

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of **YI-LAI BERHAD** ("YLB" or "the Company") will be held at Lot 7020, Batu 23, Jalan Air Hitam, 81000 Kulai, Johor Darul Ta'zim on Thursday, 25 May 2017 at 9.30 am for the transaction of the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' and Auditors' reports thereon. (Please refer to Note No. 1)
2. To approve the payment of Directors' fees totalling RM140,000 for the financial year ended 31 December 2016. **RESOLUTION 1**
3. To approve the payment of Directors' benefits to the Directors of the Company and its subsidiaries up to an amount of RM45,000 for the period from 1 January 2017 until the next Annual General Meeting of the Company. **RESOLUTION 2**
4. To re-elect the following Directors retiring in accordance with the Company's Constitution and who being eligible offer themselves for re-election: **RESOLUTION 3**
 - (a) Mr. Hsieh Yu-Tien - Regulation 81
 - (b) Ms. Wendy Kang Hui Lin - Regulation 81**RESOLUTION 4**
5. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Board of Directors to determine their remuneration. **RESOLUTION 5**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. ORDINARY RESOLUTION
Proposed authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016

"THAT, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant government / regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 75 and Section 76 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."

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 total number of issued shares/total number of voting shares of the Company

"THAT, subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act 2016, the provisions of the Company's Constitution 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 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:

- (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 number of issued shares 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 of the Company based on its latest audited financial statements and/or the latest management accounts (where applicable) 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 2016, the provisions of the Company's Constitution and the requirements of the Bursa Securities and all other relevant governmental/regulatory authorities."

RESOLUTION 7

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

Further notice is hereby given that for the purpose of determining a member who shall be entitled to attend the Seventeenth 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 2017. Only a depositor whose name appears on the Record of Depositors as at 15 May 2017 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

27 April 2017

NOTES:
1. Audited Financial Statements

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be 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 not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- ii. 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.
- iii. Where a member or authorised nominee appoints two (2) proxies, or when 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.
- iv. 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.
- v. 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 75 and Section 76 of the Companies Act 2016

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 total number of issued shares 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 total number of issued shares 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 85 to 91 of the Annual Report 2016.

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 representatives 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.