

YGL CONVERGENCE BERHAD
Registration No. 200401010510 (649013-W)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting ("**EGM**") of Ygl Convergence Berhad ("**Ygl**" or "**the Company**") 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 at 12:00 p.m..

- DIRECTORS** : Mr. Yeap Kong Chean (*Chief Executive Officer*)
Madam Tan Hoay Leng (*Executive Director*)
Mr. Wong Khai Meng (*Independent Non-Executive Director*)
Mr. Muhamed Ali Bin Hajah Mydin (*Independent Non-Executive Director*)
Mr. Wan Chia Keong (*Independent Non-Executive Director*)
- SHAREHOLDERS, CORPORATE REPRESENTATIVES AND PROXY HOLDERS** : As per the attendance list.
- BY INVITATION** : As per the attendance list.
- IN ATTENDANCE** : Ms. Felicia Low Seow Wei – Company Secretary

1. CHAIRMAN'S ADDRESS

Mr. Yeap Kong Chean ("**Mr. Yeap**") welcomed all for attending the EGM of the Company.

Mr. Yeap notified the Meeting that pursuant to Clause 58(1) of the Company's Constitution, the Board of Directors ("**the Board**") had elected him to chair the EGM.

Mr. Yeap then introduced the Directors, Company Secretary, advisers and lawyer who joined the EGM.

2. QUORUM AND PROXIES

As the quorum was present in accordance with Clause 56(2) of the Company's Constitution, Mr. Yeap declared the Meeting duly convened.

The Company Secretary, Ms. Felicia Low Seow Wei ("**Ms. Felicia**") reported that the Company has received 16 proxy forms from shareholders representing 36,479,120 ordinary shares within the prescribed period before the time for convening the Meeting.

The Meeting was informed that the Company is using 21 August 2023 as the determinant date of the General Meeting Record of Depositors for the EGM.

3. NOTICE OF MEETING

The Notice of the EGM having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

Minutes of the EGM held on 29 August 2023

4. POLL PROCEDURE

Ms. Felicia briefed the Meeting that the EGM would be conducted on a poll in accordance with Rule 8.31A of the ACE Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Meeting was informed that the Share Registrar, Messrs. Securities Services (Holdings) Sdn. Bhd. was the appointed Polling Agent and Ms. Low Ai Pheng was the appointed Independent Scrutineer to verify the results of the poll voting.

The Meeting further noted that to ensure the efficiency of the proceedings of the Meeting, the Chairman has proposed that the poll voting for all resolutions shall only be conducted after all items on the agenda have been considered.

5. PROPOSED PRIVATE PLACEMENT OF UP TO 51,709,008 NEW ORDINARY SHARES IN YGL, REPRESENTING UP TO 20% OF THE ENLARGED NUMBER OF ISSUED SHARES OF YGL ("PROPOSED PRIVATE PLACEMENT")

As the first agenda involved Mr. Yeap himself, he has invited the Chairman of the Audit and Risk Committee of the Company, Mr. Wong Khai Meng ("Mr. Tom") to assist in chairing this agenda.

The first agenda of the EGM was to seek shareholders' approval for the Ordinary Resolution to approve the Proposed Private Placement in the following manner:

- (i) to allocate up to 6,132,349 Placement Shares to Chief Executive Director of the Company, namely Mr. Yeap Kong Chean; and
- (ii) to place up to 45,576,659 Placement Shares to independent third-party investor(s) to be identified later.

The Meeting was informed that the Proposed Private Placement, if approved, the issue price shall, in no event, be at a discount of more than ten percent (10 %) to the 5-day volume weighted average market price of Ygl Shares immediately preceding the price-fixing date.

The shareholders also be informed that the Ordinary Resolution, if passed, will grant the mandate for waiver of pre-emptive rights of the existing shareholders of the Company to be offered the new issue shares which rank equally to existing issued shares of the Company arising from the allotment and issuance of the Placement Shares. This will allow the Board to issue the Placement Shares to any person without having to offer the new shares to all existing shareholders of the Company prior to the issuance of new shares to the Placees pursuant to the Proposed Private Placement in the Company.

It was noted that the Board, saved for the interested Directors in the Proposed Private Placement, having considered the rationale and effect of this proposal, is of the opinion that the Proposed Private Placement is in the best interests of the Company.

The details of the Proposed Private Placement have been set out in the Circular to Shareholders dated 31 July 2023.

Minutes of the EGM held on 29 August 2023

Mr. Tom further informed the shareholders that all the interested Directors and major shareholders and persons connected to them as listed under Section 8 of the Circular to Shareholders are deemed interested in the Proposed Private Placement. Accordingly, they shall be abstained from voting on the said resolution.

The shareholder, Mr. Chan Fung Han raised a question about whether Ygl has already secured any third party investor or Mr. Yeap to fully subscribe the Placement Shares pursuant to the Proposed Private Placement.

Mr. Yeap replied that for the time being, only the himself shown 100% commitment to the Placement Shares. The Company is given a time period of 6 months from the date of approval from Bursa Securities to implement the Proposed Private Placement in one or more tranches. Ygl is cautious in the selection of places as the Company aims to build a sustainable business.

There was no further question from the floor, Mr. Tom then handed over the Meeting back to Mr. Yeap to continue the remaining agenda of the EGM.

6. PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF YGL PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“PROPOSED CAPITAL REDUCTION”)

Mr. Yeap informed that the second item on the agenda was to seek the shareholders’ approval for the Special Resolution to approve the Proposed Capital Reduction via the cancellation of the paid-up share capital of RM21.00 million and that the credit arising from such share capital reduction to be utilised to set-off against the accumulated losses of the Company.

The Meeting was informed that if this Special Resolution was approved, the remaining balance after the setting off of the Company’s accumulated losses pursuant to the Proposed Capital Reduction shall be credited to the retained earnings of the Company, which shall be utilised in such manner as the Board deems fit and in the best interest of the Company as permitted by the relevant and applicable laws and the Listing Requirements.

The Board had considered the rationale and effect of this proposal and was of the opinion that the Proposed Capital Reduction is in the best interests of the Company.

The details of Proposed Capital Reduction have been set out in the Circular to Shareholders dated 31 July 2023.

The shareholder, Mr. Chan Fung Han raised his questions about whether the Proposed Private Placement of the Company would the private placement exercise still proceed if without this capital reduction exercise, the Board’s view on this exercise and whether this showed that the Company is optimistic about its future prospect.

On this, Mr. Yeap replied the Company decided to be tabled both Proposed Private Placement and Proposed Capital Reduction proposals for the shareholders’ approval in this EGM for cost saving and effective purposes.

YGL CONVERGENCE BERHAD
Registration No. 200401010510 (649013-W)
(Incorporated in Malaysia)

Minutes of the EGM held on 29 August 2023

Besides, the Company does appreciate the commitment and support from its shareholders. If the performance of the Company improves, the Company can consider rewarding its shareholders when the Company is having profit.

7. POLL VOTING

Upon all the agenda of the Meeting had been dealt with, the Meeting proceeded with the poll voting and Ms. Felicia briefed the poll voting procedure.

The Meeting was then adjourned at 12.15 p.m. for verification of the poll voting result by the Scrutineer.

8. DECLARATION OF POLL VOTING RESULTS

The Meeting resumed at 12.25 p.m. for the declaration of poll voting results.

The voting result for the Ordinary Resolution: Proposed Private Placement as below:

Ordinary Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Proposed Private Placement	36,515,300	99.9997	100	0.0003	36,515,400	100

Based on the above-verified poll voting result, Mr. Yeap declared that Ordinary Resolution on Proposed Private Placement was carried.

It is hereby **RESOLVED**:

PROPOSED PRIVATE PLACEMENT OF UP TO 51,709,008 NEW ORDINARY SHARES IN YGL, REPRESENTING UP TO 20% OF THE ENLARGED 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 the Company ("**Board**") to issue and allot up to 51,709,008 new ordinary shares in Ygl ("**Ygl Shares**" or "**Shares**") ("**Placement Shares**") by way of private placement in the following manner:

- (i) to allocate up to 6,132,349 Placement Shares to Chief Executive Director of the Company, namely Mr. Yeap Kong Chean; and
- (ii) to place up to 45,576,659 Placement Shares to independent third party investor(s) to be identified later,

collectively referred to as the "**Placees**" in a single or multiple tranche(s), at an issue price for each tranche to be determined and fixed by the Board at a later date, after all the relevant approvals have been obtained **AND THAT** the issue price shall, in no event, be at a discount of more than 10.00% to the 5-day

YGL CONVERGENCE BERHAD
 Registration No. 200401010510 (649013-W)
 (Incorporated in Malaysia)

Minutes of the EGM held on 29 August 2023

volume weighted average market price of Ygl Shares immediately preceding the price fixing date(s);

THAT the Placement Shares shall, 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;

THAT, pursuant to Section 85(1) of the Companies Act 2016 ("**Act**") read together with Clause 12(3)(a) of the Company's Constitution, approval be and is hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered new Shares ranking equally to the existing issued Shares arising from the allotment and issuance of the Placement Shares pursuant to the Proposed Private Placement **AND THAT** the Board is exempted from the obligation to offer such Placement Shares first to the existing shareholders of the Company in respect of the allotment and issuance of the Placement Shares to the Placees pursuant to the Proposed Private Placement, which will consequently result in a dilution of the shareholders' shareholdings in the Company;

THAT the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the circular to shareholders of the Company dated 31 July 2023 and the Board be and is hereby authorised with full power to vary the manner and/or purposes of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject to the compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approval of the relevant authorities (where required);

AND THAT the Board of the Company be and are hereby empowered and authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with the full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Private Placement.

The voting result for the Special Resolution: Proposed Capital reduction as below:

Special Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Proposed Capital Reduction	77,179,068	99.9961	3,000	0.0039	77,182,068	100

YGL CONVERGENCE BERHAD
Registration No. 200401010510 (649013-W)
(Incorporated in Malaysia)

Minutes of the EGM held on 29 August 2023

Based on the above-verified poll voting result, Mr. Yeap declared that Special Resolution on Proposed Capital Reduction was carried.

It is hereby **RESOLVED: -**

THAT subject to and conditional upon the approvals from the relevant parties and/or authorities (where applicable) pursuant to Section 117 of the Act, the Board of the Company be and is hereby given the authority and approval to reduce the issued share capital of the Company via the cancellation of the paid-up share capital of RM21.00 million and that the credit arising from such share capital reduction to be utilised to set-off against the accumulated losses of the Company;

THAT the remaining balance after the setting off of the Company's accumulated losses pursuant to the Proposed Capital Reduction shall be credited to the retained earnings of the Company, which shall be utilised in such manner as the Board deems fit and in the best interest of the Company as permitted by the relevant and applicable laws and the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad;

AND THAT the Board be and is hereby authorised to approve, sign and execute all documents, do all things and acts as the Board may consider necessary or expedient to implement, finalize and give full effect to the Proposed Capital Reduction in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.

9. CONCLUSION OF MEETING

There being no further matters to discuss, the Meeting concluded at 12.45 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record,

-SIGNED-

CHAIRMAN
YEAP KONG CHEAN