

YLI HOLDINGS BERHAD

(Company No. 367249-A)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of **YLI Holdings Berhad** will be held at the Concorde Ballroom, Lobby Level, Concorde Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 30 August 2017 at 11.30 a.m.

A G E N D A

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon.	Please refer to Note A
AS ORDINARY BUSINESS		
2.	To declare a First and Final Single Tier Dividend of 0.5 sen per share for the year ended 31 March 2017.	(Resolution 1)
3.	To re-elect Tuan Haji Ali Sabri bin Ahmad who retires in accordance with Article 84 of the Company's Articles of Association.	(Resolution 2)
4.	To re-elect Encik Mohammad Khayat bin Idris who retires in accordance with Article 84 of the Company's Articles of Association.	(Resolution 3)
5.	To re-appoint YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin as a Director of the Company.	(Resolution 4)
6.	To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors and to authorise the Directors to determine their remuneration.	(Resolution 5)
AS SPECIAL BUSINESS		
To consider and, if thought fit, to pass with or without modifications the following Resolutions:-		
Ordinary Resolutions		
7.	To approve the Directors' fees of RM75,000 for the financial year ended 31 March 2017.	(Resolution 6)
8.	To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM1,119,000 from 31 January 2017 until the next Annual General Meeting of the Company.	(Resolution 7)
9.	Authority to continue in office as Independent Non-Executive Directors	
(i)	"THAT subject to the passing of Ordinary Resolution 4, authority be and is hereby given to YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin who has served as an Independent Non-Executive Director of the Company since 24 February 2009 and will reach the nine (9) years term limit on 23 February 2018, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."	(Resolution 8)
(ii)	"THAT subject to the passing of Ordinary Resolution 3, authority be and is hereby given to Encik Mohammad Khayat bin Idris who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."	(Resolution 9)
10.	Proposed renewal of the authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the Company's total number of issued share capital "THAT, subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's total number of issued shares through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject further to the following:- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the total number of issued shares of the Company at the point of purchase ("YLI Shares"); (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the YLI 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 of the Company (where applicable) available at the time of the purchase(s); (iii) the authority conferred by this resolution shall commence upon the passing of this ordinary resolution and will continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company (at which time it shall lapse unless by ordinary resolution passed at that meeting the authority is renewed, either unconditionally or subject to conditions), or unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of Bursa Securities or any other relevant authority; and (iv) upon completion of the purchase(s) of the YLI Shares by the Company, the Directors of the Company be hereby authorised to deal with the YLI Shares in the following manner:- a. cancel the YLI Shares so purchased; or b. retain the YLI Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or c. retain part of the YLI Shares so purchased as treasury shares and cancel the remainder; and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force; AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient and to enter into any agreements, arrangements and guarantees with any party or parties to implement or to effect the purchase(s) of the YLI Shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required by the relevant authorities."	(Resolution 10)
11.	Approval for issuance of new ordinary 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 Directors be and are hereby empowered to issue shares in the Company, at any time 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 issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance to the provisions of the Companies Act 2016, whichever is the earlier."	(Resolution 11)
12.	To transact any other business of which due notice shall have been received.	

By Order of the Board

CHEW SIEW CHENG (MAICSA 7019191)

MOLLY GUNN CHIT GEOK (MAICSA 0673097)

Company Secretaries

Penang

Date: 28 July 2017

Note A

This Agenda item is meant for discussion only as the provision of Section 244(2)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

Note B

Tuan Haji Ab Gani bin Haron who retires in accordance with Article 84 of the Articles of Association of the Company, has notified the Company that he does not wish to seek for re-election and accordingly will retire at the conclusion of the Twenty-Second Annual General Meeting ("AGM"). The Board of Directors of the Company has on 5 July 2017 announced the decision of Tuan Haji Ab Gani Bin Haron to retire in accordance with Article 84 of the Articles of Association of the Company at the forthcoming AGM.

NOTES:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend, participate, speak and vote on his behalf.
- Where a member appoints two proxies, the appointments shall be invalid unless the percentage of the holding to be represented by each proxy is specified.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at No. 45 Lorong Rahim Kajai 13, Taman Tun Dr Ismail, 60000 Kuala Lumpur not less than 48 hours before the time set for the meeting.
- A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting in accordance with Section 333 of the Companies Act 2016.
- Only members registered in the Record of Depositors as at 23 August 2017 shall be eligible to attend the meeting or appoint proxies and vote on their behalf.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Resolution 4 – To re-appoint YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin as a Director of the Company

YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin, who is above the age of 70, was re-appointed at the Twenty-First Annual General Meeting held on 15 September 2016 pursuant to Section 129(6) of the Companies Act, 1965 and shall hold office until the conclusion of the Twenty-Second Annual General Meeting. His term of office will end at the conclusion of the Twenty-Second Annual General Meeting and YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin has offered himself for re-appointment.

However, under the Companies Act 2016, there is no age limit for directors. The proposed Ordinary Resolution 4, if passed, will enable YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin to continue to act as a Director of the Company and he shall be subject to retirement by rotation in accordance with Article 84 of the Articles of Association of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Resolution 6 – To approve the Directors' fees of RM75,000 for the financial year ended 31 March 2017

The proposed Ordinary Resolution 6, if passed, will authorise the payment of the Directors' fees for the financial year ended 31 March 2017 amounting to RM75,000.

2. Resolution 7 – To approve the payment of Directors' benefits

The proposed Ordinary Resolution 7, if passed, will authorise the payment of the Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM1,119,000 from 31 January 2017 until the next Annual General Meeting of the Company.

3. Resolutions 8 and 9 – Authority to continue in office as Independent Non-Executive Directors

The Nomination Committee had assessed the independence of YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin who has served on the Board as Independent Non-Executive Director and will reach the nine (9) year term limit on 23 February 2018. The Nomination had also assessed the independence of Encik Mohammad Khayat bin Idris who has served on the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years. The Board has recommended that the approval of the shareholders be sought to re-appoint YBhg Tan Sri Academician Ir (Dr) Ahmad Zaidee bin Laidin and Encik Mohammad Khayat bin Idris as Independent Non-Executive Directors as both of them possess the following aptitudes necessary in discharging their roles and functions as Independent Non-Executive Directors of the Company:-

- Have vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgment;
- Consistently challenge the management in an effective and constructive manner;
- Have good and thorough understanding of the main drivers of the business in a detailed manner;
- Actively participate in board deliberations and decision making in an objective manner; and
- Exercise due care in all undertakings of the Group and carry out their fiduciary duties in the interest of the Company and minority shareholders.

4. Resolution 10 – Proposed renewal of the authority for the purchase of the Company's own ordinary shares of up to ten per centum (10%) of the Company's total number of issued shares

The proposed Ordinary Resolution 10, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information, please refer to the Statement to Shareholders dated 28 July 2017.

5. Resolution 11 – Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016

This general mandate for issuance of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 30 August 2017, the Board is desirous of seeking a fresh general mandate at the forthcoming AGM. This Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

The proposed Ordinary Resolution 11, if passed, will from the date of the above meeting give the Directors of the Company authority to allot and issue ordinary shares in the Company of up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the forthcoming Twenty-Second Annual General Meeting, a First and Final Single Tier Dividend of 0.5 sen per share for the year ended 31 March 2017 will be paid on 29 November 2017 to Depositors registered in the Record of Depositors at the close of business on 15 November 2017.

A Depositor shall qualify for the above entitlement only in respect of:-

- shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15 November 2017 in respect of transfers;
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

By Order of the Board

CHEW SIEW CHENG (MAICSA 7019191)

MOLLY GUNN CHIT GEOK (MAICSA 0673097)

Secretaries

Penang

Date: 28 July 2017

Penang