



YUNG KONG GALVANISING INDUSTRIES BERHAD

(Company No. 032939-U)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Sixth Annual General Meeting of Yung Kong Galvanising Industries Berhad ("YKGI" or the "Company") will be held at Function Room 1, Level 2, Four Points by Sheraton Kuching, Lot 3186 - 3187 Block 16, KCLD, Jalan Lapangan Terbang Baru, 93350 Kuching, Sarawak on Friday, 17 May 2013 at 11:00 a.m. to transact the following businesses:

AGENDA

Ordinary Business

- To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2012 and the Reports of the Directors and Auditors thereon. **Resolution 1**
- To re-elect the following directors retiring pursuant to Article 103 of the Company's Articles of Association:
 - Dato' Dr Hii Wi Sing **Resolution 2**
 - Ir Michael Hii Ee Sing **Resolution 3**
 - Mr Francis Hii Lu Sheng **Resolution 4**
- To re-elect the following directors retiring pursuant to Article 108 of the Company's Articles of Association:
 - Mr Fong Yoo Kaw @ Fong Yee Kow **Resolution 5**
 - Mr Lim Pang Kiam **Resolution 6**
 - Mr Liew Jee Min @ Chong Jee Min **Resolution 7**
- To appoint Messrs KPMG as auditors of the Company for the ensuing year and to authorise the directors to fix their remuneration. **Resolution 8**

Special Business

- To consider and, if thought fit, pass the following ordinary resolution:

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 9**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in 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 issued share capital of the Company for the time being 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 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."
- To consider and, if thought fit, pass the following ordinary resolution:

Proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature ("Shareholder Mandate") **Resolution 10**

"THAT approval be hereby given to the Company and its subsidiaries ("YKGI Group") to enter into any of the category of related party transactions which are recurrent, of a revenue or trading nature and are necessary for day-to-day operations of YKGI Group as outlined in point 3(b) (pages 4 to 14) of Part A of the Circular to Shareholders dated 25 April 2013 ("Circular"), with the specific related parties mentioned therein subject further to the following:

 - the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and
 - disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:
 - the type of the recurrent related party transactions made; and
 - the names of the related party involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

 - the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;
 - the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") [but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act]; or
 - revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholder Mandate."

- To consider and, if thought fit, pass the following special resolution:

Proposed amendment to the Company's Articles of Association **Resolution 11**

"THAT the existing Article 145(a) of the Company's Articles of Association be deleted in its entirety and replaced with the following new Article 145(a):

Cash distributions payable by cheque or warrant or through Bank

Any cash distributions (as prescribed by the Exchange from time to time) or other money payable in cash in respect of securities may be paid by cheque or warrant, sent through the post directed to the registered address of the Members or persons entitled thereto, or if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one (1) of such persons and to such address as such person may in writing direct or through directly crediting of funds into a nominated bank account as provided to the Depository from time to time of such Members or persons entitled thereto or through such other mode of electronic means. Every such cheque or warrant or funds crediting into the bank account of the Members or persons entitled thereto or through such other mode of electronic means shall be made payable to the order of the Members or persons entitled thereto and such payment shall be a good and full discharge to the Company for all payments made in respect of such securities, notwithstanding that it may subsequently appear that the cheque or warrant has been stolen or that the endorsement thereon has been forged or that there is discrepancy in the details of the bank account(s) given by the Members or persons entitled to the payment. Every such cheque and warrant or funds crediting shall be sent or credited at the risk of the Members or persons entitled to the money thereby represented. Where the Members or persons entitled thereto have provided to the Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash distributions out of its account."

- To consider and, if thought fit, pass the following special resolution:

Proposed Change of Company Name from Yung Kong Galvanising Industries Berhad to YKGI Holdings Berhad ("Proposed Change of Name") **Resolution 12**

"THAT the name of the Company be changed from Yung Kong Galvanising Industries Berhad to YKGI Holdings Berhad with effect from the date of Certificate of Incorporation on Change of Name to be issued by the Companies Commission of Malaysia and that all references in the Memorandum and Articles of Association of the Company in relation to the name Yung Kong Galvanising Industries Berhad, wherever the same may appear, shall be deleted and substituted with YKGI Holdings Berhad;

AND THAT the Directors of the Company be and are hereby authorised with full powers to take all steps and do all such acts and matters as they may deem fit, necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to the Proposed Change of Name and with all preparatory steps taken and things done to date by the Directors (if any) in respect of the Proposed Change of Name be hereby duly ratified, with full powers to assent to any conditions, modifications, variations and/or amendments whether required by the relevant authorities or otherwise deemed to be in the best interests of the Company."

- To transact any other business of which, due notice have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board,

Ms Voon Jan Moi (MAICSA 7021367)

Ir Michael Hii Ee Sing (LS 000872)

Company Secretaries

Kuching, Sarawak

Dated : 25 April 2013

Explanatory Notes on Special Business:

- Ordinary resolution in relation to authority to issue shares pursuant to Section 132D of the Companies Act, 1965**
The proposed Resolution No. 9 will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.
The general mandate sought for issue of shares is a renewal of the mandate that was approved by the shareholders at the Company's annual general meeting held on 18 May 2012 ("AGM 2012"). The Company did not utilize the mandate that was approved at the AGM 2012.
The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time.
The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.
- Ordinary resolution in relation to proposed renewal of and new shareholder mandates for recurrent related party transactions of a revenue or trading nature**
Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a public listed company may seek a shareholder mandate.
The proposed Resolution No. 10 if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in point 3(b) (pages 4 to 14) of Part A of the Circular to Shareholders dated 25 April 2013 ("Circular"), which are necessary for the YKGI Group's day-to-day operations, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.
By obtaining the Shareholder Mandate, the necessity to convene separate meetings from time to time to seek shareholders approval as and when such RRPT occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of the YKGI Group or adversely affecting the business opportunities available to the YKGI Group.
Please refer to Part A of the Circular for further information.
- Special resolution in relation to proposed amendment to the Company's Articles of Association**
The proposed Resolution No. 11 is to amend the Company's Articles of Association in line with the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Special resolution in relation to proposed change of the Company's name**
The proposed Resolution No. 12 is part of the Group's rebranding exercise, with the aim of better positioning the Company as the Group does manufacturing and processing of steel and not just galvanising alone. The Group believes that the new name will enhance the Group's image and more accurately reflect the Group's business operations.
Please refer to Part B of the Circular for further information.

Notes:

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- To be valid, the form of proxy, duly completed must be deposited at the registered office of the Company at Lot 712 Block 7 Demak Laut Industrial Park, 93050 Kuching, Sarawak, Malaysia not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- A member of the Company entitled to attend and vote at this Annual General Meeting ("AGM") shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- If the appointor is a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- A depositor whose name appears in the Record of Depositors as at 13 May 2013 shall be regarded as a member of the Company entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.