

**YGL CONVERGENCE BERHAD**  
Registration No. 200401010510 (649013-W)  
(Incorporated in Malaysia)

Minutes of the Twentieth ("20<sup>th</sup>") Annual General Meeting ("AGM") of Ygl Convergence Berhad ("Ygl" or "the Company") held at Nat King Cole, Level 9, Jazz Hotel Penang, No. 1, Jalan Seri Tanjung Pinang 1, 10470 Tanjung Tokong, Penang on Thursday, 29 August 2024, 10:30 a.m..

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**DIRECTORS** : Mr. Yeap Kong Chean (*Chief Executive Officer*)  
Madam Tan Hoay Leng (*Executive Director*)  
Mr. Wong Khai Meng (*Independent Non-Executive Director*)  
Encik Muhamed Ali Bin Hajah Mydin (*Independent Non-Executive Director*)  
Mr. Wan Chia Keong (*Independent Non-Executive Director*)

**SHAREHOLDERS,  
CORPORATE  
REPRESENTATIVES  
AND PROXY  
HOLDERS** : As per the attendance list.

**BY INVITATION** : As per the attendance list.

**IN ATTENDANCE** : Ms. Felicia Low Seow Wei – *Company Secretary*

**CHAIRMAN'S ADDRESS**

Mr. Yeap Kong Chean ("**Mr. Yeap**") welcomed all present attendees for attending the 20<sup>th</sup> AGM of the Company.

Mr. Yeap informed the Meeting that pursuant to Clause 58(1) of the Company's Constitution, the Board of Directors ("**the Board**") has elected him to preside the 20<sup>th</sup> AGM. Mr. Yeap then introduced the Directors and Company Secretary seated at the head table.

**QUORUM AND PROXIES**

Mr. Yeap called the Meeting to order upon confirming that a quorum was present.

The Company Secretary, Ms. Felicia Low Seow Wei ("**Ms. Felicia**") reported that the Company has received 10 proxy forms from shareholders representing 12,420 ordinary shares within the prescribed period before the time for convening the Meeting.

The Meeting was informed that the Company is using 22 August 2024 as the determinant date of the General Meeting Record of Depositors for the 20<sup>th</sup> AGM.

**NOTICE OF MEETING**

Mr. Yeap declared that the Notice of the 20<sup>th</sup> AGM which was circulated to the shareholders within the prescribed period be taken as read, upon receiving no objection from the shareholders.

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**POLL PROCEDURE**

Ms. Felicia briefed the Meeting that the 20<sup>th</sup> AGM would be conducted on a poll in accordance with Rule 8.31A of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The Company had appointed the Share Registrar, Messrs. Securities Services (Holdings) Sdn. Bhd. to act as the Polling Agent and Ms. Low Ai Pheng to act as the Independent Scrutineer for conducting poll voting.

To ensure the efficiency of the proceedings of the Meeting, the Meeting noted that all presents had agreed that the poll voting for all resolutions shall only be conducted after all items on the agenda had been considered, as proposed by the Chairman.

**ORDINARY BUSINESS**

**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS THEREON ("**AFS 2024**")**

Mr. Yeap informed the Meeting that the first item on the Agenda was to receive the AFS 2024. The AFS 2024 was approved by the Board on 26 July 2024 and forwarded to the shareholders of the Company on 31 July 2024.

Before inviting questions from the floor on the AFS 2024, Mr. Yeap informed the Meeting that the Company had on 26 August 2024 received a letter from the Minority Shareholder Watch Group ("**MSWG**"), who had raised some questions about the Company's Annual Report 2024.

Mr. Yeap then presented the Company's reply to the questions raised by MSWG, details of which are as per Annexure I enclosed hereto.

As there was no question raised, the Chairman declared that the AFS 2024 be received.

**2. RE-ELECTION OF RETIRING DIRECTORS WHO ARE RETIRING IN ACCORDANCE WITH CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Meeting was informed that the next item on the Agenda was to re-elect the Directors who were retiring in accordance with Clause 76(3) of the Constitution of the Company.

The Meeting was informed that Madam Tan Hoay Leng and Mr. Wong Khai Meng were subject to retirement pursuant to Clause 76(3) of the Constitution of the Company and being eligible, had offered themselves for re-election.

The Meeting unanimously agreed to move the motion of the re-election of the retiring Directors, namely Madam Tan Hoay Leng and Mr. Wong Khai Meng for voting.

**3. PAYMENT OF DIRECTORS' FEES OF RM80,000.00 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

The third item on the Agenda was to consider and approve the payment of Directors' fees of RM80,000.00 for the financial year ended 31 March 2024.

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The Meeting unanimously agreed to move the motion of payment of Directors' fees of RM80,000.00 for the financial year ended 31 March 2024 for voting.

**4. PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UP TO AN AMOUNT OF RM20,000.00 FOR THE PERIOD COMMENCING FROM 30 AUGUST 2024 UNTIL THE NEXT AGM OF THE COMPANY TO BE HELD IN YEAR 2025**

The Meeting was informed that the next item on the Agenda was to approve the benefit payable to the Directors up to an amount of RM20,000.00 for the period commencing from 30 August 2024 until the next AGM of the Company to be held in the year 2025.

The Meeting unanimously agreed to move the motion of payment of benefits payable to the Directors up to an amount of RM20,000 from 30 August 2024 up to the conclusion of the next AGM of the Company to be held in year 2025 for voting.

**5. RE-APPOINTMENT OF MESSRS. CHENGCO PLT AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The fifth item on the Agenda is to re-appoint Messrs. CHENGCO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The retiring Auditors, Messrs. CHENGCO PLT have indicated their willingness to continue in office as the Company's Auditors.

The Meeting unanimously agreed to move the motion of the re-appointment of Messrs. CHENGCO PLT as Auditors of the Company until the conclusion of the next AGM and the authority for the Directors to fix their remuneration for voting.

**SPECIAL BUSINESS**

**6. ORDINARY RESOLUTION - AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016 (THE "ACT") AND WAIVER OF PRE-EMPTIVE RIGHTS**

Mr. Yeap informed that the next item on the Agenda was to seek the renewal of the general mandate for the Board to issue and allot shares pursuant to the Act and waiver of pre-emptive rights.

The Meeting noted that the proposed adoption of this ordinary resolution was primarily to give flexibility to the Board to issue and allot shares up to 10% of the total number of issued shares of the Company at any time in their absolute discretion without convening a general meeting. This authority shall, unless be revoked or varied by the Company in general meeting, expire at the next AGM of the Company. This proposal is also subject to the approval being obtained from the relevant authorities for listing and quotation of additional shares on Bursa Securities, if issued by the Company.

The waiver of pre-emptive rights would allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new share to all existing

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shareholders of the Company prior to issuance of new shares in the Company under the general mandate granted by the shareholders of the Company.

The Meeting unanimously agreed to move the motion of the authority to issue shares and waiver of pre-emptive right pursuant to the Act for voting.

**7. ANY OTHER BUSINESS OF WHICH DUE NOTICE SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE ACT AND THE COMPANY'S CONSTITUTION**

The Meeting noted that no notice was received by the Company to transact any other ordinary business.

**POLL VOTING**

Upon all the Agenda of the Meeting had been dealt with, the Meeting proceeded with the poll voting. Ms. Felicia briefed the poll voting procedure.

The Meeting was then adjourned at 11:10 a.m. for verification of the poll voting result by the Scrutineer.

**DECLARATION OF POLL VOTING RESULTS**

The Meeting resumed at 11:24 a.m. for the declaration of poll voting results.

**Ordinary Resolution 1 - To re-elect Madam Tan Hoay Leng who is retiring in accordance with Clause 76(3) of the Constitution of the Company and being eligible, has offered herself for re-election**

There were 48,411,517 shares equivalent to 100% of the total shares present and voting hereat, voted in favour of Ordinary Resolution 1.

As the requisite majority votes have been obtained, the Chairman declared that Madam Tan Hoay Leng be hereby re-elected as Director of the Company.

**Ordinary Resolution 2 - To re-elect Mr. Wong Khai Meng who is retiring in accordance with Clause 76(3) of the Constitution of the Company and being eligible, has offered himself for re-election**

There were 48,411,517 shares equivalent to 100% of the total shares present and voting hereat, voted in favour of Ordinary Resolution 2.

As the requisite majority votes have been obtained, the Chairman declared that Mr. Wong Khai Meng be hereby re-elected as Director of the Company.

**Ordinary Resolution 3 - To approve the payment of Directors' fees of RM80,000.00 for the financial year ended 31 March 2024**

There were 48,411,417 shares equivalent to 99.9998% of the total shares present and voting hereat, voted in favour of Ordinary Resolution 3; and 100 shares equivalent to 0.0002% of the total shares present and voting hereat, voted against of Ordinary Resolution 3.

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As the requisite majority votes have been obtained, the Chairman declared that the payment of Directors' fees of RM80,000.00 for the financial year ended 31 March 2024 be hereby approved.

**Ordinary Resolution 4 - To approve the payment of benefits payable to the Directors up to an amount of RM20,000.00 from 30 August 2024 until the next AGM of the Company to be held in year 2025**

There were 48,411,417 shares equivalent to 99.9998% of the total shares present and voting hereat, voted in favour of Ordinary Resolution 4; and 100 shares equivalent to 0.0002% of the total shares present and voting hereat, voted against of Ordinary Resolution 4.

As the requisite majority votes have been obtained, the Chairman declared that the payment of benefits payable to the Directors up to an amount of RM20,000 from 30 August 2024 up to the conclusion of the next AGM of the Company to be held in year 2025 be hereby approved.

**Ordinary Resolution 5 - To re-appoint Messrs. CHENGCO PLT as the Aditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration**

There were 48,411,417 shares equivalent to 99.9998% of the total shares present and voting hereat, voted in favour of Ordinary Resolution 5; and 100 shares equivalent to 0.0002% of the total shares present and voting hereat, voted against of Ordinary Resolution 5.

As the requisite majority votes have been obtained, the Chairman declared that the re-appointment of Messrs. CHENGCO PLT as the Auditors of the Company until the conclusion of the next AGM and the authority for the Directors to fix their remuneration be hereby approved.

**Ordinary Resolution 6 - Authority to issue and allot shares pursuant to the Act and waiver of pre-emptive rights**

There were 48,411,417 shares equivalent to 99.9998% of the total shares present and voting hereat, voted in favour of Ordinary Resolution 6; and 100 shares equivalent to 0.0002% of the total shares present and voting hereat, voted against of Ordinary Resolution 6.

As such, the Chairman declared that Ordinary Resolution 6 be approved.

It is hereby **RESOLVED**: -

**THAT** subject always to the Companies Act 2016 (the "**Act**"), the Company's Constitution, Bursa Securities AMLR and any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot 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 pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being;

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**THAT** pursuant to Section 85 of the Act to be read together with Clause 12(3)(a) of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

**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 AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever is earlier, unless such authority is revoked or varied by resolution passed by the shareholders in a general meeting.

**CONCLUSION OF MEETING**

There being no further matters to discuss, the Meeting concluded at 11:30 a.m. with a vote of thanks to the Chair.

Confirmed as a correct record,

- SIGNED -  
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CHAIRMAN  
YEAP KONG CHEAN

## Annexure I

### Twentieth (20<sup>th</sup>) Annual General Meeting Reply to Minority Shareholders Watch Group

#### Operational & Financial Matters

1. The government's digital economy blueprint especially on business digital transformation remained clear and unchanged via the various programmes under Malaysian Investment Development Authority ("MIDA"), Malaysia Digital Economy Corporation ("MDEC") and tax incentives to spearhead SMEs and LLCs to digitalise and automate their business processes. YGL possesses the domain expertise to provide the manufacturing and logistics sectors with the relevant Artificial Intelligence ("AI"), robotic and machine integration technologies. (page 17 of Annual Report (AR) 2024)

(a) What are the Group's strategies to capture new opportunities from the government's digital transformation programme?

#### Ygl's reply

We are Malaysia Digital Status Company under Malaysia Digital Economy Corporation ("MDEC") and have become: -

- (i) "Pembekal Utama" for Industry4WRD under Ministry of Investment, Trade and Industry ("MITI");
- (ii) "Centre of Excellence of Northern Corridor Economic Region ("NCER" Malaysia); and
- (iii) "Productivity Champion" for Malaysia Productivity Corporation ("MPC").

Our customers are eligible to apply for the grants and incentives provided by the government when they deploy our solutions.

(b) What is the current orderbook/billable for the software segment? How much of this orderbook is expected to be recognised in FY2025?

#### Ygl's reply

Current billables for the software segment:

Billables as at 23 August 2024 : RM3.3 million  
Expected to recognise in FY2025 : about 70%

(c) What is the demand outlook for the software segment over the next twelve months?

#### Ygl's reply

We expect demand for ERP to remain soft in the next six (6) months. We are cautiously optimistic for the following six (6) months depending on the decision of the Federal Reserve of United States of America on their monetary policy.

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2. The solar segment recorded an 8.5% decline in revenue to RM6.04 million in FY2024. Net profit from operations was RM0.99 million compared to a net loss of RM0.51 million a year ago. (page 17 of AR 2024)

(a) The solar segment has shown a decline in revenue for two consecutive financial years. Does the Group expect this trend to continue in the coming years?

**Ygl's reply**

We expect to maintain more or less the same revenue in the coming years.

(b) What is the current outstanding orderbook for the solar segment?

**Ygl's reply**

Current outstanding orderbook : RM1.76 million  
(billables)  
as at 23 August 2024

(c) What are the latest tender book and your target orderbook replenishment for FY2025?

**Ygl's reply**

Current tender book (pipeline) : RM11.0 million  
as at 23 August 2024  
Target orderbook replenishment for : about 30%  
FY2025

**Corporate Governance Matters**

3. The total cost incurred by the Group for the IA functions in respect of FY2024 amounted to RM15,052. (page 49 of AR 2024)

(a) Given that the fee is relatively small, how does the audit committee assure itself that there would be adequate coverage and an effective audit function?

**Ygl's reply**

The Group has two (2) chartered accountants in the Board including one (1) chartered accountant in the senior management. We are familiar with the internal audit process, laws and regulations pertaining to internal audit. We are able to provide assistance and the relevant supporting information to the internal auditors. We negotiate for a lower fee.



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- (b) What were some of the key findings by the internal auditor? Did the internal auditor make any recommendations to the audit committee? If so, have the recommendations been implemented?

**Ygl's reply**

Key findings by internal auditors include:

- Accounts receivable risk where payment from certain customers came late;
- Sales risk in terms of training for an effective sales team; and
- Marketing risk in terms of effective market penetration.

These issues have been discussed in the Board meetings as well as Management meetings on a periodic basis and accordingly steps are being undertaken by the Management in addressing the key findings by the internal auditors.

4. Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG) stipulates that at least 30% of the Board should comprise women. As of FY2024, there was only one female director, representing 20% of the total number of directors on the Board.

What specific actions has the Board taken or intends to take to increase the representation of women on the Board to adopt this MCCG practice within reasonable timeframe?

**Ygl's reply**

We acknowledge Practice 5.9 of MCCG that stipulates at least 30% of the Board should comprise women, however the selection of Board member must be based on merits. The Board is relatively small comprising only five (5) Directors. If a suitable woman candidate comes along, the Board will give her due consideration.

5. YGL has been without a chairman for many, many years. The MCCG Guidance 1.2 advocates that such prolonged vacancy and inconsistency in the leadership of the Board is against the principles of good corporate governance.

The Chairman plays a critical role in instilling good corporate governance practices, leadership, and effectiveness of the Board.

- (a) Please explain how the Board can effectively perform its role and functions as required under Practice 1.2 without appointing a permanent Chairman.

**Ygl's reply**

The Board is relatively small with a composition made up of two (2) Executive Directors and three (3) Independent Non-Executive Directors ("INEDs") who comprise a successful businessman, a chartered accountant and a highly qualified digitalisation expert. There is sufficient check and balance within the Board to carry out their duties. The company secretaries are at hand to assist in corporate matters.

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- (b) Please provide details on who has been chairing the company's Board meetings for the past year.

**Ygl's reply**

The CEO has been chairing the Company's Board meetings for the past year. He has been elected as chairperson due to his first-hand knowledge of the Group's business and industries.

- (c) The Chairman's position had been left vacant for many years. What challenges does the Company face in identifying the right candidate as Chairman? What is the targeted timeline for the appointment of a permanent Chairman?

**Ygl's reply**

The Board has been looking for a suitable candidate with integrity, the right profile, social and public standing as well as software domain expertise for the Chairman's role. It is necessary that the Chairman must have an understanding on ERP domain and the software industry to lead the meetings. We hope that a suitable candidate will be available in the next two to three years.

**Sustainability Matters**

6. YGL focuses on the source and management of energy to reduce its own and supply chain GHG emissions, contributing to creating a low-carbon or even net-zero society. Monitoring and disclosing energy consumption, along with reporting GHG emissions, are integral parts of YGL's strategy. In 2023, the Group commenced disclosure of Scope 2 and Scope 3 GHG emissions, measuring emissions from office electricity consumption and consultants' travel in daily operations. The total GHG emissions for the year were 89.6 tCO<sub>2</sub>e and 17.59 tCO<sub>2</sub>e, respectively. (page 35 of AR2024)

- (a) What are the Group's targets and timelines for Scope 2 and Scope 3 GHG emissions reduction?

**Ygl's reply**

We are currently working on gradually reducing our Scope 2 GHG emissions. Whereas for Scope 3 emissions, we face practical challenges such as accessibility and traceability because the activities are from sources not owned or controlled by us.

- (b) Does the Group aim to achieve net zero status? If yes, by when?

**Ygl's reply**

Yes. We hope to do so by 2050 in line with our government target for net zero status in Malaysia.