



NOTICE OF 40TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting ("40th AGM") of YKGI HOLDINGS BERHAD ("YKGI" or "Company") will be held at Meeting Room, Wisma YKGI, Lot 6479, Lorong Sungai Puloh/KU6, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor Darul Ehsan on Friday, 30 June 2017 at 3.00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 8)**
2. To approve the Directors' fees of RM202,000 for the Non-Executive Directors for the financial year ended 31 December 2016 (2015 : RM136,000) and benefits payable to the Directors up to RM100,000 from 1 January 2017 until the conclusion of next AGM of the Company. **Resolution 1**
3. To re-elect the following Directors, who retire in accordance with Article 103 of the Company's Constitution and, being eligible, have offered themselves for re-election:
 - i) Dato' Soh Thian Lai **Resolution 2**
 - ii) Mr Fong Yoo Kaw @ Fong Yee Kow **Resolution 3**
 - iii) Mr Christopher Hii Lu Ming **Resolution 4**
4. To re-elect Mr Yoshihiko Okuno, who retires in accordance with Article 108 of the Company's Constitution and, being eligible, has offered himself for re-election. **Resolution 5**
5. To re-appoint Messrs KPMG PLT (AF 0758) as Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:

6. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")**
"THAT pursuant to Sections 75 and 76 of the Act, the provisions of the Company's Constitution and other relevant regulatory authorities, the Directors of the Company ("Board") be and are hereby empowered to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person(s) whomsoever as the Directors may in their absolute discretion deem 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 Board be and is also empowered to obtain the approval for the listing and quotation of the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company." **Resolution 7**
7. **PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
"THAT approval be and is hereby given to YKGI Group ("the Group") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as stated in Item 3(b) (pages 3 to 11) of the Circular to Shareholders dated 28 April 2017, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that this transaction is entered into on terms which are not more favorable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate");
THAT the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate, shall only continue to be in force until:-
(a) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or
(b) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders of the Company in general meeting; whichever is the earlier.
AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate." **Resolution 8**
8. **PROPOSED GRANTING OF OPTIONS TO MR YOSHIHIKO OKUNO**
"THAT, subject to the approvals of all the relevant authorities including the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of YKGI to be issued arising from the exercise of the options granted under the Employee Share Option Scheme ("Scheme" approved on 30 June 2016) on the Main Market, approval be and is hereby given to the Company at any time and from time to time during the duration of the Scheme to offer and grant options to Mr Yoshihiko Okuno, an Executive Director of YKGI, subject always to the following provisions:
(i) not more than fifteen percent (15%) of the prevailing issued shares of the Company (excluding treasury shares) shall be made available under the Scheme at any point in time throughout the duration of the Scheme when an offer is made;
(ii) not more than seventy percent (70%) of the total number of YKGI Shares to be issued pursuant to the Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group;
(iii) he must not participate in the deliberation or discussion of his own allocation of new ordinary shares of YKGI to be issued under the Scheme;
(iv) not more than ten percent (10%) of the total number of new ordinary shares of YKGI available under the Scheme shall be allocated to him, if he, either singly or collectively through persons connected with him, hold twenty percent (20%) or more of the issued shares (excluding treasury shares) of the Company; and
also subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws of the Scheme and any prevailing guidelines issued by Bursa Securities, Main Market Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.
AND THAT, the authority be further given to the Company to allot and issue such number of new ordinary shares of YKGI pursuant to the Scheme to him from time to time pursuant to the exercise of such options." **Resolution 9**
9. To transact any other business for which due notice has been given.

BY ORDER OF THE BOARD

SIEW SUET WEI (MAICSA NO. 7011254)

IR MICHAEL HII EE SING (LS 000872)

Company Secretaries

Klang, Selangor

28 April 2017

NOTES :

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 June 2017 shall be eligible to attend the 40th AGM.
2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where two (2) proxies are appointed, a member shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid provided that where a member of the Company is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 40th AGM shall have the same rights as the member to participate, speak and vote at the meeting.
4. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 40th AGM will be put to vote by poll.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
6. 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.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Wisma YKGI, Lot 6479, Lorong Sungai Puloh/KU6, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor Darul Ehsan not less than 48 hours before the time for holding the 40th AGM or at any adjournment thereof.
8. Explanatory Note for Item 1. This Agenda item is meant for discussion only, as the provision of Section 340(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
9. All the Directors of the Company who are shareholders of the Company will abstain from voting on Resolution 1. Any Director referred to in Resolutions 2, 3, 4 and 5, who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the 40th AGM.
10. The proposed Resolution 7, if passed, will grant a renewed mandate and provide flexibility for the Company to empower the Directors to issue shares pursuant to Section 75 of the Act ("General Mandate"). The Company had been granted a general mandate by its shareholders at the 39th AGM of the Company held on 30 June 2016 ("the Previous Mandate"). As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom. 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 the purpose of funding future investment project(s), working capital and/or acquisition(s).
11. The proposed Resolution 8 in respect of the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.
12. The proposed Resolution 9 in respect of the Proposed Granting of Options to Mr Yoshihiko Okuno is intended to provide an opportunity for him to participate directly in the equity interest of the Company, to reward and retain him whose service is vital to the continued growth and success of the Group as well as to motivate him towards his better performance through greater loyalty and commitment to the Group.

STATEMENT ACCOMPANYING NOTICE OF 40TH AGM

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities, no individual is standing for election as a Director at the 40th AGM.