departmental stores.

7. Where does the remainder RM2.6 million decline comes from?

Answer:

Project and Outright sales.

8. Vietnam shows a fluctuation of sales from RM5.0 million in 2022, RM12.0 million in 2023 and now declined to RM6.7 million in 2024. It was attributed to fast economic growth earlier, what happen to

this year?

Answer:

Vietnam retails market was generally slow in FYE2024.

9. Apart from explaining this fluctuation, please do share latest export market progress apart from Singapore?

Answer:

Save for Singapore, our export markets are generally slow due to weak market sentiment in the countries concerned.

10. Please also provide an update on your e-commerce channel vs last year's 5% of total sales.

Answer:

We have launched our own online platform through [www.jeanperry.com.my](http://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. Between trading & retail, where do you classify e-Commerce in?

Answer:

E-Commerce Sales is categorised under "trading".

12. Instead of appointing agents or distributors, why listing in international e-commerce platform like Amazon FBA has not been explored yet?

Answer:

We have made arrangements to meet overseas e-commerce platforms including Amazon to expand our online sales in moving forward.

13. 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?

Answer:

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. A similar trend is observed in the water consumption reporting.

Answer:

Water consumption drop was due to water saving initiatives undertaken by the Company.

15. What is the current plant's utilisation compared to a year ago?

Answer:

Our manufacturing plant presently operating at 65% capacity same as last year.

16. Actually a 40% decline in Design & Manufacturing external revenue is concerning, what is the cause for this?

Answer:

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's sales increased from RM6.8 million to RM30.1 million as shown under geographical information on Note 30 on Page 119 of the Annual Report 2024. Thus, the decline was due to recategorization of sales.

17. Staff costs increased by approximately 16%, what is the attribution to this?

Answer:

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. Please justify a 9% increase in Directors' remuneration considering profit after tax (PAT) declines by 15.5%.

Answer:

The 9% increase in Directors' remuneration was mainly due to an additional non-independent non-executive director compared with previous years.

19. Can Management affirm not to increase Directors' remuneration next year?

Answer:

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. Why is there a big drop in training hours for staffs from 4345 to 1597?

Answer:

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. 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 and growth earlier.

Answer:

TC Homeplus changed its accounting policies including fixed assets depreciation, restoration cost, doubtful debt and slow-moving stock in FYE2024 in tandem with YOCB Group policy which had impacted its profit.

22. What are some post-acquisition activities being done on TC Homeplus to realise synergies?

Answer:

We are presently working with the Management team of TC Homeplus in its business expansion plans including wider range of products, new product range, designs, new market and locations and new promotional strategies.

23. As TC Homeplus is only a distributor carrying YOCCB's brand in Singapore, I am concern if the Company has overpaid for this acquisition especially with such decline rather than growth.

Answer:

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. Borrowings of RM7.6 million jumps from RM2.5 million a year earlier. Is this increase due to TC Homeplus's debt?

Answer:

Yes, the increase was from TC Homeplus's debt.

25. Given the drop in profit of TC Homeplus, please guide on how such debt exposure is managed.

Answer:

We are confident that TC Homeplus will continue to post profit in coming months and the debt will be settled from its internally generated funds.

26. Is there a special dividend before the implementation of new 2% dividend tax?

Answer:

No special dividend.

27. How would this 2% dividend tax change the Management's plan on capital management moving forward?

Answer:

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. 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?

Answer:

We had held several Investor Relation sessions to foster relationships with shareholders and prospective investors.

29. Would the Management engage more as part of an exercise to boost the Company's profile?

Answer:

We will engage more Investor Relations session moving forward to boost the Company's profile and have timely and comprehensive communication with our stakeholders.

30. 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.

Answer:

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 Securities Berhad.

31. 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?

Answer:

We will deliberate internally and with the relevant parties including investment banker(s) to improve the Company's share liquidity.

32. Eastern Decorator (owner of Akemi & Hooga) are your most direct competitor as they also own a manufacturing facility with similar distribution footprint as YOCCB. 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 YOCCB's products still look classic, which may incur inventory write-off due to slow moving.

Answer:

The Company had been awarded the top selling brands in both bedding and bath, home and 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. Can Management provide a meaningful discussion on how to remain a leader in this space?

Answer:

- 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. What must Management do differently in the next 12 months to stay ahead?

Answer:

Certain specific business and management strategies and decisions are proprietary and confidential in nature.

35. 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?

Answer:

The Director had reported the matter to the Listing Division of Bursa Malaysia Securities Berhad (Bursa) and Bursa had taken note of this matter by its reply dated 25 June 2024 to the Company Secretary.

36. 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 is 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.

Answer:

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 of Directors is satisfied with the arrangement.

**Live questions posted and answered during the Annual General Meeting**

1. Shareholder: Stephen Lye Tuck Meng

Question:

Dear Board of Directors, 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. Thank you.

Answer:

We will consider giving e-vouchers, food vouchers or e-wallets to our shareholders in next year's annual general meeting.

2. Shareholder: Stephen Lye Tuck Meng

Question:

Please allow us to vote when the Meeting starts. Thank you.

Answer:

Yes, you may vote when the Meeting starts.

3. Proxy: Ang Lii Chuan

Questions:

- a. How many wholly owned retail shop?
- b. How many new Home's Harmony shops does the Group intend to open this year?
- c. Where are the targeted locations?

Answers:

- 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 targeting a few locations at Penang, Johor, East Coast, East Malaysia (Sabah and Sarawak) and Singapore.

4. Proxy: Chai Ming Chiuan

Question:

Will the Company plan to pay a special dividend or bonus issue to shareholders?

Answer:

The Company has no plan to pay a special dividend or issue bonus shares.

5. Shareholder: Lam Hsien Jin

Questions:

Noticed that you have been experimenting on a new rebranded concept called “Fun & Relax” at EkoCheras Mall.

- a. How many of these stores are there now?
- b. What is 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?

Answers:

- 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 significantly contribute to a high profit margin due to aggressive promotion. We plan to open more Fun & Relax outlets to capture younger customers and a bigger market share moving forward.

6. Proxy: Kwang Qi Cai

Questions:

- 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?

Answers:

- 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). The Company is looking into expansion to increase market share and sales in the following year and as a retailer, it is cautious about locations.
- b. Sales and Profit are our benchmarks for outlets.

7. Proxy: Kwang Qi Cai

Questions:

- 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?

Answers:

- a. Yes, retail business has been challenging with competitions from both local and overseas competitors. However the Company has been in the retail business for many years and has its customer base and with trusted brands.
- b. Our marketing strategies include a diverse product range, contemporary design, strategic locations and pro-active promotion.

8. Shareholder: Lam Hsien Jin

Questions:

- a. Is Ashley Myles a new brand?
- b. When was it launched and who is the target market?
- c. How has traction been?

Answers:

- 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 products are distinctive from other premium brands and are available in



third party departmental stores in Sabah and Sarawak, hypermarket in peninsular Malaysia and our wholly owned shops, Niki Cains Concept store.

9. Shareholder: Lee Siew Meng

Questions:

- 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.

Answers:

- 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, it will result in lower purchase cost and increased trade margin for purchases transacted in USD. Further, prices will stabilize when RM strengthens against USD in future.
- c. Our online sales are encouraging as evidenced by our recent online sales growth via social media and E-Commerce platforms.
- d. Retail market in Singapore may be slow due to its population size but we are confident to expand our Singapore business, taking into consideration the rentals and purchasing power of the consumers.
- e. There is no immediate plan to increase the Company's shareholding in TC Homeplus.
- f. The RM1,700 minimum wage is impacting the entire industry. It will increase the staff cost but will not have a material impact on the Group's 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. It is also manageable as the Company has established long-term relationship with its suppliers.
- i. All written questions and answers will be published on our website at [www.yoongonn.com](http://www.yoongonn.com)
- j. It is expected that the authority will direct all general meetings to be held physically. The Company is looking forward to meet the shareholders physically.
- k. We will consider giving door gifts to our shareholders in the next AGM.

10. Shareholder: Lew Tuck Wai

Questions:

The 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 October 2024, have sales recovered for FY2025 vs same period in FY2024?

Answers:

- a. The higher sales in year 2023 were exceptional and had since normalised. Lower sales in FYE

2024 compared with FYE2023 was due to softer market demand/trend and for the overall industry and not a reduction in market share. Further, the decrease was mainly from consignment and third party sales whilst retail and online sales had increased.

- b. The Group posted higher sales from July 2024 until October 2024 mainly from contribution by the Singapore business as well as higher retail and online sales.

11. Proxy: Teh Kian Lang

Question:

Will 2025 be better than 2024?

Answer:

Yes, we are confident with FY2025 sales with higher retail and online sales.

**Additional Live questions posted which have yet to be addressed during the Annual General Meeting**

1. Shareholder: Ee Yih Chin

Questions:

Refer Note 6c, for the 6-month ended 30 June, TC Homeplus recorded RM27.0 million revenue and RM1.2 million PAT, implying PAT margin of 4.6%.

However, in 2022 full year TC Homeplus PAT was much higher at RM8.0 million, 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?

Answers:

- 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 YOOCB 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 is expected to be better but the PAT margin would be likely similar to FYE2024 due to high operating expense and provision for certain expenses.

2. Shareholder: Ee Yih Chin

Question:

What is the same-store sales growth in Malaysia and Singapore respectively in FY2024?

Answer:

Even though not all stores recorded sales growth, all stores posted sustainable profit in FYE2024.

3. Shareholder: Ee Yih Chin

Questions:

Page 14 mentioned 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?

Answers:

- 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.

4. Shareholder: Koe Weng Shin

Questions:

Regarding the outlet expansion:

- a. May I know what is the expected expansion plan (numbers of Home's 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 plans to fully acquire TC Homeplus (remaining 40% equity interest) in the coming 1-2 years since the cash level is at RM101 million?
- d. What is the average number of workforces per outlet (Home's Harmony, Niki Cains and Home Outlet)?
- e. Does the minimum wage adjustment from RM1,500 to RM1,700 affect the business payback period (1-2 years) which mentioned during FY2023 AGM?

Answers:

- 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 square feet 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.

5. Proxy: Kwang Qi Cai

Questions:

- a. Across your Home's 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?

Answers:

- 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.

6. Proxy: Kwang Qi Cai

Questions:

- 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.

Answers:

- 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.

7. Proxy: Kwang Qi Cai

Question:

Do you see any significant differences between the consumption or purchase preference of Singapore and Malaysia customers?

Answer:

We do not see any significant differences in purchase preference between Singapore and Malaysia customers.

8. Shareholder: Lam Hsien Jin

Question:

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?

Answer:

Fairs sales are retail in nature and are categorized under retails whereas online sales are outright sales and are categorized under distribution.

9. Shareholder: Lam Hsien Jin

Question:

How are you trying to stay relevant and attractive to the younger generation of customers?

Answer:

We will come up with more vibrant color, trendy, contemporary designs and products to target younger generation of customers.

10. Shareholder: Lam Hsien Jin

Questions:

- a. How have sales been trending into 1Q FY25 and October-November 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.

Answers:

- a. The Group posted higher sales from July 2024 until November 2024 mainly from Higher Retail and Online sales.
- b. Higher sales from July 2024 until November 2024 were from Higher sales of the Group's core product home linen.

11. Shareholder: Lam Hsien Jin

Questions:

- 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?

Answers:

- 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.

12. Shareholder: Lau Chuan Hooi

Question:

Any door gifts?

Answer:

We will consider giving door gifts to our shareholders in the next AGM.

13. Shareholder: Lew Tuck Wai

Questions:

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 Annual Report)

- 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?

Answers:

- a. The high turnover of the Non-Executive and Technical Staff was mainly due to foreign workers leaving the Group in 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.

14. Shareholder: Lew Tuck Wai

Questions:

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 administrative and operating expenses will not see another double digit increase in FY2025?

Answers:

- 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 TC Homeplus 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 TC Homplus full year 12 months Opex for the year ending June 2025.

15. Shareholder: Lew Tuck Wai

Question:

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.

Answer:

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](http://www.yoongonn.com)

16. Shareholder: Wong Hie Ngiik

Question:

Can issue HOME LIVING voucher to shareholder as gift, so shareholder can shop.

Answer:

No, we are unable to do so because Home Living is not related to YOOCB Group.

17. Shareholder: Wong Hie Ngiik

Questions:

- a. As know YOOCB had bought new business in Singapore, may I know how is potential for that business?
- b. What made YOOCB decides to acquire the business.

Answers:

- 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 YOOCB 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 YOOCB Group.

18. Shareholder: Yea Sean King

Question:

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?

Answer:

Our wholly owned shops provide 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.
- i. Our in-store promotions like member discounts, shopping bags, free gifts, purchase with purchase etc.