

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Ninth (9<sup>th</sup>) Annual General Meeting of Ygl Convergence Berhad (or "the Company") will be held at Cititel Penang, 66, Jalan Penang, 10000 Penang on Thursday, 27 June 2013 at 11.00 a.m. for the following purposes:-

### As Ordinary Business:-

1. To receive the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2012 together with the Auditors' Report thereon. *(Please refer to Note 1)*
2. To approve the payment of Directors' fees of RM75,000 for the financial year ended 31 December 2012. **Resolution 1**
3. To re-elect Mr. Yeap Kong Chean who is retiring by rotation in accordance with Article 29.1 of the Company's Articles of Association and is offering himself for re-election. **Resolution 2**
4. To re-elect Mr. Chua Kiat Eng who is retiring in accordance with Article 29.6 of the Company's Articles of Association and is offering himself for re-election. **Resolution 3**
5. To re-appoint Messrs Cheng & Co. as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration. **Resolution 4**

### As Special Business:-

6. To consider and if thought fit, to pass the following resolutions with or without modification:-
  - (i) **Ordinary Resolution:-  
Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965**  

"THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

**Resolution 5**
  - (ii) **Special Resolution:-  
Proposed Amendments to the Articles of Association of the Company**  

THAT the proposed amendments to the existing Articles of Association of the Company as set out in the Annual Report 2012 be and are hereby approved and adopted AND THAT the Board of Directors of the Company be authorised to give effect to the said amendments.

**Resolution 6**
7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board

**OOI ENG CHOO (BC/O/102)**  
**THUM SOOK FUN (MIA 24701)**  
Company Secretaries

Penang  
Date: 5 June 2013

## Notice of Annual General Meeting (cont'd)

### Explanatory Notes to Special Business:-

#### **Resolution 5 - Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965**

The Ordinary Resolution proposed under item 6(i) is primarily to seek for the renewal of a general mandate to give flexibility to the Board of Directors to issue and allot shares up to 10% of the issued share capital (excluding treasury shares) of the Company for the time being, at anytime in their absolute discretion without convening a general meeting (hereinafter referred to as the "General Mandate").

The Company has been granted a general mandate by its shareholders at the last Annual General Meeting ("AGM") held on 19 June 2012 (hereinafter referred to as the "Previous Mandate") and it will lapse at the conclusion of 9<sup>th</sup> AGM.

In March 2013, a total of 15,997,740 new ordinary shares of RM0.10 each were issued pursuant to the Private Placement at an issue price of RM0.10 in accordance with the Previous Mandate and total proceeds of RM1,599,774.00 had been raised from the said Private Placement exercise of the Company. The proceeds raised from the Private Placement exercise were mainly for working capital purposes and the details of the utilization of the said proceeds are disclosed in the Annual Report 2012.

The purpose to seek for the General Mandate is to enable the Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organize a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company

The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), acquisitions, working capital and/or settlement of banking facilities.

#### **Resolution 6 - Proposed Amendments to the Articles of Association of the Company**

The Special Resolution proposed under item 6(ii) is primarily to seek for shareholders' approval to amend the Articles of Association of the Company to be in line with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the proposed amendments are set out in the Annual Report 2012.

## Notice of Annual General Meeting (cont'd)

### Notes:

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward for voting.
2. In respect of deposited securities, only member whose name appears on the Record of Depositors as at 21 June 2013 shall be entitled to attend, speak and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his or her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. In the case where a member is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 10, China Street, 10200 Penang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

### Statement Accompanying Notice of Annual General Meeting

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.