

CYL CORPORATION BERHAD (516143 V)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE EIGHTEENTH ANNUAL GENERAL MEETING (“18TH AGM”) OF THE COMPANY HELD AT BALLROOM 2, LG LEVEL, EASTIN HOTEL, 13, JALAN 16/11, PUSAT DAGANG SEKSYEN 16, 46350 PETALING JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 18 JULY 2018 AT 10.00 A.M.

Question:

In view of the overall decline of 10% in revenue last year, what would be the strategies to improve the Company’s performance and prospects moving forward?

The Company’s response:

The revenue trend was expected to continue due to weak consumer sentiment. The erosion of consumers’ purchasing power has affected the demand for the products of the Company’s customers. The situation was expected to improve when consumer sentiment recovers. With effect from 1 January 2018, the employers were now responsible for paying the levies for their foreign workers. This has an impact on the Group’s profit margin. Competition within the industry has also affected pricing. The Company would nevertheless, continue to stay focus on its core business and expertise and look at ways to maintain existing customers and secure new clients.

Question:

Had the Company lost some major clients? Would the Company consider exporting to other countries?

The Company’s response:

The Company lost a major client last year. This client had previously contributed 10% towards revenue. The Company had decided not to continue doing business with the lost client due to unfavourable pricing. With regard to the question on export, every country has its own local players. It would be difficult for the Company to compete against those local players on their own turf. The Company would stay focus to protect its market share in its own market first.

Question:

What was the current trend of raw material prices?

The Company’s response:

The price of resin has been on the increase for the past six months. The Company has adopted a pricing mechanism whereby the price of products would be reviewed every three (3) months and adjusted accordingly. Raw materials purchased from Singapore were paid in US Dollars.

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Question:

With the strengthening of Ringgit Malaysia in the first quarter of 2018, why has the Company not benefited from it?

The Company's response:

There were other costs associated to manufacturing. Raw material was only one part of it.

Question:

With the current Company's performance, would the Company maintain its dividend payment?

The Company's response:

It would depend on the Company's overall performance.

Question:

Were all properties listed in the Annual Report 2018 in use?

The Company's response:

Only one piece of land was vacant. There were plans to build another factory on that piece of land some years back but the plan has been put on hold as the business environment was not conducive.

Question:

Would the Company dispose that piece of land?

The Company's response:

The consideration for the land has been fully paid. The Company would maintain the land for future use. It would not be easy to purchase a piece of land within the same vicinity.