

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting of Ygl Convergence Berhad ("Ygl" or "the Company") will be held at **Louis Armstrong II, Level 8, Jazz Hotel Penang, No. 1, Jalan Seri Tanjung Pinang 1, 10470 Tanjung Tokong, Penang on Tuesday, 29 August 2023, 10.30 a.m.** for the following purposes:-

AGENDA

As Ordinary Business-

- To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon.
- To re-elect the following Directors who are due for retirement by rotation in accordance with Clause 76(3) of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - Mr. Yeap Kong Chean; and
 - Encik Muhamed Ali Bin Hajah Mydin.
- To re-elect Mr. Wan Chia Keong who retires in accordance with Clause 78 of the Company's Constitution and being eligible, has offered himself for re-election.
- To approve the payment of Directors' fees of RM75,000.00 for the financial year ended 31 March 2023.
- To approve the payment of benefits (excluding Directors' fees) payable to the Directors up to an amount of RM20,000.00 for the period commencing from 30 August 2023 until the next Annual General Meeting ("AGM") of the Company to be held in year 2024.
- To re-appoint Messrs. CHENGCO PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.
- To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

(Please refer to
Explanatory Note 1)

**Ordinary Resolution 1
Ordinary Resolution 2**

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

As Special Business-

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions:-

8. Ordinary Resolution-

Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

"THAT subject always to the Companies Act 2016 (the "Act"), the Company's Constitution, Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("AMLR") and any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, 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 to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued share of the Company for the time being; THAT pursuant to Section 85 of the Act to be read together with Clause 12(3)(a) of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT 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 Securities;

AND FURTHER THAT 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 ("AGM") of the Company or the expiration of the period within which the next AGM is required to be held, whichever is earlier, unless such authority is revoked or varied by resolution passed by the shareholders in general meeting."

Ordinary Resolution 7

9. Ordinary Resolution-

Waiver of pre-emptive rights for the allotment of new ordinary shares ("Shares") under the Employees' Share Option Scheme ("ESOS")

"THAT further to the approval obtained from the shareholders via the Extraordinary General Meeting held on 26 May 2017 for the establishment of the ESOS, extension of the ESOS which will be expiring on 5 November 2027, pursuant to Section 85(1) of the Act and Clause 12(3)(a) of the Company's Constitution, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company over all options to be offered pursuant to the ESOS and/or any new Shares to be issued pursuant to the exercise of such options, where such new Shares, when issued, to rank pari passu with the existing Shares."

Ordinary Resolution 8

By Order of the Board,

YEOW SZE MIN (SSM PC No. 201908003120, MAICSA 7065735)

LOW SEOW WEI (SSM PC No. 202008000437, MAICSA 7053500)

Company Secretaries

Penang

Date: 31 July 2023

(A) Notes:

- For the purpose of determining who shall be entitled to attend the 19th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **21 August 2023**. Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 19th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at the 19th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at the 19th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 19th AGM.
- Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") it may appoint not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.
- 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 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 forty-eight (48) hours before the time fixed for holding the 19th AGM or any adjournment at which the person named in the appointment proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Pursuant to Rule 8.31A of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of 19th AGM will be put to vote by way of a poll.

(B) Explanatory Notes:

- Item 1 of the Agenda: Audited Financial Statements for the financial year ended 31 March 2023**

The first agenda of this meeting is meant for discussion only, as Section 340(1) of the Companies Act 2016 ("Act") does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda is not put forward to shareholders for voting.

- Resolutions 1, 2 and 3: Re-election of Directors**

Clause 76(3) of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Mr. Yeap Kong Chean and Encik Muhamed Ali Bin Hajah Mydin, who are due for retirement in accordance with Clause 76(3) of the Company's Constitution, have offered themselves for re-election at the 19th AGM.

Clause 78 of the Company's Constitution states that any Director so appointed under Clause 77 shall hold office only until the next AGM, and shall then be eligible for re-election.

Mr. Wan Chia Keong, who retires in accordance with Clause 78 of the Company's Constitution, has offered himself for re-election at the 19th AGM.

The profiles of the Directors who are standing for re-election are stated in the Company's Annual Report 2023.

In determining the eligibility of the Directors to stand for re-election at the 19th AGM, the Nominating Committee ("NC") has considered the following:-

- evaluation on the effectiveness of the Directors in terms of character, experience, integrity, competency and time in discharging their roles as Directors of the Company;
- for Independent and Non-Executive Directors ("INEDs") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company; and
- their ability to act in the best interest of the Company in decision-making.

The Board endorsed the NC's recommendation for the retiring Directors pursuant to Clause 76(3) and Clause 78 of the Constitution of the Company. All the retiring Directors have consented to their re-election and have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings.

- Resolutions 4 and 5: Payment of Directors' fee and benefits made payable to the Directors**

Clause 93 of the Company's Constitution provides that any fees and benefits payable to Directors shall be

subject to annual shareholders' approval at a General Meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees to Directors (Resolution 4) and benefits payable to Directors (Resolution 5).

The proposed Directors' fees of RM75,000.00 to be paid to all Directors (except for the Chief Executive Officer who is also a Director of the Company) for the financial year ended 31 March 2023 are based on the annual fee of RM20,000.00 for each Director.

The benefits payable to the Directors pursuant to Section 230(1)(b) of the Act have been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from 30 August 2023 up to the conclusion of next AGM. The benefits comprise customary benefits such as business travel and accommodation, communication, medical and insurance coverage and other claimable benefits.

- Resolution 6: Re-appointment of Auditors**

The Audit and Risk Management Committee and the Board have considered the re-appointment of Messrs. CHENGCO PLT as auditors of the Company, are satisfied with the performance, competency, audit approach and independence of Messrs. CHENGCO PLT and viewed that they have met the relevant criteria prescribed by Rule 15.21 of AMLR of Bursa Securities.

- Resolution 7: Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights**

The Ordinary Resolution proposed under Resolution 7 is primarily to seek for renewal of a Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, at any time in its absolute discretion without convening a general meeting (hereinafter referred to as the "General Mandate").

The Company has been granted a general mandate by its shareholders at the last AGM held on 25 August 2022 (hereinafter referred to as the "Previous Mandate"). As at the date of this Notice, the Company did not implement its proposal for a new allotment of shares under the Previous Mandate and hence, no proceeds were raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights will allow the Board of Directors to issue new ordinary shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

- Resolution 8: Waiver of pre-emptive rights for the allotment of new ordinary shares ("Shares") under the Employees' Share Option Scheme ("ESOS")**

Following the shareholders' approval being obtained at the Extraordinary General Meeting held on 26 May 2017 for the establishment of the ESOS and extension of the ESOS which will be expiring on 5 November 2027, the Company now seeks the waiver of statutory pre-emptive rights of the shareholders pursuant to Section 85 of the Act and Clause 12(3)(a) of the Company's Constitution over all new Shares to be issued pursuant to the exercise of options under the ESOS by the eligible participants.

The proposed Resolution 8, if passed, will allow the Directors to issue new Shares to the eligible participants of the ESOS arising from the exercise of options under the ESOS, without having to offer the new Shares to be issued equally to all existing shareholders of the Company prior to allotment.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 19th AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.