

**NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Fifteenth Annual General Meeting ("15th 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 Thursday 21 May 2015 at 10.00 am for the purpose of considering and, if thought fit, passing the following resolutions:-

**ORDINARY BUSINESS**

- To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Directors' and Auditors' reports thereon. (Please refer to Note No. 1)
- To approve the payment of Directors' fees totalling RM100,000 for the financial year ended 31 December 2014. RESOLUTION 1
- To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-
  - Mr Hsieh Yu-Tien - Article 81 RESOLUTION 2
  - Mr Tan Jian Hong, Aaron - Article 77 RESOLUTION 3
  - Ms Wendy Kang Hui Lin - Article 77 RESOLUTION 4
- 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:

**5. 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

**6. 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 any time 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:

- 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;
- 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):

- the shares so purchased may be cancelled; and/or
- 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
- 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

**7. 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 8

- 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.

Further notice is hereby given that for the purpose of determining a member who shall be entitled to attend the Fifteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 12 May 2015. Only a depositor whose name appears on the Record of Depositors as at 12 May 2015 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 KIW**

**NG CHYE HUAT**

Secretaries

Johor Bahru, 28 April 2015

**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**

- A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy 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. There shall be no restriction as to the qualification of the 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.
- Where a member or authorized nominee appoints two (2) proxies, or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 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.
- 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 80 to 86 of the Annual Report 2014.

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

**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 15th AGM, he has served the Company for 12 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.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.