

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twelfth (12<sup>th</sup>) Annual General Meeting of Ygl Convergence Berhad (or “the Company”) will be held at The Northam Hotel, No. 55, Jalan Sultan Ahmad Shah, 10050 Penang on Friday, 27 May 2016 at 11.00 a.m. for the following purposes:-

**As Ordinary Business:-**

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| 1. To receive the Directors’ Report and the Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditors’ Report thereon.  | <i>(Please refer to Note 1)</i>            |
| 2. To approve the payment of Directors’ fees of RM80,000 for the financial year ended 31 December 2015.   | <b>Resolution 1</b>                        |
| 3. To re-elect the following Directors who are retiring in accordance with Article 29.1 of the Company’s Articles of Association and are offering themselves for re-election: -<br>a) Mr. Yeap Kong Chean<br>b) En. Ahmad Fuad Bin Mohd Ali | <b>Resolution 2</b><br><b>Resolution 3</b> |
| 4. To re-appoint Messrs Cheng & Co. as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.  | <b>Resolution 4</b>                        |

**As Special Business:-**

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| 5. To consider and if thought fit, to pass the following resolutions with or without modification:-<br>i) <b>Ordinary Resolution:-</b><br><b>Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965</b><br>“ <b>THAT</b> 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; <b>AND THAT</b> 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.” | <b>Resolution 5</b> |
| ii) <b>Special Resolution:-</b><br><b>Proposed Amendments to the Articles of Association of the Company</b><br>“ <b>THAT</b> the amendments to the Articles of Association of the Company as set out in the Appendix I annexed to the Annual Report 2015 be and are hereby approved and adopted.<br><b>AND THAT</b> the Directors and/or Secretaries of the Company be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Articles of Association of the Company.”   | <b>Resolution 6</b> |
| 6. 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: 29 April 2016

**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 5(i) is primarily to seek for new 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 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 Annual General Meeting 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 Proposed Amendments are to align the Company’s Articles of Association with the amendments made to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

**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 (“the Act”) does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward to the shareholders for voting.
2. In respect of deposited securities, only members whose name appears on the Record of Depositors as at 20 May 2016 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 two (2) or more proxies to attend and vote in his or her stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as members to speak at the general meeting.
4. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
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 (“SICDA”) 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 an Exempt Authorised Nominee appoints more than 1 proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies proportion of its shareholding to be represented by each proxy.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 35, Scotland Road, 10450 Penang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.