

**AYS VENTURES BERHAD**  
Registration No. 201001041243 (925171-T)  
(Incorporated in Malaysia)

**MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS THROUGH ONLINE MEETING PLATFORM OF TIIH ONLINE PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD IN MALAYSIA VIA ITS WEBSITE [HTTPS://TIIH.ONLINE](https://tiih.online) ON TUESDAY, 18 JULY 2023 AT 9.30 A.M.**

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**Present:** **Directors**  
Mr Oh Chiew Ho (Chairman)  
Ms Oh Pooi Foon  
Mr Oh Yung Sim  
Ms Seow Nyoke Yoong  
En Abd Malik Bin A Rahman  
Dato' Wan Hashim Bin Wan Jusoh

**Shareholders**  
As per participant list

**In Attendance:** Ms Leong Oi Wah (Company Secretary)

**By Invitation:** Ms Tay Yew Thiam (Chief Financial Officer)  
Ms Tan Veer Leen (Grant Thornton Malaysia PLT)

**AGM12/1 PRELIMINARY**

Mr Oh Chiew Ho, the Chairman of the Company welcomed all present to the Meeting.

**AGM12/2 QUORUM**

The requisite quorum of two (2) members being present pursuant to Article 69 of the Company's Constitution, the Meeting was duly convened at 9.30 a.m.

**AGM12/3 NOTICE OF MEETING**

The Notice of Meeting, having been previously circulated to all Members and duly advertised in New Straits Times newspaper on 20 June 2023 was taken as read.

**AGM12/4 INTRODUCTION TO REMOTE PARTICIPATION AND ELECTRONIC VOTING**

The Members were informed that the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator and Asia Securities Sdn Bhd as Independent Scrutineer of the Meeting to verify the poll results of the Meeting.

The Poll Administrator was then invited to brief the Members on the administrative matters on how to raise questions and voting by poll over the virtual platform.

**AGM12/5 PRESENTATION BY COMPANY AND QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP**

Ms Oh Pooi Foon briefed the Members on the Group's performance for financial year ended 31 March 2023 and the outlook of the Group. She also informed that the Minority Shareholders Watch Group (MSWG) had sent in some questions to the Board and she presented the questions raised by MSWG with the Company's responses which are listed out in the Appendix A attached to this minutes.

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### **AGM12/6      AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS**

The Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon, which had been previously circulated to Members within the prescribed period were tabled for discussion.

The Members were informed that the Board would endeavour to address any questions posted on the audited financial statements including relevant matters related to the Meeting after all the 9 resolutions in the agenda for the 12th AGM were duly tabled.

### **AGM12/7      FINAL DIVIDEND**

The Members were informed that the Board of Directors had recommended the payment of a final dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 March 2023.

The motion "THAT the payment of a final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 March 2023 be approved" was tabled and duly seconded for voting by poll.

### **AGM12/8      RE-ELECTION OF DIRECTOR -      MS SEOW NYOKE YOONG**

The Members were informed that the next agenda was to re-elect the retiring Directors namely Ms Seow Nyoke Yoong and Ms Oh Pooi Foon who were retiring pursuant to Article 112 of the Company's Constitution. Encik Abd Malik Bin A Rahman who were retiring pursuant to Article 117 of the Company's Constitution.

The motion "THAT Ms Seow Nyoke Yoong, retiring in accordance with Article 112 of the Company's Constitution, be and is hereby re-elected as a director of the Company" was proposed by the Chairman.

The motion was seconded and put to vote by poll.

### **AGM12/9      RE-ELECTION OF DIRECTOR -      MS OH POOI FOON**

The Members were informed that Ms Oh Pooi Foon would also be retiring in accordance to Article 112 of the Company's Constitution and the motion "THAT Ms Oh Pooi Foon, retiring in accordance with Article 112 of the Company's Constitution, be and is hereby re-elected as a director of the Company" was proposed.

The motion being seconded was put to vote by poll.

### **AGM12/10      RE-ELECTION OF DIRECTOR -      ENCIK ABD MALIK BIN A RAHMAN**

The Members were informed that Encik Abd Malik Bin A Rahman would also be retiring in accordance to Article 117 of the Company's Constitution and the motion "THAT Encik Abd Malik Bin A Rahman, retiring in accordance with Article 117 of the Company's Constitution, be and is hereby re-elected as a director of the Company" was proposed.

The motion being seconded was put to vote on by poll.

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### **AGM12/11      DIRECTORS' FEES**

The Members were informed that the next motion was for the payment of Directors' Fees not exceeding RM500,000.00 for the period from August 2023 till July 2024 and the fees were only to be paid after the Director has served his or her term.

The motion "THAT the payment of Directors' Fees not exceeding RM500,000.00 for the period from August 2023 to July 2024 be approved" was then proposed.

The motion being seconded was put to vote by poll.

### **AGM12/12      MEETING ATTENDANCE ALLOWANCES**

The next agenda was to seek Members' approval on the payment of meeting attendance allowances of RM1,000.00 per meeting day for each Independent Director for the period from August 2023 to July 2024.

The motion "THAT the payment of meeting attendance allowances of RM1,000.00 per meeting day for each Independent Director for the period from August 2023 to July 2024 be approved" was proposed and being seconded, the same was put to vote by poll.

### **AGM12/13      RE-APPOINTMENT OF AUDITORS**

The Members were informed that the next agenda was to re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year.

The motion "THAT Grant Thornton Malaysia PLT be re-appointed as Auditors of the Company for the ensuing year and the Board of Directors be authorised to fix their remuneration" was proposed by the Chairman.

The motion being seconded was put to vote by poll.

### **AGM12/14      SPECIAL BUSINESS AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Members were informed that the next item on the agenda was to approve the ordinary resolution in respect of the authority for the Directors to allot new shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The Chairman proposed for the Resolution 8 as set out in the Notice of Meeting be put to vote.

The motion being seconded was put to vote by poll.

### **AGM12/15      PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED RENEWAL OF SHARES BUY-BACK")**

The Members were informed that the final item on the agenda was in relation to the renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital.

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The Chairman proposed for the Resolution 9 as set out in the Notice of Meeting be put to vote.

The motion being seconded was put to vote on by poll.

**AGM12/16 QUESTION & ANSWER (Q&A) SESSION**

The Chairman informed that the Board will try and answer all the questions. The Members were also informed that where similar questions are raised by different Members, the Company would combine them and he added that the Q&A would also be published in the Company's website for the Members' information.

The questions raised were addressed by Ms Oh Pooi Foon and the Company Secretary which are listed out in the Appendix B attached to this minutes.

**AGM12/17 REMOTE ELECTRONIC VOTING**

There being no further questions, the Chairman moved to the voting session. The Members were informed that the Chairman had been appointed to act as proxy for a number of shareholders and he would vote in accordance with the instruction given. The Members were asked to cast their votes online if they had not done so earlier.

The Chairman then announced that the Meeting would be adjourned at 10.32 a.m. for the counting of votes and would resume once the counting of the votes were completed.

**AGM12/18 RESULTS OF POLL**

The Chairman reconvened the Meeting at 10.48 a.m. The Members were informed that the Independent Scrutineers had advised of the results of the poll and the same was shown on the screen for the Members' information. The results announced were as follows:

Ordinary Resolution	FOR		AGAINST	
	Number of Shares	%	Number of Shares	%
Resolution 1	265,794,340	99.9999	211	0.0001
Resolution 2	265,790,337	99.9984	4,214	0.0016
Resolution 3	265,790,337	99.9984	4,214	0.0016
Resolution 4	265,794,337	99.9999	214	0.0001
Resolution 5	1,072,677	99.6650	14,514	1.3350
Resolution 6	265,780,037	99.9945	14,514	0.0055
Resolution 7	265,792,337	99.9992	2,214	0.0008
Resolution 8	265,690,137	99.9607	104,414	0.0393
Resolution 9	265,782,037	99.9953	12,514	0.0047

The Chairman then declared that Ordinary Resolutions 1 to 9 were carried and RESOLVED:-

*Resolution 1 "THAT the payment of a final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 March 2023 be approved."*

*Resolution 2 "THAT Ms Seow Nyoke Yoong, retiring in accordance with Article 112 of the Company's Constitution, be and is hereby re-elected as a director of the Company."*

*Resolution 3 "THAT Ms Oh Pooi Foon, retiring in accordance with Article 112 of the Company's*

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*Constitution, be and is hereby re-elected as a director of the Company."*

*Resolution 4 "THAT Encik Abd Malik Bin A Rahman, retiring in accordance with Article 117 of the Company's Constitution, be and is hereby re-elected as a director of the Company."*

*Resolution 5 "THAT the payment of Directors' Fees not exceeding RM500,000.00 for the period from August 2023 to July 2024 be approved."*

*Resolution 6 "THAT the payment of meeting attendance allowances of RM1,000.00 per meeting day for each Independent Director for the period from August 2023 to July 2024 be approved."*

*Resolution 7 "THAT Grant Thornton Malaysia PLT be re-appointed as Auditors of the Company for the ensuing year and the Directors be authorised to fix their remuneration."*

*Resolution 8 "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company ("New Shares") for the time being without first offering the New Shares to the holders of the existing issued shares 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 Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."*

*Resolution 9 "THAT subject to the provisions under the Companies Act 2016 ("Act"), the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all prevailing laws, rules, regulations, orders and guidelines as well as the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("AYS Shares") 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 the aggregate number of AYS Shares purchased pursuant to this resolution or held as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase;*

*THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the Company's retained profits account;*

*THAT authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders and guideline and requirements issued by any relevant authorities for the time being in force to deal with any AYS Shares so prescribed by the Company in the following manner:-*

- (i) to cancel the AYS Shares so purchased;*
- (ii) to retain the AYS Shares so purchased as treasury shares for distribution as share dividends to the shareholders of AYS and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently;*
- (iii) to transfer as share award or share consideration; or*
- (iv) combination of (i), (ii) and (iii) above;*

*THAT the authority conferred by this resolution will be effective immediately from the passing of this Ordinary Resolution until:-*

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- (i) *the conclusion of the Company's next Annual General Meeting following the general meeting at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution;*
- (ii) *the passing of the date on which the Company's next Annual General Meeting is required by law to be held; or*
- (iii) *the authority is revoked or varied by ordinary resolution that the shareholders pass in general meeting;*

*whichever occurs first.*

*AND THAT the Directors be and are hereby authorised to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the aforesaid Proposed Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by the relevant authorities."*

AGM12/19

**CONCLUSION**

There being no further business, the Chairman thanked the members present for their attendance and declared the Meeting closed at 10.50 a.m.

**CHAIRMAN**

**APPENDIX A**

**RESPONSES TO QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP**

No.	Questions	Response
1.	<p>Despite recording a higher revenue of RM1,313.765 million in FYE2023 (FYE2022: RM1,116.486 million), AYS's profit after tax (PAT) in FYE2023 decreased to RM42.033 million compared to RM116.524 million in FYE2022, representing a significant decrease in the PAT of RM74.491 million or 63.93%, , due to challenging operating environment and global steel prices endured long-term declines throughout 2022 (Page 34 of the Annual Report 2023/AR2023).</p> <p>How does the Board plan to address the decrease in the bottom-line result, including the challenges the Group faces?</p>	<p>FYE 2022 had been an exceptional year for AYS, primarily driven by rising global steel prices resulting from supply chain disruptions and supply constrictions, inflated shipping and logistics cost, rising cost of raw materials and energy cost as well as geopolitical factors.</p> <p>FYE 2023 marked the year of recovery, where most countries worldwide reopened their borders. This has been positive to the global supply chain as it has been disrupted when the pandemic hit. However, the steel industry's profitability has been impacted by higher operational costs brought on by rising energy cost, interest rates, foreign currency fluctuations and China's rising steel production combined with poor end-user demand recovery, which have led to softer global steel prices.</p> <p>Furthermore, AYS's performance is largely dependent on the construction industry as well as global and domestic economies. On the domestic front, the growth in domestic steel demand is currently driven by private consumption. Nevertheless, the Government's rolling or continuing mega infrastructure developments will be an effective means of driving the sustainable economy growth and spur the demand for steel.</p> <p>AYS will continue to remain vigilant and steadfast to face the challenges, and to place emphasis on the near-to-mid-term strategies to ensure sustained revenue growth moving forward by focusing on alliances with our customers to undertake major projects and gain market share, providing one-stop-steel solutions, implement cost containment measures, as well as strengthening operational and productivity efficiencies to increase our bottom-line.</p>
2.	<p>In FYE2023, the finance cost increased to RM18.942 million from RM10.363 million in</p>	<p>In May 2023, Bank Negara Malaysia had announced the increase of OPR by</p>

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No.	Questions	Response
	<p>FYE2022, representing an increase of 82.78% due to the increase of OPR by 100 basis points to 2.75% from May 2022 onwards (Page 35 of AR2023).</p> <p>Does the Group expect the finance cost to remain at the same level or higher in FYE2024? How does the Group intend to manage this cost moving forward?</p>	<p>another 25-basis point. This has led to a cumulative increase of 125 basis point to 3.00 per cent. Some research analysts have anticipated further hike of OPR to 3.25 per cent by end-2023, which will inevitably increase our finance cost.</p> <p>To manage the finance cost moving forward, AYS has reviewed its procurement policy to maintain optimal inventories level by strategically sourcing and purchasing inventories and implement effective sales and cash flow management. This entails maintaining regular communication and rapport with suppliers, vendors and bankers in order to source reliable market information.</p>
3.	<p>Trading and Services Division</p> <p>(a) The division's FYE2023 segment profit dropped to RM37.783 million compared to RM117.450 million in FYE2022. This represents a drop of 67.83% based on a year-on-year comparison (Pages 162-163 of AR2023).</p> <p>What are the main reasons for the significant drop in the segment profit, and what are the immediate steps taken to address this issue?</p> <p>(b) The division has combined warehouse area of more than 23 acres and storage capacity of around 142,500 metric tons of material in Malaysia and Singapore to serve customers across APAC region. The division will continue to focus on the Group's Warehouse Rationalisation Program and to embrace digitalisation as a means to improve efficiency, maximise productivity and access to new markets (Page 41 of AR2023).</p> <p>i. How efficiently is the division using its entire warehouse area and storage capacity? What is the current</p>	<p>(a) Trading and Services division is the Group's core business and largest revenue and profit contributor to the Group. As mentioned in answer 1 above, the profit margin in the Trading and Services Division has been affected by softening global steel prices, resulting from many factors such as energy cost, interest rates, foreign currency fluctuations as well as the impact of geopolitical factors.</p> <p>AYS will continue to remain vigilant and steadfast to face the challenges, and to place emphasis on the near-to-mid-term strategies to ensure sustained revenue growth moving forwards by focusing on alliances with our customers to undertake major projects and gain market share, providing one-stop-steel solutions, implement cost containment measures, strengthening operational and productivity efficiencies to increase our bottom-line result.</p> <p>(b)</p> <p>i. Our current and expected warehouse area and storage capacity utilisation rates are at more than 90%.</p> <p>ii. Our Warehouse Rationalisation Program ("WRP") is still in progress. We have just obtained the necessary approvals from relevant authorities for the development plans of the new warehouse and will have to wait for other approvals. Due to this delay, AYS will proceed with</p>



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No.	Questions	Response
	<p>warehouse area and storage capacity utilisation rate and expected utilisation rate in FYE2024?</p> <p>ii. What is the progress of the Warehouse Rationalisation Program and the focus on digitalisation? What are the specific targets for improving efficiency, maximising productivity, and access to new markets in the next two financial years?</p>	<p>construction of a covered warehouse on the existing open yard at our Jalan Kapar vacant land to increase covered warehouse space first and improve the operational efficiency by eliminating downtime due to poor weather, preventing the inventories from rusting, eliminating hazard and environmental issues. With this additional covered warehousing spaces, we anticipate to diversify our product range and enhance our one-stop steel provider services to capture larger market share in the region.</p> <p>As for digitalisation, we have set aside a budget to invest and enhance the digital platforms and infrastructures (i.e. enterprise resource planning software and etc.) in order to evolve to remain relevant and improve the efficiency of business operations</p>
4.	<p>Manufacturing Division</p> <p>(a) What is the business outlook for the division in FYE2024?</p> <p>(b) What is the previous and current capacity utilisation rate for the Group's factory? Based on the business outlook for the division, what is the targeted capacity utilisation rate for FYE2024?</p>	<p>(a) The outlook for the Manufacturing division in the FY 2024 remains challenging. Our Manufacturing division will continue with its business strategy aimed to work alongside with customers in steel construction projects and provide end-to-end steel solutions. AYS will invest into new machines to increase the purlin production capacity to achieve better economies of scale, improve operating efficiency and reduce production cost. We are cautiously optimistic that the Manufacturing division's performance in the FY 2024 will remain positive.</p> <p>(b) The optimum capacity of the purlin plant and service centre are at 66.67% and 83.3% respectively of the designed production capacity.</p> <p>The current and the targeted utilisation rate for the purlin plant are around the optimum capacity and the Service Centre plant are at around 40% - 50% of the optimum capacity.</p>

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**APPENDIX B****RESPONSES TO LIVE QUESTIONS FROM SHAREHOLDERS**

<b>No.</b>	<b>Questions</b>	<b>Response</b>
1.	Why AYS still using virtual AGM as World Health Organisation has cleared all Covid-19 pandemic.	<p>Thank you for your participation at the 12th AGM of AYS. This is our 3rd fully virtual AGM.</p> <p>After the pandemic, the way we conduct our business has evolved particularly on meeting set-up. In order to encourage and enable full shareholder participation, even from remote location, AYS has opted to continue leveraging technology to conduct our AGM which is more environmentally sustainable.</p> <p>Furthermore, it is more cost effective and saves time than a physical meeting.</p>
2.	<p>i. May I know what is the Company's future outlook; and</p> <p>ii. Will the Board consider giving door gift such as e-voucher or e-wallets for those participating in this AGM as a token of appreciation?</p>	<p>i. As highlighted in the presentation of MSWG's questions and answers, the current business environment is undergoing a gloomy weather and facing various macro and micro-economic challenges.</p> <p>AYS has been vigilant in handling the challenges and been in touch with market situation. AYS's management team are always in the market to get the first-hand market information in order to approach the key projects domestically as well as in ASEAN region.</p> <p>AYS will steadfastly in maintaining our revenue of the Company and sail through all possible challenges in a more vigilant way and hopefully in the next AGM, we will be presenting positive figure to our beloved shareholders.</p> <p>ii. On behalf of the Board, we would like to thank all shareholders for the participation in this 12<sup>th</sup> AGM. In the past, AYS has not given any door gift. As we believe the presentation of dividend based on the performance of the Company is a better rewards option to our shareholders. Therefore, there will be no door gift for participation in this AGM.</p>
3.	Please send a copy of printed annual report to my address stated.	We have taken note on the request and we will instruct our share registrar to send a copy to the address stated.