

# NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirteenth Annual General Meeting ("13th AGM") of **YI-LAI BERHAD** ("YLB" or "the Company") will be held at Lot 7020, Batu 23, Jalan Air Hitam, 81000 Kulajaya, Johor Darul Ta'zim on Tuesday 21 May 2013 at 10.00 am for the purpose of considering and, if thought fit, passing the following resolutions:-

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Directors' and Auditors' reports thereon. *(Please refer to Note No. 1)*
2. To approve the payment of a final single tier dividend of 4.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2012. **RESOLUTION 1**
3. To approve the payment of Directors' fees totalling RM110,000 for the financial year ended 31 December 2012. **RESOLUTION 2**
4. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-
  - (a) Mr Lim Oon Kok - Article 81 **RESOLUTION 3**
  - (b) Mr Ong Chin Lin - Article 81 **RESOLUTION 4**
5. To re-appoint the retiring Auditors, Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 5**

## SPECIAL BUSINESS

To consider and, If thought fit, to pass the following resolutions as Ordinary Resolutions and Special Resolution:

6. **ORDINARY RESOLUTION**  
**Proposed authority to issue shares pursuant to Section 132D of the Companies Act, 1965**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, 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 ten percent (10%) of the issued and paid-up share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

**RESOLUTION 6**
7. **ORDINARY RESOLUTION**  
**Proposed Renewal of Share Buy-Back Scheme of YLB to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company**

"THAT, subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company be and is hereby authorised to the fullest extent permitted by law, to buy-back and/or hold from time to time and at anytime such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("Proposed Share Buy-Back") provided that:

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- (a) the maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
- (b) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of retained profits and the share premium account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back;

THAT the shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with in all or any of the following manner (as selected by the Company):

- (i) the shares so purchased may be cancelled; and/or
- (ii) the shares so purchased may be retained as treasury shares in accordance with the relevant rules of Bursa Securities for distribution as dividend to the shareholders and/or resell through Bursa Securities and/or subsequently cancelled; and/or
- (iii) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled;

THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the requirements of the Bursa Securities and all other relevant governmental/regulatory authorities."

**RESOLUTION 7**

**8. ORDINARY RESOLUTION  
RETENTION OF INDEPENDENT DIRECTOR, MR. ONG KHENG SWEE**

THAT Mr. Ong Kheng Swee be retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.

**RESOLUTION 8**

**9. ORDINARY RESOLUTION  
RETENTION OF INDEPENDENT DIRECTOR, MR. ONG CHIN LIN**

THAT Mr. Ong Chin Lin be retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.

**RESOLUTION 9**

**10. SPECIAL RESOLUTION  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY**

THAT the Proposed Amendments to the Company's Articles of Association as set out in Annexure A be and are hereby approved and adopted.

AND THAT the Directors and Secretary of the Company be and are hereby authorised take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Company's Articles of Association.

**RESOLUTION 10**

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

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Subject to the approval of the shareholders at the Thirteenth Annual General Meeting, a final single tier dividend of 4.0 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2012, will be paid on 8 July 2013 to those registered in the Record of Depositors at the close of business on 10 June 2013.

A depositor shall qualify for entitlement to dividend only in respect of:

- a. Shares transferred into the Depositor's Securities Account before 4 p.m. on 10 June 2013 in respect of ordinary transfers; and
- b. Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

Further notice is hereby given that for the purpose of determining a member who shall be entitled to attend the Thirteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 15 May 2013. Only a depositor whose name appears on the Record of Depositors as at 15 May 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

**ANG MUI KIOW**  
**SOO CHOON SIONG**  
Secretaries

Johor Bahru  
26 April 2013

## NOTES:

### 1. Audited Financial Statements

*This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*

### 2. Form of Proxy

- i. *A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. 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.*
- ii. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- iii. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.*

*(While pending the proposed amendments to YLB's Articles of Association to be approved at its 13th AGM, YLB expressly allow where a member/shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in YLB 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.)*

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- iv. All forms of proxy must be deposited at the Registered Office of the Company situated at Suite 7E, Level 7, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Ta'zim, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

### 3. Explanatory Notes on Special Business

#### i. Proposed authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Proposed authority to issue shares, Ordinary Resolution No. 6, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue not more than ten percent (10%) of the issued and paid-up share capital of the Company. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Malaysia Securities Berhad. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Pursuant to Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Company is seeking renewal of the proposed authority to issue shares. There was no Issuance of shares and thus no proceeds being raised since the last renewal was sought. The renewed general mandate will provide flexibility to the Company for any possible fund raising activities and there is no specific purpose and utilisation for the proceeds to be raised under this mandate. Hence, the proceeds to be raised, if any, may be used for funding future investment and working capital.

#### ii. Proposed Authority for Renewal of Share Buy-Back

The Proposed Renewal of Share Buy-Back, Ordinary Resolution No. 7, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital 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 on the Proposed Renewal of Share Buy-Back, please refer to the Share Buy-Back Statement on pages 76 to 81 of the Annual Report 2012.

#### iii. Retention as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance 2012 (Resolution 8 and Resolution 9)

##### (a) Mr. Ong Kheng Swee

Mr. Ong Kheng Swee was appointed as an Independent Non-Executive Director of the Company on 30 January 2002 and has, therefore served for more than nine (9) years. As at the date of the notice of the 13th AGM, he has served the Company for 11 years. However, he has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"). The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

##### (b) Mr. Ong Chin Lin

Mr. Ong Chin Lin was appointed as an Independent Non-Executive Director of the Company on 26 September 2002 and has, therefore served for more than nine (9) years. As at the date of the notice of the 13th AGM, he has served the Company for 10 years. However, he has met the independence guidelines as set out in Chapter 1 of the MMLR. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

#### iv. Proposed Amendments to Articles of Association of the Company (hereinafter referred to as "the Proposed Amendments") (Resolution 10)

The Proposed Amendments are to streamline the Company's Articles of Association to be aligned with the amendments to the MMLR.

Please refer to Annexure A of the 2012 Annual Report for more information.