



## YGL CONVERGENCE BERHAD

(Company No: 649013-W)  
(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("EGM") of Ygl Convergence Berhad ("YGL" or "Company") will be held at Olive Tree Hotel, No. 76, Jalan Mahsuri, 11950 Bayan Lepas, Penang on Friday, 26 May 2017 at 11.00 a.m. or immediately following the conclusion of the 13<sup>th</sup> Annual General Meeting of the Company to be held at the same venue and on the same day at 10.00 a.m., whichever is later, or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, by way of poll, the following resolutions:

#### ORDINARY RESOLUTION 1

##### PROPOSED PRIVATE PLACEMENT OF UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF YGL ("PROPOSED PRIVATE PLACEMENT")

"THAT, subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board of Directors of YGL ("Board") to allot and issue up to 20% of the total number of issued shares of YGL as at the date of implementation, or up to 38,714,428 ordinary shares in YGL ("Placement Share(s)") to be allocated in the manner and upon the terms and conditions set out in the circular to shareholders dated 11 May 2017 ("Circular");

THAT the proceeds of the Proposed Private Placement be utilised for the purposes as set out in the Circular;

THAT such Placement Shares will, upon allotment and issuance, rank equally in all respects with the existing YGL Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the said Placement Shares;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements as may be necessary to give effect and complete the Proposed Private Placement and to assent the conditions, modifications, variation and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Private Placement."

#### ORDINARY RESOLUTION 2

##### PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") INVOLVING THE ISSUANCE OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF YGL (EXCLUDING TREASURY SHARES) TO THE ELIGIBLE EMPLOYEES AND DIRECTORS OF YGL AND ITS SUBSIDIARIES ("PROPOSED ESOS")

"THAT, subject to the approvals of all relevant regulatory authorities and/or parties (where required) being obtained, approval be and is hereby given to the Directors of the Company to:

- establish, implement and administer the Proposed ESOS, for the benefit of all eligible employees and Directors of the Company and its subsidiaries ("YGL Group") ("Eligible Persons"), in accordance with the provisions of the by-laws of the Proposed ESOS as set out in Appendix I of the Circular to Shareholders dated 11 May 2017 ("By-Laws") and to give effect to the Proposed ESOS with full power to consent to and to adopt such conditions, modifications, variations, and/or amendments as it may deem fit and/or as may be required by the relevant regulatory authorities;
- allot and issue such number of new ordinary shares of YGL ("YGL Shares") from time to time as may be required pursuant to the exercise of the options under the Proposed ESOS ("ESOS Options") provided that the aggregate number of new YGL Shares to be allotted and issued shall not at any point in time exceed thirty percent (30%) of the total number of issued shares of the Company (excluding treasury shares) and such new YGL Shares shall, upon issuance and allotment rank equally in all respects with the then existing issued shares of the Company, except that the new YGL Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution, for which the entitlement date is prior to the date of allotment of such new YGL Shares;
- amend and/or modify all or any part of the Proposed ESOS from time to time as may be required/permitted by the authorities or deemed necessary by the Board of Directors ("Board") or any committee of the Proposed ESOS established or appointed by the Board provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to the modification and/or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/or amendments;
- make such applications as may be necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the new YGL Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the Options to be granted under the Proposed ESOS; and
- do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws."

#### ORDINARY RESOLUTIONS 3 TO 8

##### PROPOSED GRANTING OF ESOS OPTIONS TO THE FOLLOWING DIRECTORS OF YGL AND PERSON CONNECTED TO THEM

###### DIRECTORS:-

ORDINARY RESOLUTION 3 – YEAP KONG CHEAN (Chief Executive Officer)

ORDINARY RESOLUTION 4 – TAN HOAY LENG (Executive Director)

ORDINARY RESOLUTION 5 – DR. CH'NG HUCK KHOON (Independent Non-Executive Director)

ORDINARY RESOLUTION 6 – CHUA KIAT ENG (Independent Non-Executive Director)

ORDINARY RESOLUTION 7 – LEE TIAM NAM (Independent Non-Executive Director)

###### EMPLOYEE (person connected to Directors):-

ORDINARY RESOLUTION 8 – YEAP KAH PHAIK (Head of Consulting)

"THAT, subject to the passing of Ordinary Resolution 2 above and for so long as this approval remains in force, approval be and is hereby given to the committee of the Proposed ESOS established or appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to the above-mentioned Directors and person connected to them, ESOS Options to subscribe for such number of new YGL Shares under the Proposed ESOS PROVIDED THAT:

- at any one time when an Offer is made, not more than ten percent (10%) of the new Shares available under the Proposed ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more in the total number of issued shares in the Company (excluding treasury shares, if any),
- at any one time during the ESOS period, not more than fifty percent (50%) of the new Shares available under the Proposed ESOS shall be allocated in aggregate to the Directors and senior management of the Group; and
- the Directors and senior management of the Group do not participate in the deliberation or discussion of their own allocation of ESOS Options;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT, the authority be further given to the Company to allot and issue such number of new YGL Shares pursuant to the Proposed ESOS to the Directors and person connected to them from time to time pursuant to the exercise of such ESOS Options."

By Order of the Board

**YGL CONVERGENCE BERHAD**

**OOI ENG CHOO (BC/O/102)**

**THUM SOOK FUN (MIA 24701)**

Company Secretaries

Penang

11 May 2017

#### Notes:-

##### 1) Information for Shareholders/Proxies

- For the purpose of determining a member who shall be entitled to attend, speak and vote at this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 20.3 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 May 2017. Only a depositor whose name appears on the Record of Depositors as at 22 May 2017 shall be entitled to attend, speak and vote at the said meeting or appoint proxy to attend, speak and vote on his/her behalf.
- A member entitled to attend and vote at the EGM is entitled to appoint his or her proxy 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 or she specifies the proportions of his or her shareholdings to be represented by each proxy.
- A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy. Any proxy or duly authorised representative appointed to vote and attend instead of a member, shall have the same right as the member to speak at the meeting.
- In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 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 EAN may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the registered office of the Company at No. 35, Scotland Road, 10450 Penang, not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
- Pursuant to Rule 8.29(A)(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by way of a poll.

#### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.