



## YLI HOLDINGS BERHAD

(Company No.:367249-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("EGM") of YLI Holdings Berhad ("YLI" or "Company") will be held at the Ballroom III, LG1, Hotel Equatorial, 1 Jalan Bukit Jambul, Bayan Lepas, 11900 Penang on Friday, 14 November 2014 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTION 1

**PROPOSED ACQUISITION OF 525,000 ORDINARY SHARES OF RM1.00 EACH IN HALUAN PRISMA SDN BHD ("HPSB"), REPRESENTING 70% EQUITY INTEREST IN HPSB, FOR A PURCHASE CONSIDERATION OF RM1,162,598 ("PROPOSED HPSB ACQUISITION")**

"THAT, subject to the passing of Ordinary Resolution 3, approval be and is hereby given to the Directors of the Company to acquire the 70% equity interest in HPSB for a purchase consideration of RM1,162,598 ("HPSB Purchase Consideration") to be settled via a cash consideration of RM116,260 and issuance of 1,046,338 new ordinary shares of RM1.00 each in YLI ("YLI Shares"), representing approximately 90% of the HPSB Purchase Consideration, in favour of Ahmad Hadli Bin Mohamed ("Ahmad Hadli"), Shah Razak Bin Mohamad and Marliza Binti Mohd Zamedin ("HPSB Vendors") at an issue price of RM1.00 per YLI Share ("HPSB Consideration Shares") subject to the terms and conditions set out in the sale and purchase agreement dated 7 August 2014 entered into between the Company and the HPSB Vendors;

**AND THAT** approval be and is hereby given to the Company for the issuance of up to 3,500,000 new YLI Shares ("Earn-Out Incentive Shares"), in addition to the HPSB Consideration Shares, to Ahmad Hadli, who will hold the remaining 30% equity interest in HPSB after the completion of the Proposed HPSB Acquisition, pursuant to an earn-out incentive given as disclosed in Section 2.1.1 of the Circular dated 30 October 2014;

**AND THAT** approval be and is hereby given to the Company for the issuance of the HPSB Consideration Shares and the Earn-Out Incentive Shares, and that all the new YLI Shares to be issued pursuant thereto shall, upon allotment and issue, rank pari passu in all respects with the existing YLI Shares, except that they shall not be entitled to participate in any dividends, rights, allotments and/or any other distributions that may be declared, made or paid prior to the date of allotment of the HPSB Consideration Shares or the Earn-Out Incentive Shares;

**AND THAT** the Directors of the Company be and are hereby authorised to sign, execute and deliver on behalf of the Company all necessary documents and do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed HPSB Acquisition, with full and discretionary power to assent to or make any modifications, variations and/or amendments in any manner as may be imposed, required or permitted or necessary by the relevant authorities, and to take all steps and actions as they may deem necessary or expedient in the best interests of the Company to finalise, implement and give full effect to the Proposed HPSB Acquisition."

#### ORDINARY RESOLUTION 2

**PROPOSED ACQUISITION OF 2,130,800 ORDINARY SHARES OF RM1.00 EACH IN MRPI PIPES SDN BHD ("MPIPES"), REPRESENTING 70% EQUITY INTEREST IN MPIPES, FOR A PURCHASE CONSIDERATION OF RM5,393,877 ("PROPOSED MPIPES ACQUISITION")**

"THAT, approval be and is hereby given to the Directors of the Company to acquire 70% equity interest in MPipes for a purchase consideration of RM5,393,877 ("MPipes Purchase Consideration") via a cash consideration of RM539,388 and the issuance of up to 4,854,489 new YLI Shares, representing approximately 90% of the MPipes Purchase Consideration, in favour of Jalur Cahaya Sdn Bhd ("MPipes Vendor") at an issue price of RM1.00 per YLI Share ("MPipes Consideration Shares") subject to the terms and conditions set out in the share purchase agreement dated 7 August 2014 entered into between the Company and the MPipes Vendor;

**AND THAT** approval be and is hereby given to the Company for the issuance of MPipes Consideration Shares (including the Withheld MPipes Consideration Shares) and that the YLI Shares to be issued pursuant thereto shall, upon allotment and issue, rank pari passu in all respects with the existing YLI Shares, except that they shall not be entitled to participate in any dividends, rights, allotments and/or any other distributions that may be declared, made or paid prior to the date of allotment of the MPipes Consideration Shares or the Withheld MPipes Consideration Shares;

**AND THAT** the Directors of the Company be and are hereby authorised to sign, execute and deliver on behalf of the Company all necessary documents and do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed MPipes Acquisition, with full and discretionary power to assent to or make any modifications, variations and/or amendments in any manner as may be imposed, required or permitted or necessary by the relevant authorities, and to take all steps and actions as they may deem necessary or expedient in the best interests of the Company to finalise, implement and give full effect to the Proposed MPipes Acquisition."

#### ORDINARY RESOLUTION 3

**PROPOSED DIVERSIFICATION OF THE EXISTING CORE BUSINESSES OF YLI AND ITS SUBSIDIARIES TO INCLUDE CONSTRUCTION ("PROPOSED DIVERSIFICATION")**

"THAT, subject to the passing of Ordinary Resolution 1, approval be and is hereby given to the Company to diversify the businesses of the YLI group of companies to include construction;

**AND THAT** the Board be and is hereby empowered and authorised to take all such necessary steps to give full effect to the Proposed Diversification with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Diversification."

#### BY ORDER OF THE BOARD

**GUNN CHIT GEOK (MAICSA 0673097)**

Company Secretary

Penang

30 October 2014

#### Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint not more than two proxies (who need not be members of the Company) to attend and vote on his behalf.
2. 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.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. 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.
5. 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.
6. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 2579 Lorong Perusahaan 10, Prai Industrial Estate, 13600 Prai, Pulau Pinang not less than 48 hours before the time set for the meeting.
7. 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 147 of the Companies Act, 1965.
8. Only members registered in the Record of Depositors as at 7 November 2014 shall be eligible to attend the meeting or appoint proxies and vote on their behalf.