NINTH ANNUAL GENERAL MEETING

AYS Ventures Berhad

Company No: 201001041242 (925171-T)

25th August 2020, 9:30 a.m.

Questions & Answer Submission

- Due to the on-going pandemic, we advise to submit questions via electronic means. Please scan the QR code below, or on your tables to submit your questions.
- Thank you for your understanding.

INDEX

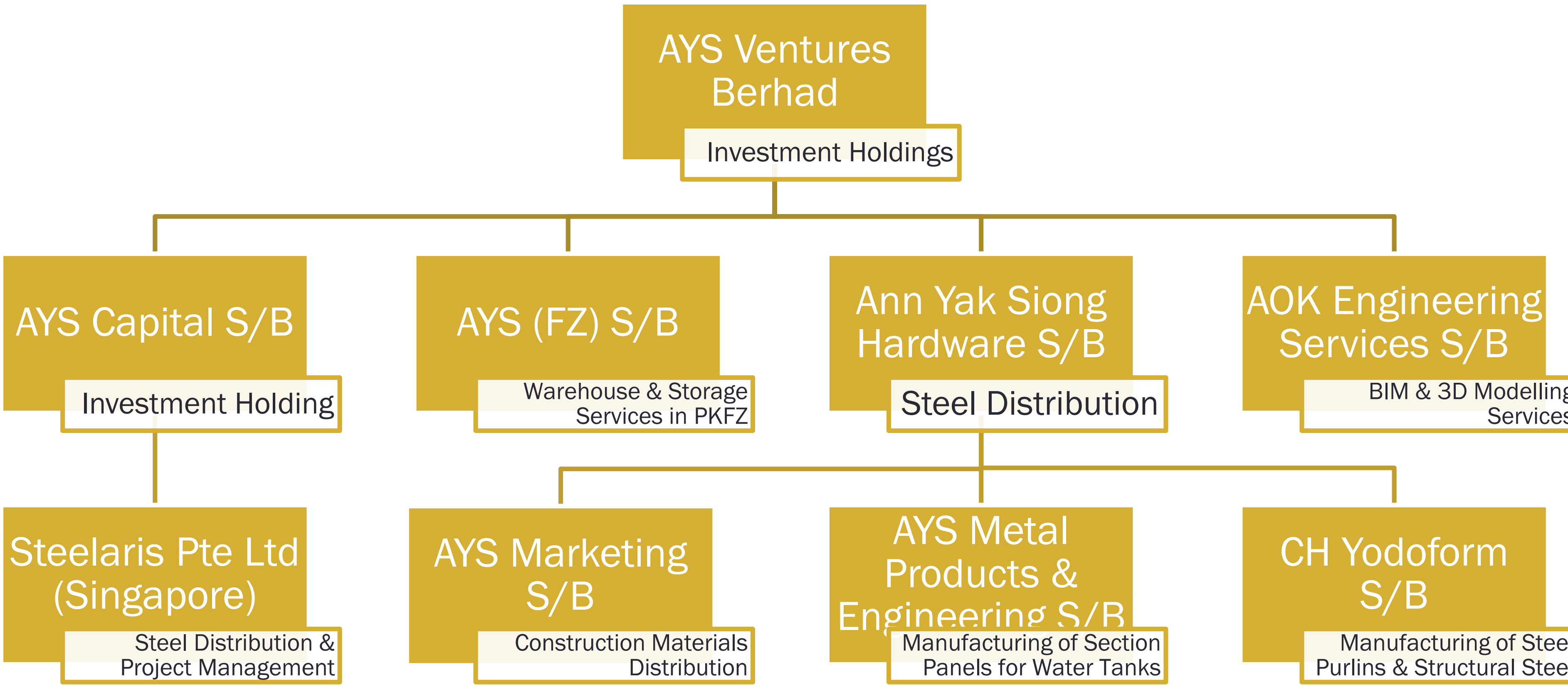
INDEX

Company Overview

- Founded 1982 as a trader, stockist and distributor of steel and construction materials.
- Listed on the Main Market of Bursa Malaysia since 9 May 2012.
- Identifies as one of the market leaders in distribution business of steel related products and building materials.
- Operation in 3 divisions:-

Trading & Services	Manufacturing	Other Services
- Trading & distributing of steel products & construction materials - Full range of structural steel products with strong market share - Warehousing and storage services	- C & Z Purlins - Steel service center for precision cut & drill, shot blasting & primer coating.	- BIM & 3D Modelling of steel structure using TEKLA software

Group Structure



**Exclusive of Dormant Companies*

One Stop Steel Solutions Provider

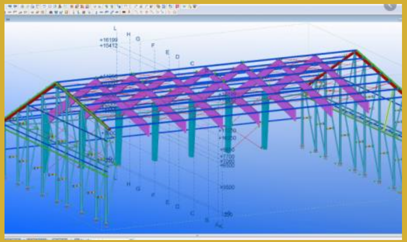
All steel construction needs under one roof, cost and time efficient.

Manufacturing, Supply & Distribution of Steel & Construction Materials

- Full range stockholding on Structural Steel
- Manufacturing of Steel Purlins
- Strong networks of suppliers & customers

Value Added Services

- Dedicated 3D BIM office
- Steel Service Centre
- Project management
- Steel storage
- Testing and verification



Delivery to Site

- Global distribution point in PKFZ
- Transport and logistic services

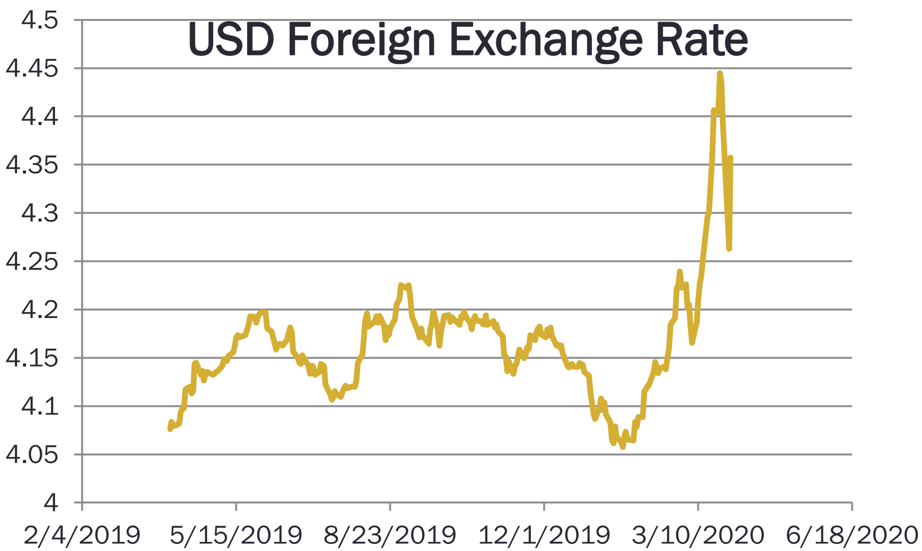
INDEX

It has been a challenging year for the steel industry.

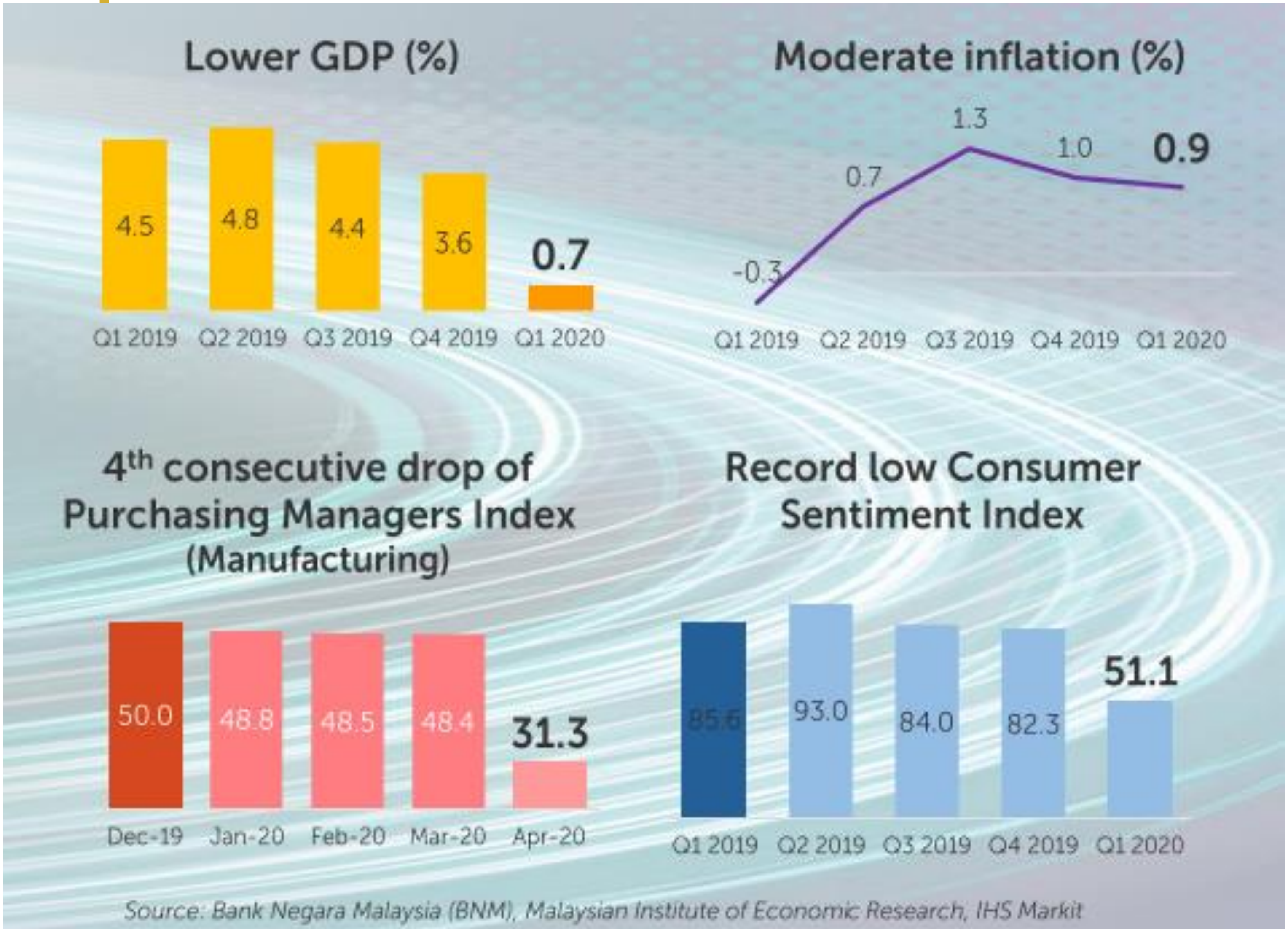
- Steel industry faces challenges, as contributed by the escalating US-China trade war, overcapacity of steel mills, impacting steel prices.
- Political instability causes major infrastructure projects to halt.
- Competition is high and demands are lowered – margins are pressured
- High foreign currency exchange rate fluctuation causes high importation cost
- Sharp slowdown in economic activities since March due to Covid-19, MCO and RMCO

Macroeconomic weakness has brought heavy fluctuations in steel price and forex

- Difference between high and low point of USD-MYR as high as 9.5%.
- High forex implies high cost of import.
- Asian mills have lowered steel prices to push export sales due to overcapacity & Covid-19
- Decrease in steel prices implies lowered revenue and margins despite higher sales volume.



Covid-19 forced global economy into a sharp decline



AYS's swift and decisive actions towards Covid-19

- Strong digital infrastructure and IT team, work from home was set up quickly and smoothly.
- Ensuring customer's needs are satisfied, PKFZ warehouse operations remains open, export activities not affected.
- Steelaris obtained greenlight to operate since beginning of Circuit Breaker.
- Quick to apply and obtain operating greenlight from MITI to resume operations.
- Safeguarding our employees, customers and business partners by strict implementation of SOP's throughout all business premise

INDEX

Significant Events in FYE2020

- Record breaking revenue of RM768.2 mil
- First year loss since listing at RM9.123 mil
- Acquisition of Singapore based Steel Distributor & Project Management company, Steelaris Pte Ltd
- Winding up of Wire Producing Business AYS Wire Products S/B
- Global Pandemic – Coronavirus, Movement Control Order & Circuit Breaker

Key Financial Highlights

FYE 31st March (RM '000)	2019	2020	% Change
Revenue	599,347	768,212	+28%
EBITDA	32,500	8,447	-74%
Profit/(Loss) Before Tax	21,127	(7,781)	-137%
Profit/(Loss) After Tax	15,746	(9,123)	-158%
Total Assets	655,375	762,940	+16%
Total Borrowings	312,815	355,378	+14%
EPS (sen)	4.14	(2.77)	-167%
NAPS (RM)	0.72	0.68	-6%

Recorded Loss Before Tax due to downward price trend despite increased sales volume.

Incorporation of new subsidiary Steelaris brought up total assets and revenue.

Derivation of PBT

FYE 31st March (RM '000)	2019	2020	% Change
Revenue	599,347	768,212	+28%
COGS	(527,447)	(706,448)	+34%
GP	70,900	61,764	-13%
GP Margin	12%	8%	
Other Income	3,149	2,487	-21%
OPEX	(41,549)	(56,284)	+35%
Finance income	1,099	920	-16%
Finance cost	(12,472)	(16,667)	+34%
(Loss)/Profit Before Tax	21,127	(7,781)	-137%
L/PBT Margin	4%	-1%	

Opex of 35% increase includes incorporation of expenses from new subsidiary Steelaris and increased selling and distribution expenses reflecting higher sales volume.

Non-Cash Expense Analysis

- Depreciation of PPE RM4.182 mil
- Depreciation of Right-of-use assets RM1.983 mil
- Impairment loss on PPE RM130k
- PPE written off RM166k
- Inventories written down RM180k
- Provision for Doubtful Debts of RM1.901 mil
- Fair value loss on investment properties RM928k

Divisional & Geographical Results

Revenue, RM'000	FYE 2019	FYE 2020	% Change
Trading & Services	535,228 (89%)	738,743 (96%)	+38%
Manufacturing	64,119 (11%)	29,469 (4%)	-54%
Total	599,347	768,212	+28%

Decrease in manufacturing revenue was mainly due to cessation of wire business & lowered sales volume in manufactured products.

Increased trading & services revenue mainly due to incorporation of Steelaris:

Revenue, RM'000	FYE 2019	FYE 2020	% Change
AYS	599,347	586,739 (76%)	-2%
Steelaris	-	181,473 (24%)	
Total	599,347	768,212	+28%

Revenue, RM'000	FYE 2019	FYE 2020	% Change
Malaysia	540,810 (90%)	500,997 (65%)	-7%
Singapore	51,152 (9%)	227,769 (30%)	345%
Other Countries	7,385 (1%)	39,446 (5%)	434%
Total	599,347	768,212	28%

The results justifies the Group's Corporate Development exercises.

- Part of the Group's business strategy to enter the regional market.
- Singapore is an important distribution point in the global supply chain. With the proximity advantage and operational synergies, the acquisition of Steelaris will strengthen AYS's position as a steel distributor and service provider and reinforce AYS's footprint in APAC region.
- The Group saw an increase in its customer base, export businesses and also the demand for value added services. Export sales stands at 35% of total revenue during FY2020.
- Steelaris has contributed RM181.473 mil in revenue and RM2.863 mil in profits from date of acquisition

INDEX

What have we been doing?

- Due to the macroeconomic weakness, business environment and assault from Covid-19, the Group has suffered it’s first year loss since listing.
- To strengthen the Group’s liquidity, cost cutting measures has been put in place.
- Warehouse rationalization program on-going, focusing on increasing overall efficiency of the supply chain.
- Restructuring of business models to focus on core businesses.
- Pushing the “One-Stop Solutions Provider” initiative to the broader market.

Adapting to the new normal

- Post Covid-19 is changing business landscape.
- Digitalization, technology and data is important.
- Cultivating a great workplace and a digitally enabled workforce.
- Building supply chain resilience and agility.
- Maintaining cash flow adequacy
- Enhancing on our risk management framework.
- Relooking into a comprehensive review of corporate planning to formulate new business cost models and strategies.
- Actively monitoring changes in business environment and ensuring infrastructure is strong to adapt to any changes.

Future Prospects

- Expected to be challenging for many industries and sectors.
- Malaysia Q2 GDP has contracted 17.1%
- Covid-19 still causing uncertainty, steel price and forex will be volatile as there is still possibility for second wave.
- Many projects are resuming as we enter RMCO, however political instability suggests new projects will slowdown & more uncertainty.
- Regional countries have support measures to sustain the economy, with efforts to build and improve infrastructures.

Road to Recovery

- Our long term strategic intent remains intact.
- Continue the commitment of strengthening our regional footprint and increase market share.
- Focus on broadening our product range and value-added services to provide customers with total solution.
- We are ready to capture new opportunities with our now strengthened foundation and infrastructure.

INDEX

THANK YOU FOR YOUR SUPPORT

2021 will be a challenging year for the Group, but we are confident that we will be able to rise up to the challenge and reemerge stronger.