

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

Pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Bursa Securities has only conducted a limited review of the contents set out in this Circular in relation to the Proposed Share Consolidation and Proposed Bonus Issue of Warrants (as defined herein) prior to its issuance. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**YONG TAI**

**永大集团**

**YONG TAI BERHAD**

(Registration No. 199401025505 (311186-T))

(Incorporated in Malaysia under the Companies Act 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) PROPOSED CONSOLIDATION OF EVERY 5 EXISTING ORDINARY SHARES IN YTB ("YTB SHARE(S)" OR "SHARES(S)") INTO 1 YTB SHARE ("CONSOLIDATED SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER;**
- (II) PROPOSED BONUS ISSUE OF UP TO 103,098,378 FREE WARRANTS IN YTB ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 4 CONSOLIDATED SHARES HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER; AND**
- (III) PROPOSED SETTLEMENT OF AN AGGREGATE AMOUNT OF RM46,000,000 DEBT OWING TO CREDITORS BY THE COMPANY AND/OR ITS SUBSIDIARIES, VIA THE ISSUANCE OF 92,000,000 NEW YTB SHARES.**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**



**M&A SECURITIES SDN BHD**

Registration No. 197301001503 (15017-H)

*(A Wholly-Owned Subsidiary of Insas Berhad)*

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of Yong Tai Berhad together with the Proxy Form are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Proxy Form must be lodged at the registered office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time and date stipulated for the EGM as indicated below. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Date and time of the EGM	:	Friday, 15 July 2022 at 10.30 a.m.
Venue of the EGM	:	Fully virtual from the Online Meeting Platform at <a href="https://bit.ly/3A00a32">https://bit.ly/3A00a32</a> provided by Niche & Milestones International Sdn Bhd.
Last day, date and time for lodging Proxy Form	:	Wednesday, 13 July 2022 at 10.30 a.m.

**This Circular is dated 30 June 2022**

---

## DEFINITIONS

---

**Except where the context otherwise requires, the following definitions shall apply throughout this Circular:**

"5D-VWAMP"	: 5 days volume weighted average market price
"Act"	: The Companies Act, 2016, as amended from time to time, and any re-enactments thereof
"Announcement"	: Announcement dated 17 May 2022 in relation to the Proposals
"Announcement LPD"	: 13 May 2022, being the latest practicable date prior to the date of the Announcement
"Apple 99"	: Apple 99 Development Sdn Bhd [Registration No.: 201301021609 (1051439-A)]
"Board"	: Board of Directors of YTB
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd [Registration No.: 198701006854 (165570-W)]
"Bursa Securities"	: Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
"CAGR"	: Compound annual growth rate
"CCM"	: Companies Commission of Malaysia
"Circular"	: This circular to shareholders dated 30 June 2022
"Consolidated Share(s)"	: YTB Share(s) after the completion of the Proposed Share Consolidation
"Consolidated Shares Entitlement Date"	: A date, to be determined and announced later by the Board, on which the names of the shareholders of YTB must appear in the Record of Depositors of the Company, in order to be entitled to the Consolidated Shares
"Constitution"	: Constitution of YTB
"COVID-19"	: Coronavirus Disease 2019
"Creditor(s)"	: Collectively, Agile Motion Sdn Bhd, Amalan Tekun Sdn Bhd, Asima Architects Sdn Bhd, Causeway Iron Works Sdn Bhd, CBH Engineering Sdn Bhd, City Mall Sdn Bhd, EC Engineering Consultancy Sdn Bhd, Econpile (M) Sdn Bhd, Firstech Engineering Sdn Bhd, Integrated Inno Build Sdn Bhd, Intra Design Sdn Bhd, Jack-in Pile (M) Sdn Bhd, Lee Kong Aluminium & Glass Sdn Bhd, Mechvac Engineering Sdn Bhd, Pembinaan Sejati Perkasa Sdn Bhd, Siab (M) Sdn Bhd, Sin Huat Press (Melaka) Sdn Bhd, Tajukon Sdn Bhd and Vintage Partners Sdn Bhd

---

**DEFINITIONS (Cont'd)**

---

- "Debt Settlement Agreement(s)" : Collectively, Debt Settlement Agreement 1, Debt Settlement Agreement 2, Debt Settlement Agreement 3, Debt Settlement Agreement 4, Debt Settlement Agreement 5, Debt Settlement Agreement 6, Debt Settlement Agreement 7, Debt Settlement Agreement 8, Debt Settlement Agreement 9, Debt Settlement Agreement 10, Debt Settlement Agreement 11, Debt Settlement Agreement 12, Debt Settlement Agreement 13, Debt Settlement Agreement 14, Debt Settlement Agreement 15, Debt Settlement Agreement 16, Debt Settlement Agreement 17, Debt Settlement Agreement 18 and Debt Settlement Agreement 19
- "Debt Settlement Agreement 1" : Settlement agreement dated 17 May 2022 entered into between YTB, PTSI and Agile Motion Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 2" : Settlement agreement dated 17 May 2022 entered into between YTB, PTSI and Amalan Tekun Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 3" : Settlement agreement dated 17 May 2022 entered into between YTB, PTSI, Apple 99 and Asima Architects Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 4" : Settlement agreement dated 17 May 2022 entered into between YTB, PTSI and Causeway Iron Works Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 5" : Settlement agreement dated 17 May 2022 entered into between YTB, PTSI, Apple 99, Y TBD, Y TBI and CBH Engineering Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 6" : Settlement agreement dated 17 May 2022 entered into between YTB, Apple 99 and City Mall Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 7" : Settlement agreement dated 17 May 2022 entered into between YTB, PTSI, Apple 99 and EC Engineering Consultancy Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 8" : Settlement agreement dated 17 May 2022 entered into between YTB, Y TBD and Econpile (M) Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 9" : Settlement agreement dated 17 May 2022 entered into between YTB, Apple 99, Y TBI and Firstech Engineering Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 10" : Settlement agreement dated 17 May 2022 entered into between YTB, Y TBI and Intergrated Inno Build Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 11" : Settlement agreement dated 17 May 2022 entered into between YTB, Apple 99 and Intra Design Sdn Bhd pursuant to the Proposed Debt Settlement
- "Debt Settlement Agreement 12" : Settlement agreement dated 17 May 2022 entered into between YTB, Y TBI and Jack-in Pile (M) Sdn Bhd pursuant to the Proposed Debt Settlement

---

**DEFINITIONS (Cont'd)**

---

"Debt Settlement Agreement 13"	: Settlement agreement dated 17 May 2022 entered into between YTB, Apple 99 and Lee Kong Aluminium & Glass Sdn Bhd pursuant to the Proposed Debt Settlement
"Debt Settlement Agreement 14"	: Settlement agreement dated 17 May 2022 entered into between YTB, Apple 99, YTB, YTD, YTDI and Mechvac Engineering Sdn Bhd pursuant to the Proposed Debt Settlement
"Debt Settlement Agreement 15"	: Settlement agreement dated 17 May 2022 entered into between YTB, PTSI and Pembinaan Sejati Perkasa Sdn Bhd pursuant to the Proposed Debt Settlement
"Debt Settlement Agreement 16"	: Settlement agreement dated 17 May 2022 entered into between YTB, YTD, YTDI and Siab (M) Sdn Bhd pursuant to the Proposed Debt Settlement
"Debt Settlement Agreement 17"	: Settlement agreement dated 17 May 2022 entered into between YTB, YTDI and Sin Huat Press (Melaka) Sdn Bhd pursuant to the Proposed Debt Settlement
"Debt Settlement Agreement 18"	: Settlement agreement dated 17 May 2022 entered into between YTB, YTDI and Tajukon Sdn Bhd pursuant to the Proposed Debt Settlement
"Debt Settlement Agreement 19"	: Settlement agreement dated 17 May 2022 entered into between YTB, Apple 99 and Vintage Partners Sdn Bhd pursuant to the Proposed Debt Settlement
"Deed Poll"	: The deed poll to be executed by the Company constituting the Warrants and governing the rights of the Warrant Holders
"EGM"	: Extraordinary general meeting
"EPS"	: Earnings per share
"Existing Share(s)"	: Existing YTB Shares prior to the completion of the Proposed Share Consolidation
"FPE"	: Financial period ended/ending, as the case may be
"FYE"	: Financial year ended/ending, as the case may be
"ICPS"	: 216,034,494 irredeemable convertible preference shares of YTB. Each ICPS is convertible into 1 new YTB Shares at any market day from 28 November 2019 up to and including 27 November 2026, being the maturity date of the irredeemable convertible preference shares by delivering a conversion notice to the Company's share registrar and surrendering the ICPS with no additional consideration
"Issue Date"	: Issue date of the Warrants
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 22 June 2022, being the latest practicable date prior to the printing of this Circular
"Main Market"	: Main Market of Bursa Securities

---

**DEFINITIONS (Cont'd)**

---

"MCO"	: The 2020 Malaysia movement control order, commonly referred to as the MCO, a restriction imposed on the movement of people implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country on 18 March 2020, and includes all its subsequent phases, being the conditional MCO (" <b>CMCO</b> "), recovery MCO (" <b>RMCO</b> "), enhanced MCO (" <b>EMCO</b> ") and/or variations of these thereof
"M&A Securities" or "Principal Adviser"	: M&A Securities Sdn Bhd [Registration No.: 197301001503 (15017-H)]
"NA"	: Net asset(s)
"PAT"	: Profit after tax
"Proposals"	: Collectively, the Proposed Share Consolidation, Proposed Bonus Issue of Warrants and the Proposed Debt Settlement.
"Proposed Bonus Issue of Warrants"	: Proposed bonus issue of up to 103,098,378 free Warrants in YTB on the basis of 1 warrant for every 4 Consolidated Shares held by the Warrants Entitled Shareholders on Warrants Entitlement Date
"Proposed Debt Settlement"	: Proposed settlement of the Settlement Amount owing to Creditors by the YTB Group, via the issuance of the Settlement Shares at the Settlement Share Issue Price
"Proposed Share Consolidation"	: Proposed consolidation of every 5 existing YTB Shares into 1 Consolidated Share held by the entitled shareholders on the Consolidated Shares Entitlement Date
"Private Placement"	: Private placement of 20.00% of the total number of issued shares of YTB Shares undertaken by YTB which was announced on 7 December 2020 and completed on 5 May 2021
"PTSI"	: PTS Impression Sdn Bhd [Registration No.: 201301006026 (1035869-A)]
"RCPS"	: Up to 180,000,000 redeemable convertible preference shares in YTB at an issue price of RM1.00 per redeemable convertible preference shares amounting to an aggregate principal amount of up to RM180.00 million to be issued to the RCPS Subscriber, subject to the terms and conditions as set out in the Subscription Agreement
"RCPS Issuance"	: Issuance of up to 180,000,000 new RCPS in YTB at an issue price of RM1.00 per RCPS
"RCPS Subscriber" or "Subscriber"	: RHB Trustees Berhad being the trustee for Areca Strategic Income Fund 7.0
"Record of Depositors"	: A record of securities holders provided by Bursa Depository under the rules of Bursa Depository
"RM"	: Ringgit Malaysia and sen, respectively
"Settlement Amount"	: An aggregate amount of RM46,000,000 debt owing to Creditors by the YTB Group
"Settlement Share(s)"	: 92,000,000 new YTB Shares to be issued pursuant to the Proposed Debt Settlement

---

**DEFINITIONS (Cont'd)**

---

“Settlement Share Issue Price”	: Issue price of RM0.5000 per Settlement Share
“Subscription Agreement”	: Subscription agreement dated 28 October 2021 entered into by YTB with the RCPS Subscriber in relation to the RCPS Issuance
“Theoretical Adjusted 5D-VWAMP”	: Theoretical adjusted 5D-VWAMP of YTB Shares based on the 5D-VWAMP of YTB Shares up to and including 13 May 2022 (being the last trading day prior to the Announcement)
“Warrant(s)”	: Up to 103,098,378 free warrants in YTB to be issued pursuant to the Proposed Bonus Issue of Warrants
“Warrants Entitled Shareholder(s)”	: Shareholders of YTB whose names appear in the Record of Depositors of the Company on the Warrants Entitlement Date
“Warrants Entitlement Date”	: A date, to be determined and announced later by the Board, on which the names of the shareholders of YTB must appear in the Record of Depositors of the Company, in order to be entitled to receive the Warrants
“Warrant Holder(s)”	: The holder of the Warrants pursuant to the Proposed Bonus Issue of Warrants
“YTB” or the “Company”	: Yong Tai Berhad [Registration No.: 199401025505 (311186-T)]
“YTBD”	: YTB Development Sdn Bhd [Registration No.: 201301015841 (1045674-P)]
“YTBI”	: YTB Impression Sdn Bhd [Registration No.: 201501027769 (1153093-V)]
“YTB Group” or “Group”	: YTB and its subsidiary companies
“YTB Share(s)” or “Shares(s)”	: Ordinary shares in YTB

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated.

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to “we”, “us”, “our” and “ourselves” are to the Company save where the context otherwise requires, our subsidiaries and to “you” or “your” are to the shareholders of YTB.

---

**TABLE OF CONTENTS**

---

**PAGE****LETTER TO THE SHAREHOLDERS OF YTB CONTAINING**

1.	INTRODUCTION.....	1
2.	DETAILS OF THE PROPOSED SHARE CONSOLIDATION .....	2
3.	DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS .....	3
4.	DETAILS OF THE PROPOSED DEBT SETTLEMENT .....	8
5.	DETAILS OF EQUITY FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS...11	
6.	RATIONALE FOR THE PROPOSALS AND ADDITIONAL INFORMATION FOR CONSIDERATIONS .....	16
7.	EFFECTS OF THE PROPOSALS.....	20
8.	PROSPECT AND OUTLOOK.....	30
9.	APPROVALS REQUIRED .....	37
10.	HISTORICAL SHARE PRICE .....	40
11.	INTER-CONDITIONALITY.....	40
12.	INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSON(S) CONNECTED TO THEM.....	40
13.	DIRECTORS' STATEMENT AND RECOMMENDATION .....	41
14.	ADVISER.....	41
15.	OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION .....	41
16.	ESTIMATED TIMEFRAME FOR COMPLETION .....	41
17.	EGM .....	41
18.	FURTHER INFORMATION.....	42

**APPENDICES**

I	SALIENT TERMS OF THE DEBT SETTLEMENT AGREEMENTS
II	DETAILS OF THE CREDITORS
III	FURTHER INFORMATION

**NOTICE OF EGM****ENCLOSED****PROXY FORM FOR EGM****ENCLOSED**

---

**EXECUTIVE SUMMARY**

---

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY TO BE CONVENED.**

<b>Key information</b>	<b>Summary</b>	<b>Reference to Circular</b>
Details of the Proposals	<p>: YTB intends to undertake the following proposals:</p> <ul style="list-style-type: none"><li>(a) proposed consolidation of every five (5) Existing Shares held by YTB's shareholders whose name appear in the Company's Record of Depositors at the close of business on the Consolidated Shares Entitlement Date into one (1) Consolidated Share;</li><li>(b) proposed bonus issue of up to 103,098,378 free Warrants on the basis of 1 Warrant for every 4 Consolidated Shares held by the Warrants Entitled Shareholders on the Warrants Entitlement Date; and</li><li>(c) proposed settlement of the Settlement Amount owing to the Creditors by YTB Group, via the issuance of the Settlement Shares.</li></ul>	Sections 2, 3 and 4
Rationale for the Proposals	<p>: <u>Proposed Share Consolidation</u></p> <p>The Proposed Share Consolidation is expected to enhance the Company's share capital structure. As YTB Shares are currently traded at relatively low trading price range, a small absolute movement in the share price may be significant in percentage terms. The Proposed Share Consolidation will result in a reduction in the number of YTB Shares available in the market that may potentially reduce the volatility of the trading price for YTB Shares.</p> <p>The Proposed Share Consolidation will increase the reference price per YTB Share which may enhance the Company's profile amongst investors. The Board is of the view that the higher trading price of YTB Shares following the Proposed Share Consolidation will encourage investors to view the Consolidated Shares as a long-term investment and attract investors with similar long-term investment horizon.</p> <p><u>Proposed Bonus Issue of Warrants</u></p> <p>After due consideration, the Board is of the view that the Proposed Bonus Issue of Warrants is the most appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Bonus Issue of Warrants will:</p> <ul style="list-style-type: none"><li>(a) enable shareholders of the Company to participate in convertible securities of the Company, which are tradable on the Main Market of Bursa Securities, without incurring any cost;</li></ul>	Section 6



---

**EXECUTIVE SUMMARY (Cont'd)**

---

<b>Key information</b>	<b>Summary</b>	<b>Reference to Circular</b>
------------------------	----------------	------------------------------

- (b) provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company at a pre-determined price during the tenure of the Warrants, and to allow shareholders to further participate in the future growth of the Company when the Warrants are exercised;
- (c) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (d) help to strengthen the Company's capital base and shareholders' funds as well as potentially provide additional working capital for the Group, as and when the Warrants are exercised.

Additionally, the Proposed Bonus Issue of Warrants is expected to provide the Warrants Entitled Shareholders with an incentive to vote for the Proposed Debt Settlement to support the Company's debt restructuring exercise which will provide the benefits as stipulated under Section 6.1(iii) and sets the avenue for the Company next growth phase. In view that share price and intrinsic value of the warrants will typically correspond with the future financial position of a company, the Warrants Entitled Shareholders will benefit from the future growth of YTB which will potentially provide price appreciation for YTB Shares and Warrants as well to increase their equity participation in the Company through the exercise of the Warrants at a pre-determined exercise price.

#### Proposed Debt Settlement

The purpose of the Proposed Debt Settlement is to settle the amount owing by YTB Group to its Creditors.

After due consideration of the various options available, the Board is of the opinion that the Proposed Debt Settlement is an appropriate method to settle the Settlement Amount in view that the Proposed Debt Settlement:

- (a) will enable the Company to settle the Settlement Amount without incurring additional debt obligation/interest expenses by the YTB;
- (b) will enable the Company to strengthen its capital base;
- (c) will further strengthen the Company's equity base as well as NA and gearing ratio of the Company as a result of the increase in the share capital of the Company; and
- (d) to preserve its cash for other purposes, such as working capital requirements.

---

**EXECUTIVE SUMMARY (Cont'd)**

---

<b>Key information</b>	<b>Summary</b>	<b>Reference to Circular</b>
Approvals required	<p>: The Proposals are subject to the following approvals:</p> <ul style="list-style-type: none"><li>(a) Bursa Securities which was obtained vide its letter dated 20 June 2022 for the following:<ul style="list-style-type: none"><li>(i) Proposed Share Consolidation;</li><li>(ii) admission of the Warrants to the Official List of Bursa Securities;</li><li>(iii) listing of and quotation for the Warrants and new Shares to be issued from the exercise of the Warrants, on the Main Market of Bursa Securities;</li><li>(iv) listing of and quotation for the Settlement Shares to be issued pursuant to the Proposed Debt Settlement on the Main Market of Bursa Securities;</li></ul></li><li>(b) shareholders of YTB at an EGM of the Company to be convened; and</li><li>(c) any other relevant authority, if required.</li></ul> <p><b>Note:</b> The approval of Bursa Securities is subject to the conditions stipulated under Section 9 of this Circular.</p> <p>In line with the Proposed Bonus Issue of Warrants, the Company had on 13 May 2022, obtained from the RCPS Subscriber the following:</p> <ul style="list-style-type: none"><li>(a) consent for the conversion of Warrants into any new ordinary shares in the Company in accordance with the Deed Poll; and</li><li>(b) an undertaking that RCPS Subscriber shall not subscribe for the amount of RCPS, whereby the number of new ordinary shares in aggregate, which will arise from the conversion of the RCPS and the exercise or conversion of all other outstanding convertible equity securities of YTB (i.e. warrants and convertible preference shares), does not exceed 50.00% of the total number of issued ordinary shares of the Company (excluding treasury shares and before the exercise of the convertible equity securities) at all times, in accordance with Paragraph 6.50 of the Listing Requirements taking into consideration the eventual total number of Warrants to be issued and new ordinary shares which will arise from the exercise of the Warrants pursuant to the Proposed Bonus Issue of Warrants.</li></ul>	Section 9

---

**EXECUTIVE SUMMARY (Cont'd)**

---

<b>Key information</b>	<b>Summary</b>	<b>Reference to Circular</b>
Parties involved and the element of conflict of interests	: None of the directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposals, other than their respective entitlements as shareholders of the Company in relation to the Proposed Share Consolidation and Proposed Bonus Issue of Warrants, the rights of which are also available to all other existing shareholders of the Company as at the Consolidated Shares Entitlement Date and Warrants Entitlement Date, respectively.	Section 12
Directors' statements and recommendation	: The Board, after having considered all aspects of the Proposals including but not limited to the capital structure of the Company, rationale and effects of the Proposals, is of the opinion that the Proposals are fair and reasonable and is in the best interests of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.	Section 13

**[The rest of this page is intentionally left blank]**



# YONG TAI 永大集团

## YONG TAI BERHAD

(Registration No. 199401025505 (311186-T))  
(Incorporated in Malaysia under the Companies Act 1965)

### Registered Office:

B-25-2, Block B, Jaya One  
No. 72A, Jalan Prof Diraja Ungku Aziz  
46200 Petaling Jaya  
Selangor Darul Ehsan

30 June 2022

### Board of Directors

Dato' Indera Syed Norulzaman bin Syed Kamarulzaman (Chairman and Independent Non-Executive Director)  
Datuk Wira Boo Kuang Loon (Executive Director and Chief Executive Officer)  
Dato' Sri Lee Ee Hoe, JP (Executive Director)  
Dato' Beh Hang Kong (Executive Director)  
Chan Wai Kit (Executive Director)  
Subramaniam A/L A.V. Sankar (Independent Non-Executive Director)  
Datuk Ng Bee Ken (Independent Non-Executive Director)  
Anthony Ang Meng Huat (Independent Non-Executive Director)  
Tang Po Yi (Non-Independent Non-Executive Director)

### To: The Shareholders of YTB

Dear Sir/Madam,

- (i) **PROPOSED SHARE CONSOLIDATION**
  - (ii) **PROPOSED BONUS ISSUE OF WARRANTS**
  - (iii) **PROPOSED DEBT SETTLEMENT**
- 

### 1. INTRODUCTION

On 17 May 2022, M&A Securities had, on behalf of the Board, announced that the Company had proposed to implement the Proposals.

Bursa Securities had, vide its letter dated 20 June 2022, approved the Proposals subject to conditions as stated in Section 9 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS, TO SET OUT THE BOARD'S RECOMMENDATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM TO BE CONVENED.**

## **2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION**

The Proposed Share Consolidation entails the consolidation of every five (5) Existing Shares held by YTB's shareholders whose name appear in the Company's Record of Depositors at the close of business on the Consolidated Shares Entitlement Date into one (1) Consolidated Share.

As the LPD, the total issued and paid-up share capital of YTB is RM672,283,259 comprising 1,418,582,491 Existing Shares. Additionally, the Company has the followings:

- (i) 26,062,553 outstanding ICPS which are convertible into 26,062,553 new Shares, based on the conversion ratio of 1 ICPS into 1 new Share at the conversion price of RM0.80 per Share. For the avoidance of doubt, no additional cash payment is required for the conversion. The ICPS is convertible into new YTB Shares at any market day from 28 November 2016 up to and including 27 November 2026, being the maturity date of the ICPS; and
- (ii) the availability/arrangement to issue up to 173,000,000 RCPS with a convertible feature for issuance of up to 617,322,522 new YTB Shares upon subscription and issuance of such RCPS. More details on the RCPS are provided in Section 5(ii).

Assuming the ICPS is not fully converted to new YTB Shares and the RCPS is not fully subscribed and converted to new YTB Shares prior to the Consolidated Shares Entitlement Date, the total YTB Shares outstanding will remain as 1,418,582,491 Existing Shares. In this case, upon completion of the Proposed Share Consolidation, YTB's resultant issued and paid-up share capital will be RM672,283,259 comprising 283,716,498 Consolidated Shares ("**Minimum Scenario**").

However, assuming the ICPS is fully converted to new YTB Shares and the RCPS is fully subscribed and converted into new YTB Shares at an indicative conversion price of RM0.2618 prior to the Consolidated Shares Entitlement Date, the total YTB Shares outstanding will increase to 2,061,967,566 YTB Shares. In this case, upon completion of the Proposed Share Consolidation, YTB's resultant issued and paid-up share capital will be RM854,748,338 comprising 412,393,513 Consolidated Shares ("**Maximum Scenario**"). For avoidance of doubt, the conversion price for the ICPS is higher than the last transacted market price of YTB Shares as at the LPD and there is no outstanding RCPS as at the LPD, hence, the full conversion of the ICPS and RCPS are merely for illustration purpose only.

The actual number of Consolidated Shares after the Proposed Share Consolidation will be determined based on the issued and paid-up share capital of the Company as at the Consolidated Shares Entitlement Date. Any fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with in such manner as the Board shall in its absolute discretion deems fit, expedient and in the best interest of the Company.

### **2.1 Theoretical adjusted reference price of the Consolidated Shares**

The Proposed Share Consolidation will result in an adjustment to the reference price of YTB Shares, as listed and quoted on the Main Market of Bursa Securities, but will not have any impact on the total market value of the Consolidated Shares held by the Company's shareholders.

For illustration purposes, the theoretical adjusted reference price of the Consolidated Shares upon completion of the Proposed Share Consolidation shall be as follows:

	<b>No. of YTB Shares</b>	<b>Closing market price/Theoretical adjusted reference price (RM)</b>	<b>Total value (RM)</b>
As at LPD	1,418,582,491	<sup>(i)</sup> 0.0900	127,672,424
After the Proposed Share Consolidation	283,716,498	<sup>(ii)</sup> 0.4500	127,672,424

**Notes:**

- (i) Based on the last transacted market price of YTB Shares as at the LPD
- (ii) The theoretical adjusted reference price is calculated as follows:

$$\begin{aligned}
 &\text{Theoretical adjusted reference price per Share} &= &\text{Market price per share} &\times &\frac{\text{Total number of Existing Shares as at LPD}}{\text{Total number of Consolidated Shares}} \\
 & &= &\text{RM0.0900} &\times &\frac{1,418,582,491}{283,716,498} \\
 & &= &\text{RM0.4500} & &
 \end{aligned}$$

**2.2 Ranking of the Consolidated Shares**

The Consolidation Shares shall rank equally in all respects with each other and the rights of the Consolidated Shares shall remain unchanged from the rights of the Existing Shares.

**2.3 Procedures for the implementation of the Proposed Share Consolidation**

No suspension will be imposed on the trading of YTB Shares on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Consolidation. The Consolidated Shares shall be listed and quoted on the Main Market of Bursa Securities on the next market day following the Consolidated Shares Entitlement Date.

The notices of allotment of the Consolidated Shares will be issued and despatched to the entitled shareholders within four (4) market days after the listing of and quotation for the Consolidated Shares on the Main Market of Bursa Securities.

**3. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS**

**3.1 Basis and number of Warrants to be issued**

Based on the Minimum Scenario, the Proposed Bonus Issue of Warrants will entail an issuance of up to 70,929,125 Warrants on the basis of 1 Warrant for every 4 Consolidated Shares held by the Warrants Entitled Shareholders on the Warrants Entitlement Date.

In contrast, based on the Maximum Scenario, the Proposed Bonus Issue of Warrants will entail an issuance of up to 103,098,378 Warrants on the basis of 1 Warrant for every 4 Consolidated Shares held by the Warrants Entitled Shareholders on the Warrants Entitlement Date.

Fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with in such a manner as the Board shall in their absolute discretion deem fit and expedient, and in the best interests of the Company.

The Warrants Entitlement Date will be determined and announced at a later date by the Board upon receipt of all relevant approvals. The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

No reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants. As such, the requirement to ensure that the Company has sufficient reserves to cover for capitalisation of the bonus issue pursuant to Paragraph 6.30(2)(b) of the Listing Requirements is not relevant for the Proposed Bonus Issue of Warrants.

For the avoidance of doubt, the Proposed Bonus Issue of Warrants will be implemented after the completion of the Proposed Share Consolidation.

### **3.2 Basis of determining and justification for the exercise price of the Warrants**

The Warrants will be issued at no cost to Warrants Entitled Shareholders.

The exercise price of the Warrants will be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Warrants Entitlement Date, taking into consideration the following:

- (i) the historical price movement of YTB Shares;
- (ii) the 5D-VWAMP of YTB Shares up to and including the last market day prior to the price-fixing date (post the Proposed Share Consolidation);
- (iii) prevailing market condition at the point of the price-fixing; and
- (iv) the future funding requirements of YTB Group.

In any event, the discount of the exercise price of the Warrants shall not be more than 10.00% to the Theoretical Adjusted 5D-VWAMP of YTB Shares computed based on the 5D-VWAMP of YTB Shares up to and including the price fixing date. The discount will provide the flexibility to the Board to fix the exercise price of the Warrants at discount if required and was determined by the Board taking into consideration the potential need to stimulate more demand for the YTB Shares before the Warrants Entitlement Date and to encourage the exercise of the Warrants, as well as for the potential funding benefits of the Warrants in future upon the exercise of Warrants.

For illustration purpose, the indicative exercise price of the Warrants is assumed to be at RM0.6000, which represent a premium of RM0.1515 or 33.78% to the theoretical adjusted 5D-VWAMP of YTB Shares up to and including LPD of RM0.4485 which was calculated as follows:

$$\begin{aligned}
 \text{Theoretical adjusted 5D-VWAMP} &= \text{5D-VWAMP as at LPD} \quad \times \quad \frac{\text{Total number of Existing Shares as at LPD}}{\text{Total number of Consolidated Shares}} \\
 &= \text{RM0.0897} \quad \times \quad \frac{1,418,582,491}{283,716,498} \\
 &= \text{RM0.4485}
 \end{aligned}$$

The Board wishes to emphasise that the indicative exercise price of the Warrants of RM0.6000 should not be taken as an indication of or reference to the actual exercise price of

the Warrants, which will be determined and announced at the price-fixing date. Due to the high volatility of YTB Share price movements in the recent months as evidenced under Section 10 of this Circular, the illustration of the indicative exercise price of the Warrants of RM0.6000 is provided based on premium to the theoretical adjusted 5D-VWAMP of YTB Shares to enable the illustration of the issue price to be more reflective of the normalised market price of YTB Shares.

### **3.3 Ranking of the new YTB Shares to be issued arising from the exercise of the Warrants**

The new YTB Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the then existing YTB Shares, except for any entitlements given on an entitlement date prior to the date of allotment of the said Shares.

### **3.4 Listing of and quotation for the Warrants and new YTB Shares to be issued arising from the exercise of Warrants**

Approval has been obtained from Bursa Securities, vide its letter dated 20 June 2022, for:

- (i) the admission of the Warrants to the Official List of Bursa Securities; and
- (ii) the listing of and quotation for the Warrants and new YTB Shares to be issued from the exercise of the Warrants on the Main Market of Bursa Securities.

### **3.5 Indicative salient terms of the Warrants**

The indicative salient terms of the Warrants are set out as follows:

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 103,098,378 Warrants.
Form	: The Warrants will be issued in registered form and constituted by a Deed Poll to be executed by the Company and as may be supplemented from time to time.
Tenure	: 5 years commencing from and inclusive of the Issue Date.
Exercise Rights	: Each Warrant shall entitle its Warrant Holder to subscribe for 1 new YTB Share at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Price	: The exercise price of the Warrants shall be determined and fixed by the Board and announced at a later date, after obtaining the relevant approvals but before the announcement of the Warrants Entitlement Date.  Kindly refer to Section 3.2 of this Circular for the basis of determining the Exercise Price.
Exercise Period	: The Warrants may be exercised any time during the Tenure of the Warrants including and commencing from the Issue Date and ending at 5.00 p.m. on the Expiry Date. Any Warrant which are not exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid.



<b>Terms</b>	<b>Details</b>
Expiry Date	: The close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 5th anniversary of the Issue Date, and if such date is not a market day, then on the immediate preceding market day.
Adjustment in the Exercise Price and/or the number of Warrants	: The Exercise Price of the Warrant to which a Warrant Holder is entitled to subscribe for new YTB Share and/or the number of unexercised Warrant shall be adjusted by the Board in consultation with the recognised principal adviser and/or Auditors and certified by the Auditors in Malaysia in accordance with the provisions as contained in the Deed Poll, and/or in accordance with the Listing Requirements and/or the prevailing laws, guidelines or requirements issued by any relevant authorities, in the event of alteration to the share capital of the Company, capital distribution or issue of shares at any time during the Tenure.
Ranking of the new YTB Shares to be issued from the exercise of the Warrants	: The new YTB Shares to be issued arising from the exercise of Exercise Rights represented by the Warrant shall upon allotment and issue rank pari passu in all respects with the then existing Shares, save and except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new YTB Shares.
Modification of rights of Warrant Holders	: Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: <ul style="list-style-type: none"> <li>(i) approved by the Warrant Holders sanctioned by Special Resolution;</li> <li>(ii) effected by a supplemental deed poll;</li> <li>(iii) executed by the Company and expressed to be supplemental; and</li> <li>(iv) comply with the requirements of the Deed Poll.</li> </ul> <p>The Company may without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect: -</p> <ul style="list-style-type: none"> <li>(i) any modification to the Warrant or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or</li> <li>(ii) any modification to the Warrant or the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or Listing Requirements.</li> </ul> <p>Notice of every modification, amendment or addition to the Deed Poll is to be given to the Warrant Holders within twenty-one (21) days from the date of such modification, amendment or addition in accordance with the Deed Poll.</p>

<b>Terms</b>	<b>Details</b>
Rights of Warrant Holders	: The Warrant do not entitle the Warrant Holders to any voting rights in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant Holders become shareholders of the Company by exercising their Warrant for YTB Shares.
Rights in the event of winding up, liquidation or an event of default	: As long as any of the Exercise Rights remain exercisable, where a resolution has been passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:- <ul style="list-style-type: none"> <li>(i) if such winding up, compromise or scheme of arrangement is one in which the Warrant Holders, or some person designated by them for such purpose by Special Resolution, are to be a party, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; and</li> <li>(ii) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrant to the Company together with payment of the relevant Exercise Price, to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement (as the case may be), exercised the Exercise Rights represented by such Warrant to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrant, to which he/she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company must give effect to such election accordingly. All Exercise Rights, which have not been exercised within the above 6 weeks of either the passing of such resolution for the winding up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrant will cease to be valid for any purpose.</li> </ul>
Board Lot	: For the purposes of trading on Bursa Securities and subject to such conditions which Bursa Securities may impose from time to time, a board lot for the Warrant shall be 100 Warrants carrying the right to subscribe for 100 new YTB Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities.
Listing	: The Warrants will be listed on the Main Market of Bursa Securities.
Transferability	: The Warrants will only be transferable in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.

<u>Terms</u>	<u>Details</u>
Governing law	: Laws of Malaysia.

### 3.6 Utilisation of proceeds

The Proposed Bonus Issue of Warrants is not expected to raise immediate funds for YTB as the Warrants will be issued at no cost to the Warrants Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the tenure of the Warrants as well as the exercise price of the Warrants, which will be determined and fixed at a later date. As such, the exact time frame for the utilisation of proceeds is not determinable at this juncture.

For illustrative purpose only, the gross proceeds to be raised upon full exercise of the Warrants based on the Maximum Scenario where 103,098,378 Warrants to be issued and the indicative exercise price of RM0.6000 are approximately RM61.86 million. Such proceeds will be utilised as additional working capital for the Group's property development business. The proceeds may be utilised to finance, amongst others the Group's day-to-day operating cost.

Pending the utilisation of proceeds for the above purpose, such proceeds may be placed in deposits with financial institutions or short-term money market instruments. Interest derived from such deposits or gains from such money market instruments will be used as additional working capital for the Group.

## 4. DETAILS OF THE PROPOSED DEBT SETTLEMENT

### 4.1 Details of the Proposed Debt Settlement

On 17 May 2022, the Company has entered into 19 Debt Settlement Agreements with each of the Creditors respectively, to settle the Settlement Amount owing by the Company and/or its subsidiaries to the Creditors based on the cut-off date as at 13 May 2022, via the issuance of the Settlement Shares at the Settlement Share Issue Price. The Settlement Amount is unsecured and interest free.

The details of the creditors, the outstanding amount and the Settlement Amount owing to each creditor as well as quantity of Settlement Shares to be received by each creditor are as follow:-

<u>No.</u>	<u>Creditor</u>	<u>Settlement Agreement</u>	<u>Outstanding Debt (RM)</u>	<u>Settlement Amount (RM)</u>	<u>Quantity of Settlement Shares to be Received</u>
1.	Agile Motion Sdn Bhd	Debt Settlement Agreement 1	2,550,000.02	400,000.00	800,000
2.	Amalan Tekun Sdn Bhd	Debt Settlement Agreement 2	200,000.00	200,000.00	400,000
3.	Asima Architects Sdn Bhd	Debt Settlement Agreement 3	846,308.93	800,000.00	1,600,000
4.	Causeway Iron Works Sdn Bhd	Debt Settlement Agreement 4	490,000.00	490,000.00	980,000
5.	CBH Engineering Sdn Bhd	Debt Settlement Agreement 5	8,166,524.27	5,000,000.00	10,000,000

<b>No.</b>	<b>Creditor</b>	<b>Settlement Agreement</b>	<b>Outstanding Debt (RM)</b>	<b>Settlement Amount (RM)</b>	<b>Quantity of Settlement Shares to be Received</b>
6.	City Mall Sdn Bhd	Debt Settlement Agreement 6	10,014,883.01	10,000,000.00	20,000,000
7.	EC Engineering Consultancy Sdn Bhd	Debt Settlement Agreement 7	284,659.18	250,000.00	500,000
8.	Econpile (M) Sdn Bhd	Debt Settlement Agreement 8	4,570,458.50	4,000,000.00	8,000,000
9.	Firstech Engineering Sdn Bhd	Debt Settlement Agreement 9	2,754,423.03	2,000,000.00	4,000,000
10.	Integrated Inno Build Sdn Bhd	Debt Settlement Agreement 10	7,728,980.56	4,000,000.00	8,000,000
11.	Intra Design Sdn Bhd	Debt Settlement Agreement 11	2,578,850.37	2,500,000.00	5,000,000
12.	Jack-in Pile (M) Sdn Bhd	Debt Settlement Agreement 12	248,805.33	240,000.00	480,000
13.	Lee Kong Aluminium & Glass Sdn Bhd	Debt Settlement Agreement 13	2,613,040.30	2,500,000.00	5,000,000
14.	Mechvac Engineering Sdn Bhd	Debt Settlement Agreement 14	3,232,381.21	3,000,000.00	6,000,000
15.	Pembinaan Sejati Perkasa Sdn Bhd	Debt Settlement Agreement 15	1,945,000.00	1,870,000.00	3,740,000
16.	Siab (M) Sdn Bhd	Debt Settlement Agreement 16	7,241,847.60	6,000,000.00	12,000,000
17.	Sin Huat Press (Melaka) Sdn Bhd	Debt Settlement Agreement 17	652,400.00	650,000.00	1,300,000
18.	Tajukon Sdn Bhd	Debt Settlement Agreement 18	705,369.36	700,000.00	1,400,000
19.	Vintage Partners Sdn Bhd	Debt Settlement Agreement 19	1,488,192.85	1,400,000.00	2,800,000
<b>Total</b>			<b>58,312,124.52</b>	<b>46,000,000.00</b>	<b>92,000,000</b>

For the avoidance of doubt, the Settlement Shares are not subject/entitled to the Proposed Share Consolidation and the Proposed Bonus Issue of Warrants. The Proposed Debt Settlement as well as the listing of and the quotation for the new Settlement Shares will be implemented after the Proposed Share Consolidation and Proposed Bonus issue of Warrants.

None of the Creditors is:

- (i) an interested director, interested major shareholder or interested chief executive of YTB; nor
- (ii) a person connected with the director, major shareholder or chief executive of YTB.

As at the LPD, there is no arrangement made with regards to the settlement and timeframe for the settlement of the balance of the RM12.31 million debt (RM58.31 million less RM46.00 million) owing to the Creditors. The Company will endeavour to settle the balance debt via internally generated funds. Please refer to Appendix I and II for the salient terms of the Debt Settlement Agreements and details of the Creditors, respectively.

#### 4.2 Basis of arriving at the issue price for the Settlement Share Issue Price

The Settlement Share Issue Price has been fixed by the Board at RM0.5000, after taking into consideration the following:

- (i) the Theoretical Adjusted 5D-VWAMP of YTB Shares based on the 5D-VWAMP of YTB Shares up to and including the Announcement LPD of RM0.5205; and
- (ii) discount of approximately 3.94% or RM0.0205 to the Theoretical Adjusted 5D-VWAMP of YTB Shares of RM0.5205.

For illustration purpose, the Theoretical Adjusted 5D-VWAMP of YTB Shares as at the Announcement LPD of RM0.5205 per Share is calculated as follows:

$$\begin{aligned}
 \text{Theoretical adjusted 5D-VWAMP} &= \text{5D-VWAMP as at Announcement LPD} \times \frac{\text{Total number of Existing Shares as at Announcement LPD}}{\text{Total number of Consolidated Shares based on the Existing Shares as at the Announcement LPD}} \\
 &= \text{RM0.1041} \times \frac{1,393,582,491}{278,716,498} \\
 &= \text{RM0.5205}
 \end{aligned}$$

The Board is of the opinion that the Settlement Share Issue Price is reasonable after taking into account the above factors.

#### 4.3 Ranking of the Settlement Shares

The Settlement Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing Shares, save and except that the Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the Settlement Shares.

#### 4.4 Listing of and quotation for the Settlement Shares

Approval has been obtained from Bursa Securities, vide its letter dated 20 June 2022 for the listing of and quotation for the Settlement Shares to be issued under the Proposed Debt Settlement on the Main Market of Bursa Securities.

#### 4.5 Utilisation of proceeds

The Creditors' Settlement Shares are issued as settlement of the amount owing to the Creditors. As such, there will not be any gross proceeds raised from the issuance.

## 5. DETAILS OF EQUITY FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS

Save as disclosed below, there are no other fundraising exercises undertaken by the Company in the past 12 months before the date of the Announcement on 17 May 2022 and LPD.

### (i) Private Placement

On 7 December 2020, the Company had announced the Private Placement. Bursa Securities had, vide its letter dated 15 December 2020, approved the listing and quotation of up to 230,049,000 placement shares to be issued pursuant to the Private Placement. The Private Placement was completed on 5 May 2021 with the listing of its final tranche of 14,400,000 placement shares. In total, the Company had issued 224,400,000 placement shares and raised approximately RM64.48 million from the Private Placement.

As at the LPD, the utilisation of proceeds raised from the Private Placement are as set out below:-

<u>Utilisation of proceeds</u>	<b>Intended proceeds to be raised</b>	<b>Actual proceeds raised</b>	<b>Actual utilisation</b>	<b>Unutilised amount</b>	<b><sup>(5)</sup>Expected timeframe for utilisation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Development of the Impression City project <sup>(1)</sup>	60,000	41,909	41,909	-	Within 18 months
Development of the Impression U-Thant project <sup>(2)</sup>	15,000	9,671	9,671	-	Within 12 months
Working capital <sup>(3)</sup>	16,720	12,675	12,675	-	Within 12 months
Expenses for the Private Placement <sup>(4)</sup>	300	220	220	-	Immediately
<b>Total proceeds</b>	<b>92,020</b>	<b>64,475</b>	<b>64,475</b>	<b>-</b>	

### **Notes:**

- (1) Earmarked for the payment of outstanding progress claims to main contractors and suppliers for the Group's ongoing development within the Impression City project in Melaka including Amber Cove (a 36-storey serviced apartment) and The Dawn (a block of 28-storey condominium hotel and another block of 29-storey condominium hotel).
- (2) Earmarked for the payment of outstanding progress claims to main contractors and suppliers for the development of the Group's ongoing residential project in Kuala Lumpur, namely Impression U-Thant (a block of 9-storey condominium).
- (3) Earmarked for the Group's working capital including payment of staff salaries and finance cost.
- (4) Earmarked for the estimated expenses for the Private Placement including professional fee and fees to relevant authorities.

(5) From completion of the Private Placement.

(ii) RCPS

On 28 October 2021, YTB entered into the Subscription Agreement with the RCPS Subscriber for the RCPS Issuance. The RCPS Issuance entails the issuance of up to 180,000,000 RCPS at an issue price of RM1.00 per RCPS amounting to an aggregate principal amount of up to RM180.00 million to the Subscriber, subject to the terms and conditions as set out in the Subscription Agreement.

The RCPS will be issued in 9 tranches which consist of:-

- (a) 240 equal sub-tranches of RM500,000 each over 6 tranches with a principal amount of RM20.00 million for each tranche (individually, the 6 tranches of RCPS shall be referred to as **Tranche 1, Tranche 2, Tranche 3, Tranche 4, Tranche 5** and **Tranche 6**); and
- (b) 60 equal sub-tranches of RM1,000,000 each over the remaining 3 tranches with a principal amount of RM20.00 million for each tranche (individually, the 3 tranches of RCPS shall be referred to as **Tranche 7, Tranche 8** and **Tranche 9**).

Bursa Securities had, vide its letter dated 16 November 2021 resolved to approve the listing and quotation of up to 687,322,522 new ordinary shares to be issued pursuant to the conversion of the RCPS.

The shareholders of the Company had on 22 December 2021 approved the RCPS Issuance at an EGM convened on the even date.

**[The rest of this page is intentionally left blank]**

The details and status of the RCPS Issuance are as follows:

	<b>Total principal amount allowed for issue</b>	<b>Issued RCPS</b>		<b>RCPS converted to new Shares</b>		<b>RCPS redeemed</b>		<b>Outstanding RCPS</b>		<b>Unissued RCPS</b>
		<b>RM</b>	<b>RM</b>	<b>No.</b>	<b>RM</b>	<b>No.</b>	<b>RM</b>	<b>No.</b>	<b>RM</b>	<b>RM</b>
Tranche 1 (40 sub-tranches)	20,000,000	7,000,000	7,000,000	7,000,000	7,000,000	-	-	-	-	13,000,000
Tranche 2 (40 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 3 (40 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 4 (40 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 5 (40 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 6 (40 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 7 (20 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 8 (20 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Tranche 9 (20 sub-tranches)	20,000,000	-	-	-	-	-	-	-	-	20,000,000
<b>Total</b>	<b>180,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173,000,000</b>



The details and status of the utilisation of proceeds from the RCPS Issuance are as follows:

No.	Purposes	Proposed utilisation		Actual proceeds raised RM' million	Actual Utilisation RM' million	*Expected timeframe for Utilisation upon receipt
		Minimum Scenario RM'000	Maximum Scenario RM'000			
(i)	Part financing the developments within Impression City <sup>(1)</sup>	22,000	60,000	1,772	1,772	Within 36 months
(ii)	Part financing the development of Courtyard by Marriott Hotel <sup>(2)</sup>	16,000	45,000	705	705	Within 12 months
(iii)	Future business projects <sup>(3)</sup>	11,000	30,000	300	300	Within 24 months
(iv)	Part financing the cost in relation to the Collaboration <sup>(4)</sup>	9,000	25,000	-	-	Within 24 months
(v)	Working capital requirements <sup>(5)</sup>	2,929	10,291	3,583	3,208	Within 6 months
(vi)	Estimated expenses in relation to the RCPS Issuance <sup>(6)</sup>	3,880	9,650	640	640	Within 60 months
<b>Total</b>		<b>64,809</b>	<b>179,941</b>	<b>7,000</b>	<b>6,625</b>	

**Notes:**

- (1) Earmarked for the funding of the Group's ongoing development within the Impression City project in Melaka including Amber Cove (a 36-storey serviced apartment), The Dawn (a block of 28-storey condominium hotel and another block of 29-storey condominium hotel) and Terra Square (a shopping mall and a 4-star hotel).
- (2) Earmarked for the payment of progress claims to the main contractor and purchase of raw materials for the development of Courtyard by Marriott hotel (a 16-storey, 4-star hotel located in Melaka with a gross floor area of 22,855 square metres and 284 units of hotel room), including repayment of term loan for the hotel block.
- (3) Earmarked for the initial cost in relation to the gold mining operations pursuant to mining agreement dated 24 March 2021 entered into between YTB Land Sdn Bhd, Tengku Fahad Mua'adzam Shah ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah and Amazing Logic Sdn Bhd to carry out exploration and exploitation works on an area covering 100.0 hectares (247.11 acres) located at Kawasan Bukit Kenderak, Mukim Hulu Jelai, Daerah Lipis, Pahang Darul Makmur.
- (4) Earmarked for the the cost in relation to development and exclusive commercialisation of the COVID-19 inactivated vaccine developed by Beijing Minhai Biotechnology Co., Ltd., a wholly-owned subsidiary of Shenzhen Kangtai Biological Products Co. Ltd in Malaysia ("**Collaboration**").
- (5) Earmarked for the working capital requirements of the Group's day-to-day operations including staff remunerations, finance cost, office upkeep and administrative expenses.

(6) Earmarked for the estimated expenses for the RCPS Issuance which shall be utilised in the manner set out below:

	<b>Minimum Scenario</b>	<b>Maximum Scenario</b>
Discount to the Subscriber*	3,240	9,000
Professional fees (i.e. adviser and due diligence solicitors), regulatory fees (i.e. Bursa Securities), printing, advertising and other miscellaneous expenses	640	650
<b>Total</b>	<b>3,880</b>	<b>9,650</b>

\* Being discount amounting to 5.00% of the assumed aggregate subscription price of the RCPS to be subscribed by the RCPS Subscriber of approximately RM64.81 million and RM179.94 million under the minimum Scenario and maximum Scenario respectively.

**[The rest of this page is intentionally left blank]**

## **6. RATIONALE FOR THE PROPOSALS AND ADDITIONAL INFORMATION FOR CONSIDERATIONS**

### **6.1 Rationale for the Proposals**

#### **(i) Proposed Share Consolidation**

The Proposed Share Consolidation is expected to enhance the Company's share capital structure. As YTB Shares are currently traded at relatively low trading price range, a small absolute movement in the share price may be significant in percentage terms. The Proposed Share Consolidation will result in a reduction in the number of YTB Shares available in the market that may potentially reduce the volatility of the trading price for YTB Shares.

As illustrated in Section 2.1 of this Circular, the Proposed Share Consolidation will increase the reference price per YTB Share which may enhance the Company's profile amongst investors. The Board is of the view that the higher trading price of YTB Shares following the Proposed Share Consolidation will encourage investors to view the Consolidated Shares as a long-term investment and attract investors with similar long-term investment horizon.

#### **(ii) Proposed Bonus Issue of Warrants**

After due consideration, the Board is of the view that the Proposed Bonus Issue of Warrants is the most appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Bonus Issue of Warrants will:

- (a) enable shareholders of the Company to participate in convertible securities of the Company, which are tradable on the Main Market of Bursa Securities, without incurring any cost;
- (b) provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company at a pre-determined price during the tenure of the Warrants, and to allow shareholders to further participate in the future growth of the Company when the Warrants are exercised;
- (c) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (d) help to strengthen the Company's capital base and shareholders' funds as well as potentially provide additional working capital for the Group, as and when the Warrants are exercised.

Additionally, the Proposed Bonus Issue of Warrants is expected to provide the Warrants Entitled Shareholders with an incentive to vote for the Proposed Debt Settlement to support the Company's debt restructuring exercise which will provide the benefits as stipulated under Section 6.1(iii) below and sets the avenue for the Company next growth phase. In view that share price and intrinsic value of the warrants will typically correspond with the future financial position of a company, the Warrants Entitled Shareholders will benefit from the future growth of YTB which will potentially provide price appreciation for YTB Shares and Warrants as well to increase their equity participation in the Company through the exercise of the Warrants at a pre-determined exercise price.

(iii) Proposed Debt Settlement

The purpose of the Proposed Debt Settlement is to settle the amount owing by YTB Group to its Creditors.

After due consideration of the various options available, the Board is of the opinion that the Proposed Debt Settlement is an appropriate method to settle the Settlement Amount in view that the Proposed Debt Settlement:

- (i) will enable the Company to settle the Settlement Amount without incurring additional debt obligation/interest expenses by the YTB;
- (ii) will enable the Company to strengthen its capital base;
- (iii) will further strengthen the Company's equity base as well as NA and gearing ratio of the Company as a result of the increase in the share capital of the Company; and
- (iv) to preserve its cash for other purposes, such as working capital requirements.

**6.2 Current financial position of YTB and the steps undertaken and/or to be undertaken to improve the financial condition of the Group**

The Group's financial position as at 31 March 2022 is as follows:

	<b>Unaudited as at 31 March 2022 RM'000</b>	<b>Audited as at 30 June 2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	398,555	468,884
Right-of-use assets	1,900	1,956
Intangible assets	71,110	147,372
Deferred tax assets	4,600	1,720
<b>Total non-current assets</b>	<b>476,165</b>	<b>619,932</b>
<b>Current assets</b>		
Inventories	252,862	285,025
Contract costs	24,922	24,539
Contract assets	-	3,900
Trade receivables	43,155	25,874
Other receivables	65,824	96,137
Current tax assets	629	1,285
Cash and cash equivalents	478	2,780
<b>Total current assets</b>	<b>387,870</b>	<b>439,540</b>
<b>Total assets</b>	<b>864,035</b>	<b>1,059,472</b>
<b>EQUITY</b>		
Share Capital		
- Ordinary Shares	668,008	665,539
- ICPS	20,850	20,944
Accumulated losses	(319,574)	(108,236)
	<b>369,284</b>	<b>578,247</b>
Non-controlling interests	<b>(3,694)</b>	<b>281</b>
<b>Total equity</b>	<b>365,590</b>	<b>578,528</b>

	<b>Unaudited as at 31 March 2022</b>	<b>Audited as at 30 June 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	557	564
Trade payables	-	1,732
Loans and borrowings	148,928	148,893
<b>Total non-current liabilities</b>	<b>149,485</b>	<b>151,189</b>
<b>Current liabilities</b>		
Contract liabilities	84,219	39,979
Trade payables	105,768	108,921
Other payables	112,942	132,763
Lease liabilities	334	381
Bank overdrafts	23,380	23,609
Loans and borrowings	20,880	23,207
Current tax liabilities	1,437	895
<b>Total current liabilities</b>	<b>348,960</b>	<b>329,755</b>
<b>Total liabilities</b>	<b>498,445</b>	<b>480,944</b>
<b>Total equity and liabilities</b>	<b>864,035</b>	<b>1,059,472</b>

The Group is principally involved in property development and property investment. The property development segment is the main driver of recovery for the Group in FYE 30 June 2021 mainly due to the advanced work progress of its ongoing development projects following the resumption of construction works post MCO. Looking ahead, the Group will focus on completing all the ongoing development projects, namely Amber Cove, The Dawn and Impression U-Thant. With a total unbilled revenue of RM240.51 million as at LPD, the property development segment shall provide earnings visibility to the Group over next two financial years in FYE 30 June 2022 and FYE 30 June 2023. The Group will also place more emphasis on clearing the existing property inventories and conduct careful rationalisation of new launches.

Under its property investment segment, the Group owns the Encore Melaka theatre, a performing arts theatre with a 360-degree rotating audience platform, a 240-metre-long stage and multiple built-in hydraulic stages. The theatre reopened its door on 30 April 2022 as the country is transitioned to endemic phase. While the Group has previously focused on the Impression Series, the strategy has shifted towards a broader range of live entertainment, art and cultural shows using its state-of-the-art theatrical capabilities. Beyond positioning itself as the venue for events, Encore Melaka will serve as a one-stop solution for all event staging needs and even cater for outdoor activities and marketing and ticketing sales. As the country continues to reopen its international border and ease the process to travel into Malaysia, this will drive the recovery of the theatre business and further strengthen the Group's balance sheet.

The Group has also taken proactive measures to diversify its income stream and to reduce the reliance on property and tourism sectors which are expected to see a modest recovery in near term. The Group is exploring the distribution of other healthcare products and the gold mining operation is expected to contribute positively to the earnings of the Group in FYE 30 June 2023 when the production commences.

Save for the above, the Group will continue to look for new land bank and collaboration opportunities with potential joint venture partners to undertake future projects. This will enable the Group to enhance its financial position. The requisite announcement will be made by the Company in accordance to the Listing Requirements should the Group enter into any

agreements in relation to the collaboration and shareholders' approval will be sought, if required by the Listing Requirements. The Board is of the opinion that the Group's strategies are expected to improve the financial position of the Group.

### 6.3 Impact of the Proposals and value creation to YTB and its securities holders

The Proposed Share Consolidation will result in a reduction in the number of YTB Shares available in the market and increase the reference price of YTB Shares. This will potentially provide a stable trading price for YTB Shares and ICPS.

Both the Proposed Bonus Issue of Warrants and Proposed Debt Settlement may/will result in an increase in the number of YTB Shares in issue which may accordingly dilute the EPS of the Company if the earnings of the Company do not increase in tandem with such increase in the number of YTB Shares.

On the other hand, the Proposed Debt Settlement will relieve the financial pressure on YTB's debt obligation to the Creditors without incurring additional debt and interest expenses as well as preserving cash and strengthening the Company's capital base.

The Proposed Bonus Issue of Warrants will allow the Warrants Entitled Shareholders to benefit from the future growth of YTB and increase their equity participation in the Company through the exercise of the Warrants at a pre-determined exercise price. Additionally, the Proposed Bonus Issue of Warrants will also help strengthen the Company's financial position and provide additional working capital which help facilitate YTB's existing day-to-day operations as a whole by providing more flexibility in terms of cash flow management.

### 6.4 Adequacy of the Proposals in addressing YTB's financial conditions/concerns

As at 31 March 2022, the Group working capital of YTB is approximately RM38.91 million computed as follows:

	<b>RM'000</b>
Current assets	387,870
Less: Current liabilities	348,960
<b>Working Capital</b>	<b>38,910</b>
Add: Settlement Amount	46,000
Add: Potential fund raised from exercised of Warrants	61,859
<b>Total Estimated Working Capital</b>	<b>146,769</b>

The Proposed Debt Settlement will allow the Group to reduce its liabilities by RM46.00 million. On the other hand, the Group will potentially raise approximately RM61.86 million (based on the indicative exercise price of the Warrants of RM0.6000 and issuance of 103,098,378 Warrants) from the Proposed Bonus Issue of Warrants. Based on the foregoing, the working capital of the YTB will increased to RM146.77 million. Additionally, YTB has a balance of RM173.00 million unissued RCPS which may further strengthen the Company's capital base.

Based on the above, the Company is of the view that, the Proposals will be adequate to address the financials of the Company.

## 7. EFFECTS OF THE PROPOSALS

The effects of the Proposals on the issued share capital, the NA, gearing, earnings and EPS and substantial shareholders' shareholdings of the Company, are set out below:

### 7.1 Issued share capital

The pro forma effects of the Proposals on the issued share capital of YTB are as follows:

#### Minimum Scenario

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at LPD <sup>(1)</sup>	1,418,582,491	672,283,259
After the Proposed Share Consolidation	283,716,498	672,283,259
To be issued pursuant to the Proposed Debt Settlement	92,000,000	<sup>(2)(7)</sup> 45,850,000
To be issued assuming full exercise of Warrants	70,929,125	<sup>(3)</sup> 42,557,475
<b>Enlarged issued share capital</b>	<b>446,645,623</b>	<b>760,690,734</b>

#### Maximum Scenario

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at LPD <sup>(1)</sup>	1,418,582,491	672,283,259
After full subscription and/ or conversion of ICPS and RCPS	2,061,967,566	<sup>(4)(5)</sup> 854,748,338
After the Proposed Share Consolidation	412,393,513	854,748,338
To be issued pursuant to the Proposed Debt Settlement	92,000,000	<sup>(2)(7)</sup> 45,850,000
To be issued assuming full exercise of Warrants	103,098,378	<sup>(6)</sup> 61,859,027
<b>Enlarged issued share capital</b>	<b>607,491,891</b>	<b>962,457,365</b>

#### **Notes:**

- (1) After adjusting for the following:
  - (a) conversion of 22,977 ICPS and 95,200 ICPS on 6 October 2021 and 28 January 2022, respectively into a total of 118,177 new Shares at the conversion price of RM0.80 per Share; and
  - (b) conversion of 7,000,000 RCPS at conversion price of RM0.10 per Share.
- (2) Based on the issuance of 92,000,000 YTB Shares at an issue price of RM0.5000.
- (3) Based on the exercise of 70,929,125 Warrants into 70,929,125 YTB Shares at an indicative exercise price of RM0.6000.
- (4) Based on the assumption that the 26,062,553 outstanding ICPS will be fully converted into 26,062,553 new Shares at the conversion price of RM0.80 per Share.
- (5) Based on the assumption that the RCPS will be fully subscribed and converted into 617,322,522 shares at an indicative conversion price of RM0.2618 per Share.
- (6) Based on the exercise of 103,098,378 Warrants into 103,098,378 YTB Shares at an indicative exercise price of RM0.6000.

(7) After incorporating estimated expenses of RM150,000 in relation to the Proposals.

## 7.2 Existing convertible securities

Save for the ICPS and RCPS as disclosed under Section 2 and 5(ii) of this Circular, the Company does not have any other existing convertible securities as at the date of this Circular.

The Proposed Share Consolidation may give rise to the following adjustments:

- (i) adjustment to the conversion price and ratio of the ICPS in accordance with the provisions of the Constitution, which governs the ICPS; and
- (ii) adjustments to the minimum conversion price of RCPS and maximum number of YTB Shares to be issued pursuant to the conversion of RCPS in accordance with the provisions of the Subscription Agreement;

to mitigate any potential equity dilution resulting from the Proposed Share Consolidation and to ensure that the status of the existing holders of the ICPS and RCPS are not prejudiced after the Proposed Share Consolidation.

The details of the actual adjustments to the ICPS and RCPS shall be announced at a later date and shall be set out in a notice of adjustments to the holders of ICPS and RCPS, which shall be despatched within the stipulated period as provided in the Constitution and Subscription Agreement respectively.

For avoidance of doubt, there will be no adjustment required pursuant to the Proposed Bonus Issue of Warrants.

### 7.2.1 Illustration for adjustments in relation to the ICPS pursuant to the Proposed Share Consolidation

For illustration purposes, assuming all the 26,062,553 outstanding ICPS are not converted prior to the Consolidated Shares Entitlement Date, the conversion price and the conversion ratio of the ICPS will be adjusted as follows:-

Adjusted conversion price	= Conversion Price	x	$\frac{\text{Total number of Existing Shares as at LPD}}{\text{Total number of Consolidated Shares}}$
	= RM0.8000	x	$\frac{1,418,582,491}{283,716,498}$
	= RM4.0000		
Adjusted conversion ratio	= Conversion Ratio	x	$\frac{\text{Total number of Existing Shares as at LPD}}{\text{Total number of Consolidated Shares}}$
	= 1 ICPS for 1 new Share	x	$\frac{1,418,582,491}{283,716,498}$
	= 5 ICPS for 1 new Share		



### 7.2.2 Illustration for adjustments in relation to the RCPS pursuant to the Proposed Share Consolidation

For illustration purposes, assuming all the balance RCPS tranches are not subscribed and converted prior to the Consolidated Shares Entitlement Date, the maximum limit of conversion shares and the minimum conversion price of the RCPS will be adjusted as follows:-

$$\begin{aligned}
 \text{Adjusted maximum limit of conversion shares} &= \text{Balance of maximum limit of conversion shares as at LPD} \times \frac{\text{Total number of Consolidated Shares}}{\text{Total number of Existing Shares as at LPD}} \\
 &= 617,322,522 \times \frac{283,716,498}{1,418,582,491} \\
 &= 123,464,504 \\
 \\
 \text{Adjusted minimum conversion price} &= \text{Minimum conversion price} \times \frac{\text{Total number of Existing Shares as at LPD}}{\text{Total number of Consolidated Shares}} \\
 &= 0.10 \times \frac{1,418,582,491}{283,716,498} \\
 &= 0.50
 \end{aligned}$$

**[The rest of this page is intentionally left blank]**

### 7.3 NA and gearing

For illustration purpose, the pro forma effects of the Proposals on the NA and gearing of YTB based on the latest audited consolidated statement of financial position of the Group as at 30 June 2021 are as follows:

#### Minimum Scenario

	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	
	<b>(<sup>1</sup>)After adjustment for subsequent event</b>	<b>After the Proposed Consolidation</b>	<b>After the Proposed Bonus Issue of Warrants</b>	<b>After the Proposed Debt Settlement</b>	<b>Assuming full exercise of Warrants</b>	
	<b>Audited As at 30 June 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	665,538,717	672,283,259	672,283,259	672,283,259	(2)(4)718,133,259	(3)760,690,734
ICPS	20,944,584	20,850,042	20,850,042	20,850,042	20,850,042	20,850,042
RCPS	-	-	-	-	-	-
Retained earnings	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)
<b>Equity attributable to the owners of the Company</b>	<b>578,246,961</b>	<b>584,896,961</b>	<b>584,896,961</b>	<b>584,896,961</b>	<b>630,746,961</b>	<b>673,304,436</b>
Non-controlling interest	281,147	281,147	281,147	281,147	281,147	281,147
<b>Total Equity</b>	<b>578,528,108</b>	<b>585,178,108</b>	<b>585,178,108</b>	<b>585,178,108</b>	<b>631,028,108</b>	<b>673,585,583</b>
No. of Shares ('000)	1,348,464,314	1,418,582,491	283,716,498	283,716,498	(2)375,716,498	(3)446,645,623
NA per Share (RM)	0.43	0.41	2.06	2.06	1.68	1.51
Borrowings ('000) <sup>(5)</sup>	195,710,044	195,710,044	195,710,044	195,710,044	195,710,044	195,710,044
Gearing (times) <sup>(5)</sup>	0.34	0.33	0.33	0.33	0.31	0.29
Public shareholding spread (%)	78.83	81.30	81.30	81.30	80.55	85.15

**Notes:**

- (1) After adjusting for the following:
  - (a) conversion of 22,977 ICPS and 95,200 ICPS on 6 October 2021 and 28 January 2022, respectively into a total of 118,177 new Shares at the conversion price of RM0.80 per Share; and
  - (b) conversion of 7,000,000 RCPS at conversion price of RM0.10 per Share.
- (2) Based on the issuance of 92,000,000 YTB Shares at an issue price of RM0.5000.
- (3) Based on the exercise of 70,929,125 Warrants into 70,929,125 YTB Shares at an indicative exercise price of RM0.6000.
- (4) After incorporating estimated expenses of RM150,000 in relation to the Proposals.
- (5) The Settlement Amount is non-interest bearing and therefore not included in the total borrowings of the Company as well as for the purpose of the computation of gearing.

**[The rest of this page is intentionally left blank]**

**Maximum Scenario**

		<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>
	<b>Audited As at 30 June 2021</b>	<b>(1)After adjustment for subsequent event</b>	<b>After full subscription and/ or conversion of ICPS and RCPS</b>	<b>After the Proposed Consolidation</b>	<b>After the Proposed Bonus Issue of Warrants</b>	<b>After the Proposed Debt Settlement</b>	<b>Assuming full exercise of Warrants</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	665,538,717	672,283,259	(2)(3)854,748,338	854,748,338	854,748,338	(4)(6)900,598,338	(5)962,457,365
ICPS	20,944,584	20,850,042	-	-	-	-	-
RCPS	-	-	-	-	-	-	-
Retained earnings	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)	(108,236,340)
<b>Equity attributable to the owners of the Company</b>	<b>578,246,961</b>	<b>584,896,961</b>	<b>746,511,998</b>	<b>746,511,998</b>	<b>746,511,998</b>	<b>792,361,998</b>	<b>854,221,025</b>
Non-controlling interest	281,147	281,147	281,147	281,147	281,147	281,147	281,147
<b>Total Equity</b>	<b>578,528,108</b>	<b>585,178,108</b>	<b>746,793,145</b>	<b>746,793,145</b>	<b>746,793,145</b>	<b>792,643,145</b>	<b>854,502,172</b>
No. of Shares ('000)	1,348,464,314	1,418,582,491	(2)(3)2,061,967,566	412,393,513	412,393,513	(4)504,393,513	(5)607,491,891
NA per Share (RM)	0.43	0.41	0.36	1.81	1.81	1.57	1.41
Borrowings ('000) <sup>(7)</sup>	195,710,044	195,710,044	195,710,044	195,710,044	195,710,044	195,710,044	195,710,044
Gearing (times) <sup>(7)</sup>	0.34	0.33	0.26	0.26	0.26	0.25	0.23
Public shareholding spread (%)	78.83	81.30	87.13	87.13	87.13	89.48	89.08

**Notes:**

(1) After adjusting for the following:

- (a) conversion of 22,977 ICPS and 95,200 ICPS on 6 October 2021 and 28 January 2022, respectively into a total of 118,177 new Shares at the conversion price of RM0.80 per Share; and
  - (b) conversion of 7,000,000 RCPS at conversion price of RM0.10 per Share.
- (2) Based on the assumption that the 26,062,553 outstanding ICPS will be fully converted into 26,062,553 new Shares at the conversion price of RM0.80 per Share.
  - (3) Based on the assumption that the RCPS will be fully subscribed and converted into 617,322,522 shares at an indicative conversion price of RM0.2618 per Share.
  - (4) Based on the issuance of 92,000,000 YTB Shares at an issue price of RM0.5000.
  - (5) Based on the exercise of 103,098,378 Warrants into 103,098,378 YTB Shares at an indicative exercise price of RM0.6000.
  - (6) After incorporating estimated expenses of RM150,000 in relation to the Proposals.
  - (7) The Settlement Amount is non-interest bearing and therefore not included in the total borrowings of the Company as well as for the purpose of the computation of gearing.

#### **7.4 Earnings and EPS**

The Proposed Share Consolidation is not expected to have any material effect on the consolidated earnings of the Group for the financial year ending 30 June 2022 except for the proportionate increase in the Company's consolidated EPS or losses per share as a result of the reduction in the number of Shares in issue pursuant to the Proposed Share Consolidation.

The Proposed Bonus Issue of Warrants and Proposed Debt Settlement, which are expected to be implemented by the third quarter of 2022, are not expected to have any material effect on the earnings of YTB Group for the financial year ending 30 June 2022. However, the EPS of the YTB Group may be diluted as a result of the issuance of new YTB Shares arising from the exercise of Warrants and the Settlement Shares.

#### **7.5 Substantial shareholders' shareholdings**

The Proposed Share Consolidation will not have any effect on the percentage of shareholdings of the substantial shareholders of YTB. However, the number of Shares held by the substantial shareholders and all other shareholders of the Company will reduce proportionately upon completion of the Proposed Share Consolidation.

The Proposed Bonus Issue of Warrants will not have any effect on the substantial shareholders' percentage of shareholding in the Company as the

Warrants will be allotted on a pro-rated basis to all shareholders of the Company. However, the number of YTB Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants.

The effects of the Proposals on the shareholdings of the substantial shareholders of the Company are set out below:

**Minimum Scenario**

	<sup>(1)</sup> Existing as at LPD				<sup>(2)</sup> After the Proposed Share Consolidation				<sup>(2)</sup> After the Proposed Bonus Issue of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Substantial shareholders</b>												
Full Winning Developments Limited	136,821	9.64	-	-	27,364	9.64	-	-	27,364	9.64	-	-
Datuk Wira Boo Kuang Loon	92,800	6.54	-	-	18,560	6.54	-	-	18,560	6.54	-	-
Creditors, collectively	-	-	-	-	-	-	-	-	-	-	-	-
	<sup>(3)</sup> After the Proposed Debt Settlement				<sup>(4)</sup> After full exercise of Warrants							
	Direct		Indirect		Direct		Indirect					
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%				
<b>Substantial shareholders</b>												
Full Winning Developments Limited	27,364	7.28	-	-	34,205	7.66	-	-				
Datuk Wira Boo Kuang Loon	18,560	4.94	-	-	23,200	5.19	-	-				
Creditors, collectively	92,000	24.49	-	-	92,000	20.60	-	-				

**Notes:**

- (1) Based on 1,418,582,491 Shares outstanding as at LPD.
- (2) Based on 283,716,498 Shares outstanding after the Proposed Share Consolidation.
- (3) Based on 375,716,498 Shares outstanding after the Proposed Debt Settlement.

(4) Based on 446,645,623 Shares outstanding after the full exercise of Warrants.

### **Maximum Scenario**

	<sup>(1)</sup> Existing as at LPD				<sup>(2)</sup> After full subscription and/ or conversion of ICPS and RCPS				<sup>(3)</sup> After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Substantial shareholders</b>												
Full Winning Developments Limited	136,821	9.64	-	-	136,821	6.64	-	-	27,364	6.64	-	-
Datuk Wira Boo Kuang Loon	92,800	6.54	-	-	92,800	4.50	-	-	18,560	4.50	-	-
Creditors, collectively	-	-	-	-	-	-	-	-	-	-	-	-
ICPS holders	-	-	-	-	26,062	1.26	-	-	5,213	1.26	-	-
RCPS Subscriber	-	-	-	-	617,323	29.94	-	-	123,465	29.94	-	-
	<sup>(3)</sup> After the Proposed Bonus Issue of Warrants				<sup>(4)</sup> After the Proposed Debt Settlement				<sup>(5)</sup> After full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Substantial shareholders</b>												
Full Winning Developments Limited	27,364	6.64	-	-	27,364	5.43	-	-	34,205	5.63	-	-
Datuk Wira Boo Kuang Loon	18,560	4.50	-	-	18,560	3.68	-	-	23,200	3.82	-	-
Creditors, collectively	-	-	-	-	92,000	18.24	-	-	92,000	15.14	-	-
ICPS holders	5,213	1.26	-	-	5,213	1.03	-	-	6,516	1.07	-	-
RCPS Subscriber	123,465	29.94	-	-	123,465	24.48	-	-	154,331	25.40	-	-

### **Notes:**

(1) Based on 1,418,582,491 Shares outstanding as at LPD.

- (2) Based on 2,061,967,566 Shares outstanding after the full subscription and/ or conversion of ICPS and RCPS.
- (3) Based on 412,393,513 Shares outstanding after the Proposed Share Consolidation.
- (4) Based on 504,393,513 Shares outstanding after the Proposed Debt Settlement.
- (5) Based on 607,491,891 Shares outstanding after the full exercise of Warrants.

**[The rest of this page is intentionally left blank]**



## **8. PROSPECT AND OUTLOOK**

### **8.1 Overview and outlook of the Malaysian economy**

The Malaysian economy improved in 2021, registering a growth of 3.1%. The recovery momentum in the early part of the year was affected by the reimposition of nationwide containment measures from June to September 2021, following a rapid resurgence of cases due to the Delta variant. However, unlike the movement restrictions in the second quarter of 2020, more essential economic sectors were allowed to operate, while businesses and households were better adapted to the containment measures and standard operating procedures (SOPs). Notwithstanding this, some sectors, such as high-touch services, tourism-related industries and construction, were slower to recover due to continued restrictions on movement and operating capacity. As these restrictions were eventually lifted in October 2021 amid rapid progress in domestic vaccinations, economic activities picked up and labour market conditions improved. The expansion in employment and subsequent increase in private sector wages contributed towards increased household spending. Private investment growth was supported by expansion in productive capacity, especially in the manufacturing sector, alongside higher capital spending by firms on automation and digitalisation. In addition, external demand also provided additional support to our economic growth in 2021.

Continued recovery in the global economy as countries gradually transition towards normalcy, albeit at varying degrees. In 2022, PPP-weighted global growth and Malaysia's export-weighted global growth are projected to expand between 3.8% and 4.3%, and between 4.0% and 4.5%, respectively. The improvement in labour market conditions amid the progressive reopening of economies over the past year is expected to facilitate recovery in private sector activity in 2022. The impact of resurgences of COVID-19 remains a key risk but is expected to be smaller in 2022 than in 2020 and 2021 due to factors such as continued good progress in vaccinations, among others. Nevertheless, the ongoing military conflict in Ukraine is expected to weigh on global growth. Spillovers would stem mainly from disruptions in commodity supply, leading to higher commodity prices and inflation which could raise cost pressures on firms and lower real income for households.

(Source: Economic and Monetary Review 2021, Bank Negara Malaysia)

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). The improvement also reflected recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth. On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the demand side, growth was driven by higher consumption and trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered an increase of 6.6% (3Q 2021: -3.6%).

(Source: Bank Negara Malaysia Quarterly Bulletin Vol. 36 No.4; Fourth Quarter of 2021, Bank Negara Malaysia)

### **8.2 Overview and outlook of the property market in Malaysia**

The property market performance recorded a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. A total of 300,497 transactions worth RM144.87 billion were recorded, showing an increase of 1.5% in volume and 21.7% in value compared to last year. The residential, commercial and industrial sub-sectors saw an increase in volume of transaction by 3.9%, 10.7% and 17.6% respectively, while agriculture and development land sub-sectors declined slightly by 7.5% and 7.4% respectively. Value of transactions recorded higher increase for residential, commercial, industrial and development

land sub-sectors each at 16.7%, 43.1%, 32.9% and 33.2% whereas agriculture recorded decrease by 5.1%.

### Residential property

Residential sub-sector led the overall property market activity, with 66.2% contribution in volume. There were 198,812 transactions worth RM76.90 billion recorded in the review period, increased by 3.9% in volume and 16.7% in value year-on-year. The improvement was supported by the uptrend recorded in WP Kuala Lumpur (4.9%), Selangor (10.7%), Pulau Pinang (16.3%) and Perak (3.2%). Conversely, Johor recorded a decline in market activity by 2.4%.

Selangor contributed the highest volume and value to the national market share, with 24.5% in volume (48,755 transactions) and 34.4% in value (RM26.49 billion). WP Kuala Lumpur recorded 11,129 transactions but ranked the second highest in value at RM9.69 billion, contributing 12.6% market share.

Demand continued to focus on terraced houses, formed around 43.0% of the total residential transactions, followed by vacant plots and high-rise units, each with nearly 15.0% market share. The affordable price range of RM300,000 and below accounted for 55.9% of the total, followed by RM300,001 to RM500,000 (24.6%), RM501,000 – RM1,000,000 (14.8%) and more than RM1,000,000 (4.8%).

The primary market saw lesser release of new launches. There were nearly 44,000 units launched in 2021, against 47,178 units in 2020. The decline was expected as developers held back on the new launches due to the softening property market and increasing numbers of unsold inventories. Sales performance was moderate at 39.3% in 2021.

Selangor recorded the highest number of new launches in the country, capturing nearly 22.4% (9,827 units) of the national total with sales performance at 54.0%. Johor recorded the second highest number (5,513 units, 12.6% share) with sales performance at 49.2%. Perak came third (5,239 units, 11.9% share) with sales performance at 25.8%.

By property type, terraced houses (60.1%) dominated the new launches, comprising single storey (10,667 units) and two to three storey (15,705 units), followed by condominium/apartment units with 27.4% share (12,018 units).

The residential overhang situation was less encouraging, with volume amounting to 37,000 units worth RM22.79 billion as at year-end, increased by 24.7% and 20.5% in volume and value respectively against last year.

Selangor retained the highest number and value of overhang in the country with 6,095 units worth RM5.28 billion, accounting to 16.5% and 23.2% respectively of the national total. Johor (6,089 units worth RM4.72 billion), Pulau Pinang (5,493 units worth RM3.56 billion) and WP Kuala Lumpur (3,908 units worth RM3.17 billion) followed suit.

Condominium/apartment formed 55.6% (20,505 units) of the national total overhang, followed by terraced houses (21.3%; 7,839 units). Ironically, houses in the affordable price range of RM300,000 and below formed the majority with 31.5% (11,610 units). This was followed by RM500,001 to RM1.0 million with 30.2% (11,139 units), RM300,001 and RM500,000 with 25.7% (9,461 units) and more than RM1.00 million with 12.6% (4,653 units).

The unsold under construction improved as the numbers dropped by 2.1% to 70,231 units. However, the unsold not constructed recorded a sharp increase by 69.2% to 21,960 units.

Construction activity recorded an increase in housing starts, up by 5.0% to 86,258 units and new planned supply increased by 8.2% to 77,585 units compared to 2020. Contrarily, completions were down by 0.8% to 76,393 units.

The Malaysian House Price Index (MHPI) stood at 201.5 points in 2021 with a low annual growth of 0.6%. Terraced House Price Index managed to sustain growth at 2.0%. However, High-Rise, Semi-Detached and Detached House Price Index recorded a slight decline of 0.2%, 0.1% and 3.3% respectively. Major states saw mixed movements in its overall House Price Index—Selangor and Johor each up by 1.6% and 2.6% while WP Kuala Lumpur and Pulau Pinang each down by 3.6% and 1.7%.

### Commercial property

The commercial sub-sector saw a better performance in 2021. There were 22,428 transactions worth RM27.94 billion recorded in 2021, increased by 10.7% in volume and 43.1% in value as compared with 2020.

Shop segment recorded 11,574 transactions worth RM9.60 billion, dominating 51.6% of the commercial property transactions volume and 34.3% of the total value. Market performance recorded an increase of 10.5% in volume and 12.7% in value against 2020.

Selangor contributed the highest volume to the national market share, with 26.8% (6,021 transactions), followed by WP Kuala Lumpur with 14.5% (3,251 transactions). In terms of value, WP Kuala Lumpur led the market with 32.0% (RM8.95 billion), followed by Selangor with 25.3% (RM7.06 billion).

Serviced apartment segment recorded 4,359 transactions worth RM2.82 billion, formed 19.4% of the commercial property transactions volume and 10.1% of the value. Market performance recorded an increase of 12.7% in volume and 11.1% in value of transactions compared with 2020.

Serviced apartment segment recorded 24,295 overhang units with a value of RM20.46 billion, up by 2.9% in volume but dropped 1.4% in value against 2020. Johor recorded the highest volume in the country with 67.8% share (16,476 units) and 69.1% share in value (RM14.14 billion).

Similarly, the unsold under construction and not constructed increased to 42,094 units and 8,361 units, up by 19.4% and 2.6% respectively. WP Kuala Lumpur held the highest number of unsold under construction, with 41.2% share (17,356 units), followed by Selangor with 25.2% share (10,619 units) and Johor 19.0% (7,982 units).

The construction activities saw a mixed trend with starts increased by 24.3% to 36,979 units, completion and new planned supply declined by 28.6% (12,213 units) and 40.1% (12,820 units) respectively.

The overall performance of shopping complex continued to soften, recording an occupancy rate of 76.3%, down from 77.5% in 2020. WP Kuala Lumpur and Selangor recorded 79.8% and 80.7% occupancy rate respectively, whereas Johor and Pulau Pinang managed to secure an average occupancy of 73.0% and 70.9% respectively. Melaka and Negeri Sembilan recorded among the lowest occupancy rate in the country, each at 63.8% and 66.8%.

Twelve new complexes completed in the review period, adding nearly 440,000 s.m. of retail space into the market, bringing the total space for shopping complex nationwide to 17.28 million square metres. There were another 43 complexes (1.71 million s.m.) in the incoming supply and with another 11 complexes (0.37 million s.m.) in the planned supply.

The overall performance of purpose-built office decreased to 78.3% in 2021, down from 80.2% in 2020. The occupancy rate for private office buildings declined further to 71.5%, down from 73.9% recorded in 2020. WP Kuala Lumpur and Pulau Pinang recorded an occupancy rate of 71.8% and 80.6% respectively, whereas Selangor and Johor saw lower than national level at 67.3% and 62.4% respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate in the country at 44.0%.

There were 13 new completions offering a total office space of 0.69 million s.m., lower compared to 2020 (11 new completions; 0.45 million s.m.). As at end-2021, there was a total of 23.97 million s.m. existing office space from 2,583 buildings, while another 1.65 million s.m. (44 buildings) in the incoming supply and nearly 0.29 million s.m. (12 buildings) in the planned supply.

### Leisure

Eleven hotel transactions were recorded in the review period with an accumulated worth of slightly more than RM700.00 million. Six had its sale and purchase agreements dated in 2020 but concluded in 2021.

Construction activities was on a low tone. Three new hotels/resorts completed in 2021 offering 337 rooms, down by 77.6% against 2020 (20 hotels/resorts; 1,503 rooms). Starts and new planned supply contracted by 51.5% (985 rooms) and 79.6% (400 rooms) respectively.

The impact of COVID-19 pandemic on the leisure sector was catastrophic as many hotels/resorts had been forced to either temporarily shut down or permanently closed down as the operating costs were way beyond its sustenance. According to Tourism Malaysia, the average occupancy rate dropped to 21.8% (January to September 2021) from 31.6% in 2020.

### Outlook

The property market is expected to regain its momentum in 2022 though the environment remained challenging. The 'Transition to Endemic' phase of COVID-19 starting April 1 2022 will see the lifting of restrictions of business operating hours and reopening of country borders, which is expected to further improve domestic economic activities.

As economy is set to be on the right trajectory, the property market performance is expected to be on similar track. The accommodative policies, continuous government support, well execution of all planned measures outlined in Budget 2022 and the proper implementation of strategies and initiatives under RMK-12 is expected to support growth in the property sector.

(Source: Property Market Report 2021, Valuation and Property Services Department, Ministry of Finance)

## **8.2.1 Overview and outlook of the central region property market**

The Central Region property market performance improved in H1 2021, indicated by the increase in market activities. The region registered 36,089 transactions worth RM28.56 billion, increased by 33.9% and 37.0% in volume and value respectively as compared to H1 2020. Combined, these three states formed 25.8% and 46.1% of the national volume and value of transactions. In terms of transaction volume, Kuala Lumpur and Selangor increased by 17.9% and 38.2% respectively, whereas Putrajaya declined by 16.1%. In term of transaction value, all states showed an upward trend. Kuala Lumpur increased by 40.7%, followed by Selangor (35.9%), and Putrajaya (2.4%).

By state, Selangor dominated the region's overall property transactions with 82.0% in volume (29,610 transactions) and 72.7% in value (RM20.76 billion) of the total transactions. By sub-sector, residential continued to dominate the region's property transactions, contributing 79.6% (28,710 transactions) of the total. Likewise, residential sub-sector dominated the region's overall property transaction value with 57.4% share.

Residential sub-sector was the main sub-sector for all states. Kuala Lumpur and Selangor recorded increase of 19.8% and 38.0% in volume of transactions respectively whereas, Putrajaya decreased by 12.9%. In terms of transaction value, all states showed upward trend. Selangor increased by 47.1%, followed by Putrajaya (32.2%) and Kuala Lumpur (25.5%).

The Central Region primary market saw more new launches in Kuala Lumpur and Selangor. Kuala Lumpur recorded 3,651 new launches, increased by 8.8% compared to H1 2020 (3,356 units), meanwhile Selangor increased by 28.1% to 4,114 units (H1 2020: 3,212 units). No new launches was recorded in Putrajaya. The residential overhang situation took a downturn compared to previous year as more units were recorded for Kuala Lumpur and Putrajaya in H1 2021. However, the residential overhang situation in Selangor improved in H1 2021. The unsold under construction unit in the Central Region increased by 2.6% (21,102 units) compared to H2 2020 (20,564 units). Meanwhile the unsold not constructed decreased by 20.4% (6,851 units) compared to H2 2020 (8,609 units).

(Source: Central Region Property Market Report First Half 2021, Valuation and Property Services Department, Ministry of Finance)

### **8.2.2 Overview and outlook of the Southern region property market**

The Southern Region property market performance registered 30,517 transactions worth RM13.08 billion, increased by 14.7% and 28.3% in volume and value respectively as compared to H1 2020. Combined, these three states formed about 21.8% and 21.1% of the national volume and value of transactions. All states showed an upward trend. Property market performance in Negeri Sembilan increased by 20.7%, followed by Johor 13.2% and Melaka 12.2%.

Similar upward trend was seen in transaction value. Negeri Sembilan increased by 36.7%, followed by Johor 28.1% and Melaka 19.7%. Johor dominated the region's overall property transaction with 55.5% in volume (16,952 transactions) and 62.0% in value (RM8.11 billion) of the total transactions. By sub-sector, residential continued to dominate the region's property transactions, contributing 65.4% (19,943 transactions) of the total. Likewise, residential sub-sector dominated the region's overall property transaction value with 51.0% share (RM6.68 billion).

Residential property was the main sub-sector for the region. There were 19,943 transactions worth RM6.68 billion, increase by 10.5% in volume and 20.1% in value against H1 2020. All states recorded increasing volume and value of transactions. Negeri Sembilan, Melaka and Johor increased by 24.9%, 10.4% and 4.8%. respectively. In terms of transaction value, all states showed upward trend. Negeri Sembilan increased by 34.2%, followed by Melaka 17.5% and Johor 15.8%.

The overall primary market in Southern Region moderated due to decline of new launches in Negeri Sembilan and Johor. Negeri Sembilan decreased by 64.9% which is from 2,915 units at H1 2020 to 1,024 units, whereas Johor recorded 2,187 new launches, decreased by 28.8% as compared to H1 2020 (3,071 units) in this period. Meanwhile, new launches in Melaka increased 12.3% to 1,131 units from 1,007 units at H1 2020.

The overhang housing situation improved slightly, especially for Johor and Negeri Sembilan where there was a decrease of 5.2% and 0.9% compared to the total overhang in H2 2020. However, Melaka saw an increase of 5.7%. Unsold under construction situation in Johor recorded a decrease of 3.2%, while Negeri Sembilan and Melaka with an increase of 4.3% and 6.9% compared to H2 2020. The unsold not constructed in Johor increased from 333 unit, H2 2020 to 1,000 units in H1 2021. Similarly, Negeri Sembilan recorded an increase in unsold not constructed from 192 units in H2 2020 to 331 units in H1 2021. On the contrary, Melaka saw a reduction of 1.4% compared to H2 2020.

Serviced apartment/ SOHO recorded 280 transaction worth RM136.03 million, formed 13.2% of the region's commercial property transactions volume and 7.1% of the total value. Region's market performance recorded an increase of 5.7% in volume (H1 2020: 265 transactions) and 15.4% in value (H1 2020: RM117.91 million). By state, Johor contributed the highest market volume market share with 80.0% (224 transactions).

Johor recorded an increase of 0.7% in overhang from 16,906 units in H2 2020 to 17,018 units. Melaka decreased 82.9% to 32 units from 187 units in H2 2020 and Negeri Sembilan was nil. The unsold under construction saw Johor increased by 17.9% from 8,026 units in H2 2020 to 9,464 units while Melaka and Negeri Sembilan has decreased by 91.9% and 7.5% respectively.

Two transactions were recorded in the Southern Region in the review period which is MYDIN Mutiara Rini, Pulai Johor Bahru, transferred in 2020 and Seremban Prima, Seremban, Negeri Sembilan in 2019. The performance of retail sub-sector moderated. The average occupancy rate for Johor and Negeri Sembilan showed a slight decrease at 73.4% (H2 2020: 74.9%) and 66.3% (H2 2020: 66.6%) respectively. Meanwhile, Melaka remained unchanged at 63.3%.

Three transactions were recorded during the review period namely Suria City Hotel in Jalan Bukit Meldrum, Johor Bahru at a price of RM15.00 million, Sri Pelangi Hotel in Jalan Sisi, Bandar Maharani, Muar at a price of RM6.80 million and Legacy Hotel, Jalan Seremban, Port Dickson with a price of RM13.00 million.

(Source: Southern Region Property Market Report First Half 2021, Valuation and Property Services Department, Ministry of Finance)

### **8.3 Overview and outlook of the tourism industry in Malaysia**

When the COVID-19 pandemic hit Malaysia, the services sector was the most badly impacted sector in 2020, with a contraction of 5.5%. Of this significant decline, the tourism industry was the worst-hit industry, with Gross Value Added of Tourism Industries contracted by 17.1% as tourist arrivals plunged by more than 80.0% due to worldwide travel bans and strict domestic movement restrictions. In addition, employment in the tourism industry contracted by 2.9% to 3.5 million. Since the tourism industry made up 24.4% of the services sector in 2020, the scarring effect of the tourism industry has continued to weigh on the performance of the services sector in 2021. As the pandemic continues to spread and movement restrictions continue to be imposed in 2021, the tourism industry is estimated to contract further by 19.5%.

The services sector will benefit from the pent-up demand, following increased business and consumer confidence as the nation records a high national vaccination rate. As economic and social activities are allowed to operate, the services sector is expected to expand by 7.0% in 2022. The growth is mainly driven by wholesale and retail trade; information and communications; finance and insurance; transportation and storage; and food & beverages and accommodation subsectors. With these encouraging development, the tourism industry is projected to rebound strongly by 28.9% with the resurgence of tourists arrivals and domestic tourism.

(Source: Economic Outlook 2022, Ministry of Finance)

Malaysia is all set to welcome back international travellers after the government announced the full reopening of its borders for the first time after nearly two years of COVID-19 pandemic-related closures as the nation is transitioning to endemic phase, beginning 1 April 2022.

Fully-vaccinated travellers can enjoy quarantine-free travel and are only required to take the COVID-19 RT-PCR test two days before departure and undergo professionally administered RTK-Ag within 24 hours upon arrival in Malaysia.

To ease the entry process to Malaysia, travellers with valid travel documents can enter Malaysia by downloading and activating the MySejahtera contact tracing app (from Apple App Store, Google Play Store or Huawei AppGallery) and completing the pre-departure form under the 'Traveller' icon without the need to apply for MyTravelPass, which will be abolished.

However, international travellers who are not fully vaccinated must undergo five-day quarantine upon arrival. Meanwhile, children and young people aged 12 to 17 are allowed for quarantine-free entry and only need to undergo professionally administered COVID-19 RTK-Ag within 24 hours upon arrival in Malaysia.

(Source: Malaysia Tourism Promotion Board's press release dated 11 March 2022)

#### **8.4 Prospects of YTB Group**

For FYE 30 June 2022, the Group's strategy is to stay focus completing all of its on-going development projects, namely The Apple, Amber Cove, The Dawn and Impression U-Thant. The Group had completed and delivered vacant possession of The Apple in December 2021, located within the Melaka City Centre with a take-up rate of 70.0% and estimated gross development profit of RM30.00 million.

Amber Cove and The Dawn are located within Impression City, Melaka with a take-up rate of 94.0% and 75.0%, and estimated gross development profit of RM50.00 million and RM20.00 million, respectively. Whereas, Impression U-Thant has a take-up rate of 70.0% and an estimated gross development profit of RM45.00 million, is located in Jalan U-Thant, a strategic location within Kuala Lumpur.

Both Amber Cove and Impression U-Thant are also on track to complete and deliver vacant possession by third and fourth quarter of year 2022. With total unbilled revenue of RM240.51 million as at LPD, the Group expects the property development segment to provide earnings visibility over next two financial years.

Encore Melaka theatre reopened its door on 30 April 2022 as the country is transitioned to endemic phase and the country's borders are opened for all foreign visitors with further relaxation of Standard Operating Procedures. Prior to the temporary closure of Encore Melaka due to the COVID-19 pandemic, the theatre contributed approximately RM16.00 million of total ticket revenue for FYE 2019 and FYE 2020 combined. However, since the re-opening up to LPD, the occupancy rate of the theatre remains low with less than RM1.00 million of revenue due to lack of tourist arrivals given that China continues to impose strict travel restrictions.

While the Group has previously focused on the Impression Series, the strategy has shifted towards a broader range of live entertainment, art and cultural shows using its state-of-the-art theatrical capabilities. Beyond positioning itself as the venue for events, Encore Melaka will serve as a one-stop solution for all event staging needs and even cater for outdoor activities and marketing and ticketing sales. As we continue to reopen our international border and ease the process to travel into Malaysia, this will drive the recovery of our theatre business.

Whereas for the new venture into vaccine distribution, given that Malaysia has achieved overall high vaccination rate, the Group decided to explore the distribution of other healthcare products in order to generate diversified revenue stream for the Group. The Group will be able to tap into the potential growth in the pharmaceutical industry in Malaysia riding on the increasing healthcare expenditure by the government and COVID-19 pandemic has highlighted the need for health-conscious living, which is creating huge demand for healthcare related products in the market. As at the LPD, the Group has yet to identify the healthcare products to be distributed, therefore, no capital expenditure had been incurred yet.

As for gold mining operation, the preparation works have been completed with the capital expenditure of RM4.30 million incurred. The exploration thus far indicated satisfactory ore grade and estimated minimum monthly production volume of 5 kg.

Barring any unforeseen circumstances and upon fulfilling the necessary conditions, the production is expected to commence in July 2022 with an estimated monthly revenue of

RM1.25 million based on gold market price of RM250,000 per kg. This will contribute positively to the Group's financial results for FYE 30 June 2023.

## 9. APPROVALS REQUIRED

The Proposals are subject to the following approvals:

- (a) Bursa Securities which was obtained vide its letter dated 20 June 2022 for the following:
- (i) Proposed Share Consolidation;
  - (ii) admission of the Warrants to the Official List of Bursa Securities;
  - (iii) listing of and quotation for the Warrants and new Shares to be issued from the exercise of the Warrants, on the Main Market of Bursa Securities;
  - (iv) listing of and quotation for the Settlement Shares to be issued pursuant to the Proposed Debt Settlement on the Main Market of Bursa Securities;

The approval of Bursa Securities is subject to the following conditions:

<b>No.</b>	<b>Condition</b>	<b>Status of compliance</b>
(i)	YTB and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals	Noted
(ii)	Shareholders' approval being obtained at the EGM relating to the Proposals;	To be complied
(iii)	M&A Securities is required to make the relevant announcements pursuant to Paragraph 13.20(2) of the Listing Requirements pursuant to the Proposed Share Consolidation;	To be complied
(iv)	M&A Securities and YTB must observe and ensure full compliance with Paragraph 6.50 of the Listing Requirements at all times. A copy of the letter of undertaking by the RCPS Subscriber must be submitted to Bursa Securities prior to the implementation of the Proposals;	Noted and to be complied
(v)	M&A Securities and YTB must observe and ensure full compliance with the 25.00% public shareholding spread requirements pursuant to Paragraph 8.02 of the Listing Requirements prior to the listing and quotation of YTB Shares pursuant to the Proposed Debt Settlement;	Noted
(vi)	M&A Securities to inform Bursa Securities upon the completion of the Proposals;	To be complied



<b>No.</b>	<b>Condition</b>	<b>Status of compliance</b>
(vii)	M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
(viii)	YTB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(ix)	To incorporate Bursa Securities' comments in respect of Circular to shareholders.	Complied

(b) shareholders of YTB at an EGM of the Company to be convened; and

(c) any other relevant authority, if required.

In accordance with the provision of the Subscription Agreement, save for those securities of the Company convertible by their terms into Shares issued prior the date of the Subscription Agreement, it will procure that unless the consent of the holders of more than half in principal amount of the RCPS then outstanding is obtained, no securities of the Company convertible by their terms into Shares may be converted into or exchanged for Shares and that no rights or warrants or such other convertible securities to subscribe for or purchase Shares may be exercised otherwise than, in each case, in accordance with the terms of issue thereof (except to the extent that such terms are amended as a result of any change in the Listing Requirements or change in or coming into force of any laws in Malaysia) or pursuant to amendments duly authorised in accordance with the conditions of issue of such other convertible securities.

In line with the Proposed Bonus Issue of Warrants, the Company had on 13 May 2022, obtained from the RCPS Subscriber the following:

- (i) consent for the conversion of Warrants into any new ordinary shares in the Company in accordance with the Deed Poll; and
- (ii) an undertaking that RCPS Subscriber shall not subscribe for the amount of RCPS, whereby the number of new ordinary shares in aggregate, which will arise from the conversion of the RCPS and the exercise or conversion of all other outstanding convertible equity securities of YTB (i.e. warrants and convertible preference shares), does not exceed 50.00% of the total number of issued ordinary shares of the Company (excluding treasury shares and before the exercise of the convertible equity securities) at all times, in accordance with paragraph 6.50 of the Listing Requirements taking into consideration the eventual total number of Warrants to be issued and new ordinary shares which will arise from the exercise of the Warrants pursuant to the Proposed Bonus Issue of Warrants ("**RCPS Subscriber's Undertaking**").

In addition, the Company confirms that paragraph 6.50 of the Listing Requirements is complied with as at the LPD and will be complied with at all times. Kindly refer to the following illustration on compliance with Paragraph 6.50 of the Listing Requirements, by taking into consideration the number of new shares which will arise from the exercise/conversion of all ICPS, RCPS and Warrants (to be issued pursuant to the Proposed Bonus Issue of Warrants), taking into consideration that YTB's total issued Shares will be reduced from 1,418,582,491 as at LPD to 283,716,498 Shares (based on Minimum Scenario) after the implementation of the Proposed Share Consolidation:

	<b>No. of Shares</b>	<b><sup>(2)</sup>% of enlarged issue shares</b>
Issued Shares of YTB after the Proposed Share Consolidation <sup>(1)</sup>	283,716,498	100.00
<u>Number of new YTB Shares which will arise from the exercise or conversion of all outstanding convertible equity securities of YTB:</u>		
Warrants <sup>(3)</sup>	70,929,125	25.00
YTB Shares to be issued from conversion of ICPS <sup>(4)</sup>	5,212,511	1.84
YTB Shares which can be issued from conversion of RCPS <sup>(5)(6)</sup>	65,716,613	23.16
<b>Total</b>	<b>141,858,249</b>	<b>50.00</b>

**Notes:**

- (1) Based on 1,418,582,491 total number of issued YTB Shares as at LPD consolidated into 283,716,498 based on the consolidation of 5 existing YTB Shares into 1 YTB Share.
- (2) Based on 283,716,498 total number of issued YTB Shares after the Proposed Share Consolidation.
- (3) Based on the issuance of 70,929,125 Warrants on the basis of 1 Warrant for every 4 Consolidated Shares taking into consideration the 283,716,498 Consolidated Shares after the Proposed Share Consolidation.
- (4) Based on 26,062,553 outstanding ICPS as at LPD converted into 5,212,511 YTB Shares based on the adjusted conversion ratio of 5 ICPS for 1 new YTB Shares. Pursuant to the Proposed Share Consolidation, the conversion ratio of the ICPS will be adjusted from 1 ICPS for 1 new YTB Share to 5 ICPS for 1 new YTB Share.
- (5) Based on conversion of RCPS into 65,716,613 new YTB Shares. As at LPD, the balance allowable YTB Shares to be issued from the conversion of RCPS is 617,322,522 new YTB Shares. Pursuant to the Proposed Share Consolidation, the balance allowable YTB Shares to be issued from the conversion of RCPS will be adjusted to 123,464,504 new YTB Shares ("**Adjusted Allowable RCPS Shares**").
- (6) Taking into consideration the amount of YTB Shares which can be issued from the conversion of RCPS pursuant to the RCPS Subscriber's Undertaking notwithstanding the Adjusted Allowable RCPS Shares.

## 10. HISTORICAL SHARE PRICE

The monthly highest and lowest market prices of YTB Shares as traded on Main Market of Bursa Securities for the period of 12 months up to the LPD are set out below:

	<u>High</u> <u>(RM)</u>	<u>Low</u> <u>(RM)</u>
<b>2021</b>		
June	0.3150	0.2350
July	0.2650	0.2200
August	0.2450	0.2050
September	0.2550	0.1350
October	0.1650	0.1350
November	0.1450	0.0950
December	0.1300	0.0900
<b>2022</b>		
January	0.1400	0.1000
February	0.1450	0.1050
March	0.1350	0.1000
April	0.1350	0.0950
May	0.1150	0.0600

The last transacted market price of YTB Shares on the Announcement LPD was RM0.1100.

The last transacted market price of YTB Shares as at the LPD, was RM0.0900.

*(Source: M&A Securities)*

## 11. INTER-CONDITIONALITY

The Proposed Share Consolidation is not conditional upon the Proposed Bonus Issue of Warrants and Proposed Debt Settlement.

The Proposed Bonus Issue of Warrants is conditional upon the Proposed Share Consolidation as the Proposed Bonus Issue of Warrants will be implemented after the completion of Proposed Share Consolidation. The Proposed Bonus Issue of Warrants is conditional upon the Proposed Debt Settlement only in terms of YTB shareholders' approval being obtained at an EGM of YTB to be convened for the Proposed Debt Settlement.

The Proposed Debt Settlement is conditional upon the completion of Proposed Share Consolidation and the Proposed Bonus Issue of Warrants.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company, if any.

## 12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSON(S) CONNECTED TO THEM

None of the directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposals, other than their respective entitlements as shareholders of the Company in relation to the Proposed Share Consolidation and Proposed Bonus Issue of Warrants, the rights of which are also available to all other existing shareholders of the Company as at the Consolidated Shares Entitlement Date and Warrants Entitlement Date, respectively.

### **13. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, after having considered all aspects of the Proposals including but not limited to the capital structure of the Company, rationale and effects of the Proposals, is of the opinion that the Proposals are fair and reasonable and is in the best interests of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

### **14. ADVISER**

M&A Securities has been appointed as Adviser for the Proposals.

### **15. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals which is the subject matter of this Circular, the Board confirms that there is no other outstanding corporate proposal announced by the Company to Bursa Securities, the implementation of which is still pending.

### **16. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals being obtained by the Company, the Proposals are expected to be completed by third quarter of 2022.

**The indicative timetable of events in relation to the Proposals is set out below:**

<b>Tentative dates</b>	<b>Events</b>
July 2022	EGM
July 2022	Announcement of the Consolidated Shares Entitlement Date
Early August 2022	Listing of and quotation for the Consolidated Shares
Early August 2022	Announcement of the Warrants Entitlement Date
End August 2022	Listing of and quotation for the Warrants
Early September 2022	Listing of and quotation for the Settlement Shares
Early September 2022	Completion of the Proposals

### **17. EGM**

The EGM, the notice of which are enclosed in this Circular, will be conducted fully virtual from the online meeting platform at <https://bit.ly/3A00a32> provided by Niche & Milestones International Sdn Bhd on Friday, 15 July 2022 at 10.30 a.m.

If the shareholder of YTB is unable to attend, participate, speak and vote in person at the forthcoming EGM, shareholders of YTB are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible and in any event, to be deposited at the registered office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the stipulated time for holding the EGM or any adjournment thereof. The lodging of the Proxy Form shall not preclude the shareholder of YTB from attending, participating, speaking and voting in person at the EGM should the shareholder of YTB subsequently wish to do so.

**18. FURTHER INFORMATION**

Please refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**YONG TAI BERHAD**

**DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN**  
Independent Non-Executive Chairman

**APPENDIX I – SALIENT TERMS OF DEBT SETTLEMENT AGREEMENTS**

<p>The salient terms for each of the Debt Settlement Agreements entered between the Company and/or its subsidiary(ies) with the respective Creditors are summarised as follows:</p>	
<p><b>Agreement</b></p>	<p>: The parties of the Debt Settlement Agreement as set out under Section 4.1 of this Circular agree for the settlement of the Settlement Amount as set out in the Settlement Agreement, via the issuance of such number of Settlement Shares as set out in Section 4.1 of this Circular in accordance with the terms and subject to the conditions as stated in their respective Debt Settlement Agreement.</p>
<p><b>Conditions Precedent</b></p>	<p>: Each of the Debt Settlement Agreement shall be conditional upon the following being obtained and/or fulfilled within six (6) months from the date of the Debt Settlement Agreement or such extended period as the parties to the respective Debt Settlement Agreement may mutually agree in writing:-</p> <ul style="list-style-type: none"> <li>(a) the approval of the Board of Directors of the Company in respect of the Proposed Debt Settlement and the execution of the Debt Settlement Agreements upon the terms and conditions contained therein;</li> <li>(b) the Company shall have procured the approval of its shareholders at a EGM for (i) the Proposed Share Consolidation; and (ii) the allotment and the issue, of the relevant Settlement Shares. In the event such approval(s) is obtained subject to any conditions and/or amendments, such conditions and/or amendment being reasonably acceptable to the respective Creditors, and to the extent that any such conditions are required to be fulfilled on or before the completion of the Proposed Debt Settlement, they are fulfilled. In addition, such approval(s) shall not be amended, withdrawn, revoked, rescinded or cancelled on and before the date for the issuance of the relevant Settlement Shares;</li> <li>(c) the Company shall have procured all necessary approvals and/or consents of the Bursa Securities or any other regulatory authorities for the Proposed Share Consolidation, the allotment and issue of all the relevant Settlement Shares, the listing of and quotation for all the relevant Settlement Shares on the Main Market of the Bursa Securities and such other relevant approvals in relation thereto and in connection therewith for the transactions contemplated under the relevant Debt Settlement Agreement and such approvals shall not be amended, withdrawn, revoked, rescinded or cancelled and, where approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendment being acceptable to the respective Creditors, and to the extent that any such conditions are required to be fulfilled on or before the date for the issuance of the relevant Settlement Shares, they are fulfilled;</li> </ul>

**APPENDIX I – SALIENT TERMS OF DEBT SETTLEMENT AGREEMENTS (CONT'D)**

	<p>(d) without affecting the rights and obligations of the respective Creditor under the relevant Debt Settlement Agreement, all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents), for the transactions contemplated under the relevant Debt Settlement Agreement (in particular but without limitation the issue by the Company and the subscription by the respective Creditor of the relevant Settlement Shares, including any other regulatory and/or corporate approvals and consents having been obtained and remaining valid and subsisting as at the date for the issuance of the relevant Settlement Shares;</p> <p>(e) the completion of the proof of debt exercise to be carried out by the external auditor of the Company to ascertain and verify the transactions relating to the respective total debt owing by the relevant subsidiary to the relevant Creditors ("<b>Debt</b>"), the relevant Debt amount, corresponds with the Settlement Amount, to the satisfaction of the Board of Directors of the Company; and</p> <p>(f) the completion of the Proposed Share Consolidation and Proposed Bonus Issue of Warrants as announced by the principal adviser of the Company.</p> <p>In the event that the conditions precedent set out above are not fulfilled or have not been waived within six (6) months from the date of the relevant Debt Settlement Agreement or such extended period as the parties to the relevant Debt Settlement Agreement may mutually agree in writing, then the relevant Debt Settlement Agreement shall automatically terminate and be deemed to be of no further legal effect whatsoever, and none of the parties to the relevant Debt Settlement Agreement shall have any claims against the other parties in respect of the relevant Debt Settlement Agreement. The respective subsidiary debtor shall then settle the respective Settlement Amount in a way and manner as may be mutually agreed between the relevant parties to the Debt Settlement Agreement in writing.</p>
<p><b>Manner of Repayment<sup>(1)</sup></b></p>	<p>: Subject to the terms and conditions of the respective Debt Settlement Agreement, the Company and the respective subsidiary debtor unconditionally and irrevocably agrees that the respective Settlement Amount shall be settled by way of issuance of the Settlement Shares to the Creditor within a period of one (1) month from the date on which all the conditions precedent have been fulfilled or such extended period as the parties to the respective Debt Settlement Agreement may mutually agree in writing ("<b>Unconditional Date</b>") as part payment and settlement of the Debt owing to the relevant Creditor by the Company and/or the relevant subsidiary debtor.</p>

**APPENDIX I – SALIENT TERMS OF DEBT SETTLEMENT AGREEMENTS (CONT'D)**

		For avoidance of doubt, the relevant subsidiary debtor shall pay to the relevant Creditor an amount equivalent to the relevant Debt less the relevant Settlement Amount following (" <b>Balance Debt</b> ") in such manner as may be agreeable by the parties in writing.
<b>Settlement Share Issue Price</b>	:	RM0.5000 per Settlement Share
<b>Non-entitlement</b>	:	The relevant Settlement Shares are not entitled to the Proposed Share Consolidation and the Proposed Bonus Issue of Warrants. The Proposed Debt Settlement as well as the listing of and the quotation for the relevant Settlement Shares will be implemented after the Proposed Share Consolidation and Proposed Bonus issue of Warrants.
<b>Ranking of Settlement Shares</b>	:	The relevant Settlement Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing Company's shares, save and except that the relevant Settlement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the relevant Settlement Shares.
<b>Settlement</b>	:	For the purpose of the relevant Debt Settlement Agreement, the settlement of the relevant Settlement Amount shall be on the date of actual receipt by the relevant Creditor or its nominees and the listing of the relevant Settlement Shares on the Main Market of Bursa Securities (" <b>Completion Date</b> "), whereupon the relevant subsidiary debtor and the relevant Creditor shall cease to be liable to each other for all further claim of damages, losses and/or liabilities in relation to the relevant Settlement Amount save and except for any antecedent breaches. For the avoidance of doubt, any payment under this Agreement shall be utilised towards repayment of Debt and the Proposed Debt Settlement on the part of the relevant Creditor shall be deemed completed on the on the Completion Date.
<b>Early Settlement</b>	:	Without prejudice to any clauses in the relevant Debt Settlement Agreement, the relevant subsidiary debtor may settle the relevant Balance Debt (or any portion remaining outstanding) partially or in full at anytime provided a written notice had been served on the relevant Creditor irrespective of the relevant Debt Settlement Agreement.
<b>Nomination</b>	:	(a) The parties to the Debt Settlement Agreement agree that the relevant Creditor shall be entitled to, within three (3) working days from the Unconditional Date or such other date as may be mutually agreed between the parties to the relevant Debt Settlement Agreement in writing, provide a written notice to irrevocably and unconditionally nominate its nominees in accepting the relevant Settlement Shares from the Company.



---

**APPENDIX I – SALIENT TERMS OF DEBT SETTLEMENT AGREEMENTS (CONT'D)**

---

	<p>(b) Where applicable, the relevant Creditor authorises and instructs the Company to execute such necessary documents in favour of its nominee(s) or do any act to implement and complete the abovementioned nomination and issuance of the relevant Settlement Shares.</p> <p>(c) The Company shall be entitled to deem that the abovementioned nominees have been granted with power of attorney by the relevant Creditor to undertake any dealing involving the relevant Settlement Shares and the Company shall not be required to monitor any dealing by the nominees of the relevant Settlement Shares.</p>
--	---

**Note:**

- (1) As at the LPD, there is no arrangement made with regards to the settlement and timeframe for the settlement of the balance of the RM12.31 million debt (RM58.31 million less RM46.00 million) owing to the Creditors. The Company will endeavour to settle the balance debt via internally generated funds.

**[The rest of this page has been intentionally left blank]**

**APPENDIX II – DETAILS OF THE CREDITORS**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
1	Agile Motion Sdn Bhd	09-11-2016/ Malaysia	Private limited company	1,000,000.00/ 1,000,000	Consultancy, design, implement, customization and maintenance of information technology	i) Yap Kok Weng ii) Ngan Bee Lee	i) Beh Chee Hong (500,000 shares or 50.00%) ii) Oracle Assets Technology Sdn Bhd (500,000 shares or 50.00%)	Period from 1 September 2018 to 1 August 2019	PTSI	2,550,000.02	Design, Supply, Delivery and Installation of Smart Services for Theater and Ancillary Building for Encore Melaka project	400,000.00
2	Amalan Tekun Sdn Bhd	27-05-1997/ Malaysia	Private limited company	100,000.00/ 100,000	Contract works on partitioning, ceiling, roofing, tiling and renovation works	i) Lee Tim Yow ii) Neo Kian Keong	i) Lee Tim Yow (50,000 shares or 50.00%) ii) Neo Kian Keong (50,000 shares or 50.00%)	30 June 2021	PTSI	200,000.00	Roofing System for Encore Melaka project	200,000.00
3	Asima Architects Sdn Bhd	25-08-2004/ Malaysia	Private limited company	500,000.00/ 500,000	Architectural and related works	i) Yvonne Ho Wooi Lee ii) Sim Wei Hang iii) Leow Aik Boon iv) Evonne Gun Lee Lin	i) Yvonne Ho Wooi Lee (50,000 shares or 10.00%) ii) Sim Wei Hang (250,000 shares or 50.00%) iii) Leow Aik Boon (150,000 shares or 30.00%) iv) Evonne Gun Lee Lin (50,000 shares or 10.00%)	i) 22 April 2022 ii) 12 January 2022	i) PTSI ii) Apple 99	i) 112,863.93 ii) 733,445.00	i) Architect Consultation Fees for Encore Melaka project ii) Architect Consultation Fees for Apple 99 project	i) 100,000.00 ii) 700,000,000

**APPENDIX II – DETAILS OF THE CREDITORS (CONT'D)**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
4	Causeway Iron Works Sdn Bhd	23-12-2002/ Malaysia	Private limited company	2,500,000.00/ 2,500,000	Installation of iron and other iron related works	i) Lim Seng Leong ii) Tan Yu Jin iii) Lim Ching Seng	i) Lim Seng Leong (1,250,000 shares or 50.00%) ii) Tan Yu Jin (1,250,000 shares or 50.00%)	1 December 2020	PTSI	490,000.00	Design, Supply, Delivery & Installation of Steel Structure Work Roof frame to Theater for Encore Melaka project	490,000.00
5	CBH Engineering Sdn Bhd	16-08-1990/ Malaysia	Private limited company	1,000,000.00/ 1,000,000	Electrical wiring contractor and supplying of electrical items	i) Cheah Boon Hwa ii) Cheah Boon Huat iii) Cheah Boon Kiat iv) Cheah Chai Siew v) Hooi Chee Lup	i) CBH Equities Sdn Bhd (1,000,000 shares or 100.00%)	i) 1 December 2020 ii) Period from 16 July 2018 to 10 December 2021 iii) Period from 9 March 2021 to 14 April 2022 iv) Period from 16 June 2021 to 29 April 2022 v) Period from 20 September 2021 to 29 April 2022	i) PTSI ii) Apple 99 iii) YTBD iv) YTBI v) YTBI	i) 202,500.00 ii) 4,436,118.07 iii) 692,051.93 iv) 2,439,462.77 v) 396,391.50	i) Electrical, Telephone, SMAT System for Encore Melaka project ii) Electrical, Telephone, SMAT System for Apple 99 project iii) Electrical Services for U-Thant project iv) Electrical Services for AC Block of Plot 5 project v) ELV Services for AC Block of Plot 5 project	i) 202,500.00 ii) 2,600,000.00 iii) 655,000.00 iv) 1,500,000.00 v) 42,500.00

**APPENDIX II – DETAILS OF THE CREDITORS (CONT'D)**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
6	City Mall Sdn Bhd	01-04-1983/ Malaysia	Private limited company	9,000,003.00/ 9,000,003	Investment in properties	i) Tong Poh Ting ii) Low Eng Heng @ Low Yong Heng	i) Tong Poh Ting (90,000 shares or 1.00%) ii) Low Eng Heng @ Low Yong Heng (8,910,003 shares or 99.00%)	31 March 2022	Apple 99	10,014,883.01	Being Proprietor's Entitlement pursuant to a Joint Venture Agreement dated 11 September 2013 between City Mall Sdn Bhd and Apple 99 Development Sdn Bhd	10,000,000.00
7	EC Engineering Consultancy Sdn Bhd	24-08-2015/ Malaysia	Private limited company	200,000.00/ 200,000	Engineering services, technical consultancy	i) Yong Eng Chieh ii) Lim Guang Ming iii) Yong Lee Chin	i) Yong Eng Chieh (197,998 shares or 99.00%) ii) Lim Guang Ming (1 share or less than 0.01%) iii) Yong Lee Chin (2,000 shares or 1.00%) iv) Muhammad Maswira Bin Malek @ Maaroff (1 share or less than 0.01%)	i) 15 April 2022 ii) 12 January 2022	i) PTSI ii) Apple 99	i) 33,859.18 ii) 250,800.00	i) Mechanical & Engineering Consultation Fees for Encore Melaka project ii) Mechanical & Engineering Consultation Fees for Apple 99 project	i) 30,000.00 ii) 220,000.00
8	Econpile (M) Sdn Bhd	11-09-1987/ Malaysia	Private limited company	2,000,000.00/ 2,000,000	General construction and piling works	i) Pang Sar ii) The Cheng Eng iii) The Kun Ann	i) Econpile Holdings Berhad (2,000,000 shares or 100.00%)	Period from 8 October 2020 to 9 March 2021	YTBD	4,570,458.50	Piling Works & Sub-structure Works for U-Thant project	4,000,000.00

**APPENDIX II – DETAILS OF THE CREDITORS (CONT'D)**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
9	Firstech Engineering Sdn Bhd	16-12-1999/ Malaysia	Private limited company	750,000.00/ 750,000	General contractors for alarm system, fire protection and safety equipment	i) Yap Kheng Ming ii) Lee Jenn Yaw	i) Yap Kheng Ming (675,000 shares or 90.00%) ii) Lee Jenn Yaw (75,000 shares or 10.00%)	i) Period from 16 November 2018 to 10 December 2021 ii) Period from 30 September 2021 to 29 April 2022	i) Apple 99 ii) YTBI	i) 1,601,454.13 ii) 1,152,968.90	i) Fire Protection Services for Apple 99 project ii) Fire Protection Services for AC Block of Plot 5 project	i) 1,600,000.00 ii) 400,000.00
10	Integrated Inno Build Sdn Bhd	17-11-2016/ Malaysia	Private limited company	3,100,000.00/ 3,100,000	Construction and engineering services	i) Ng Chun Kooi ii) Lim Ann Kok iii) Wang Yeong Khang	i) Ng Chun Kooi (2,945,000 shares or 95.00%) ii) Lim Ann Kok (155,000 shares or 5.00%)	Period from 1 March 2021 to 26 April 2021	YTBI	7,728,980.56	Main Building Works for AC Block for Plot 5 project	4,000,000.00
11	Intra Design Sdn Bhd	10-08-1987/ Malaysia	Private limited company	4,000,000.00/ 4,000,000	Building and general contractors and interior decorators	i) Lye Tong Siong ii) Lai Cho Hor	i) Chong Nan Siang (160,000 shares or 4.00%) ii) Lai Cho Hor (683,028 shares or 17.08%) iii) Lye Tong Siong (3,156,972 shares or 78.92%)	10 December 2021	Apple 99	2,578,850.37	Interior Design Fitout Works to Hotel Room, Corridor & Lift Lobby for Apple 99 project	2,500,000.00
12	Jack-in Pile (M) Sdn Bhd	10-03-2006/ Malaysia	Private limited company	26,359,800.00 / 13,300,000	Piling contract services	i) H'ng Bok Chuan ii) H'ng Hup Choong	i) JIG Holdings Berhad (13,300,000 shares or 100.00%)	Period from 29 January 2019 to 14 September 2021	YTBI	248,805.33	Piling Works for Plot 5 project	240,000.00

**APPENDIX II – DETAILS OF THE CREDITORS (CONT'D)**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
13	Lee Kong Aluminium & Glass Sdn Bhd	23-09-1997/ Malaysia	Private limited company	750,000.00/ 750,000	Contractor for supply and installation of aluminium and glass products for building and construction industry	i) Lee Ing Cheong ii) Yuen Kee Sing iii) Moh Chong Heng iv) How Tin Soon v) Lim Meow Kong	i) Lee Ing Cheong (300,000 shares or 40.00%) ii) Yuen Kee Sing (112,500 shares or 15.00%) iii) Moh Chong Heng (112,500 or 15.00%) iv) How Tin Soon (112,500 or 15.00%) v) Lim Meow Kong (112,500 or 15.00%)	Period from 17 December 2020 to 10 December 2021	Apple 99	2,613,040.30	Aluminium & Glazing Work for Apple 99 project	2,500,000.00
14	Mechvac Engineering Sdn Bhd	21-10-1992/ Malaysia	Private limited company	1,000,000.00/ 1,000,000	Mechanical engineering in relation to the supply, installation, commissioning & servicing of air conditioning systems, compressors etc	i) Chuah Kee Cheng @ Chuah Kee Beng	i) Chuah Kee Cheng @ Chuah Kee Beng (1,000,000 or 100.00%)	i) Period from 15 August 2018 to 10 December 2021 ii) Period from 5 February 2021 to 10 February 2022 iii) Period from 16 June 2021 to 29 April 2022	i) Apple 99 ii) YTBD iii) YTBI	i) 1,926,006.74 ii) 737,538.21 iii) 568,836.26	i) Air Conditioning & Mechanical Ventilation Services for Apple 99 project ii) Air Conditioning & Mechanical Ventilation Services for U-Thant project iii) Air Conditioning & Mechanical Ventilation	i) 1,900,000.00 ii) 700,000.00 iii) 400,000.00

**APPENDIX II – DETAILS OF THE CREDITORS (CONT'D)**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
											Services for for AC Block of Plot 5 project	
15	Pembinaan Sejati Perkasa Sdn Bhd	01-07-2003/ Malaysia	Private limited company	1,300,000.00/ 1,300,000	General construction and engineering works	i) Khor Kim Boon ii) Lim Chee Chin iii) Tung War Fatt	i) Khor Kim Boon (455,000 shares or 35.00%) ii) Lim Chee Chin (390,000 shares or 30.00%) iii) Tung War Fatt (455,000 shares or 35.00%)	Period from 30 June 2021 to 31 March 2022	PTSI	1,945,000.00	Property Contra Settlement for Encore Melaka project	1,870,000.00
16	SIAB (M) Sdn Bhd	01-10-1984/ Malaysia	Private limited company	1,000,000.00/ 1,000,000	Construction and civil engineering	i) Ng Wai Hoe ii) Lim Mei Hwee iii) Tan Sok Moi	i) SIAB Holdings Berhad (1,000,000 shares or 100.00%)	i) Period from 9 March 2021 to 14 September 2021 ii) Period from 15 October 2021 to 29 November 2021	i) YTBD ii) YTBI	i) 5,282,610.53 ii) 1,959,237.07	i) Main Building Works for U-Thant project ii) Main Building Works for TD Block of Plot 5 project	i) 4,500,000.00 ii) 1,500,000.00
17	Sin Huat Press (Melaka) Sdn Bhd	11-11-1995/ Malaysia	Private limited company	2,100,000.00/ 2,100,000	Printing and manufacturing of paper products, packaging materials and other related products, transport agent	i) Peter Lee Hong Joon ii) Lim Hong Jiin iii) Datuk Tan Seah Lee	i) Gan Ey Kee @ Gan Siew Kee (60,000 shares or 2.86%) ii) Tan Geok Kee (60,000 shares or 2.86%)	Period from 4 March 2020 to 11 March 2020	YTBI	652,400.00	Being earnest booking deposit and sales and marketing agent for Amber Cove Impression City, Melaka	650,000.00

**APPENDIX II – DETAILS OF THE CREDITORS (CONT'D)**

No.	Creditor(s)	Date & Place of Incorporation	Type of Company	Issued Share Capital (RM)/ Issued Shares	Principal Activity	Director(s)	Shareholder(s)/ Shareholding	Outstanding Period of the Debt	Debtor	Outstanding Debt (RM)	Purpose of the Debt	Settlement Amount (RM)
							iii) Lee Hong Jiin (846,666 shares or 40.32%) iv) Lee Lih Pey (60,000 shares or 2.86%) v) Peter Lee Hong Joon (536,667 shares or 25.55%) vi) Tan Seah Lee (536,667 shares or 25.55%)					
18	Tajukon Sdn Bhd	17-06-1983/ Malaysia	Private limited company	1,000,000.00/ 1,000,000	Building/ General contractor	i) Yong Loy Huat ii) Yong Chew Lian iii) Low Siong Chang	i) Yong Loy Huat (720,000 shares or 72.00%) ii) Yong Chew Lian (200,000 share or 20.00%) iii) Low Siong Chan (80,000 shares or 8.00%)	Period from 18 September 2019 to 28 October 2020	YTBI	705,369.36	Pile Cap Works for Plot 5 project	700,000.00
19	Vintage Partners Sdn Bhd	28-08-2002/ Malaysia	Private limited company	500,000.00/ 500,000	Engineering contractor in the supply and servicing of plumbing and air pollution control systems	i) Goh Seng Yeow ii) Tan Kim Siong iii) Cha Lee Fong	i) Goh Seng Yeow (250,000 shares or 50.00%) ii) Tan Kim Siong (250,000 shares or 50.00%)	Period from 17 December 2018 to 10 December 2021	Apple 99	1,488,192.85	Sanitary & Cold Water Distribution System for Apple 99 project	1,400,000.00



---

**APPENDIX III – FURTHER INFORMATION**

---

**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

**2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group:-

**High Court at Malacca Civil Suit No. MA-22NCvC-7-03/2021: Alfonso Chu Hin Ming and Perway Yu Kin Way (plaintiffs) v Apple 99 and YTB (defendants) (“Legal Suit”)**

The Legal Suit was initiated by the plaintiffs on 16 March 2021 by claiming that they had “mistakenly” paid the sum of RM5,910,313.52 to the defendants and claiming it back under the purported causes of action of monies had and received and/or unjust enrichment.

The defendants denied the plaintiffs’ claim and asserting that at all the material time, the said sum of RM5,910,313.52 was validly paid and for good consideration by the plaintiffs on behalf of 3 purchasers which are Awesome Applause Sdn Bhd, Massive Goodwill Sdn Bhd and Total Blossom Sdn Bhd to the defendants. Hence, there is no mistake and the plaintiffs are not entitled to any refund.

Apple 99 is also counter-claiming against the plaintiffs for general damages suffered by Apple 99 due to wrongful entry of 90 private caveats by the plaintiffs on 27 November 2020 which had only been removed on 29 March 2021.

As at the LPD, the plaintiff has, via the plaintiff’s lawyer, agreed to withdraw the Legal Suit with no order as to costs and without liberty to file afresh whereby the defendant has via the defendant’s lawyer, agreed to such proposal subject to the finalisation, entrance and record of the terms of the consent judgment before the Court.

**3. MATERIAL CONTRACTS**

As at the LPD, save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the past 2 years immediately preceding the date of this Circular:

**(a) Share Acquisition Agreement with Tan Yen Yen (“TYY”)**

On 08 June 2021, YTB had entered into a Share Acquisition Agreement with TYY for the acquisition of 91,000 ordinary shares, equivalent to 70.00% of the total issued and paid-up share capital of Huobi Labuan Limited for a total purchase consideration of USD210,000.00 subject to the terms and conditions as stipulated in the SAA.

As at the LPD, the remaining condition precedent as set out in the Share Acquisition Agreement which requires the application for change of shareholder in Huobi Labuan Limited is still pending the approval of Labuan Financial Services Authority and therefore have yet to be fulfilled. YTB and TYY had vide an extension letter dated 28

---

**APPENDIX III – FURTHER INFORMATION (CONT'D)**

---

June 2022 agreed to work towards procuring the necessary approval to fulfil the remaining condition precedent in the Share Acquisition Agreement on or before 31 December 2022.

**(b) Subscription Agreement with RCPS Subscriber**

On 28 October 2021, YTB had entered into the Subscription Agreement with the RCPS Subscriber for the RCPS Issuance. As at the LPD, YTB has completed the issuance of 9 equal sub-tranches of Tranche 1 and the RCPS Subscriber has converted 14 equal sub-tranches of Tranche 1 into new Shares.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

The Board has confirmed that to the best of its knowledge and belief, there are no material commitments and contingent liabilities incurred or known to be incurred by our Group which upon becoming enforceable may have a material impact on the profits or financial position of our Group.

**4.1 Material commitments**

As at the LPD, save for those as disclosed below, the Board is not aware of any material commitments, incurred or known to be incurred by our Group that has been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of the YTB Group.

	<b>RM'000</b>
Approved and contracted for:	
- Commitment for construction of Courtyard by Marriott Hotel	35,907
<b>Total</b>	<b>35,907</b>

**4.2 Contingent liabilities**

As at the LPD, the Board is not aware of any contingent liabilities, incurred or known to be incurred, by our Group which, upon becoming due and enforceable, may have a material impact on the financial results or position of the Group.

**5. LETTERS OF CONSENT**

M&A Securities, the Adviser to the Company for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

M&A Securities, is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposals.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

---

**APPENDIX III – FURTHER INFORMATION (CONT'D)**

---

- (a) Constitution of YTB;
- (b) the audited consolidated financial statements of YTB for the FYE 30 June 2020 and FYE 30 June 2021;
- (c) the latest unaudited consolidated financial statements of YTB for the nine (9) months period ended 31 March 2022;
- (d) the relevant cause papers in relation to the material litigation referred to in Section 2 above;
- (e) the material contracts referred to in Section 3 above;
- (f) the letter of consent and declaration referred to in Sections 5 above;
- (g) Debt Settlement Agreements; and
- (h) draft deed poll.

**[The rest of this page has been intentionally left blank]**



**YONG TAI**

**永大集团**

**YONG TAI BERHAD**

(Registration No. 199401025505 (311186-T))

(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Yong Tai Berhad (“**YTB**” or the “**Company**”) will be conducted fully virtual from the online meeting platform at <https://bit.ly/3A00a32> provided by Niche & Milestones International Sdn Bhd on Friday, 15 July 2022 at 10.30 a.m. for the purpose of considering and if thought fit, passing the following resolutions with or without modifications:-

### **ORDINARY RESOLUTION 1**

**PROPOSED CONSOLIDATION OF EVERY 5 EXISTING ORDINARY SHARES IN YTB (“YTB SHARE(S)” OR “SHARE(S)”) INTO 1 YTB SHARE (“CONSOLIDATED SHARE(S)”) HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED SHARE CONSOLIDATION”)**

“**THAT** subject to the approvals of the relevant authorities and/or parties having been obtained (where required), approval be and is hereby granted to the Company to consolidate every 5 existing YTB Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board of Directors of the Company (“**Board**”) into 1 Consolidated Share and that such Consolidated Shares shall rank pari passu in all respects with one another;

**THAT** the fractional entitlements for the Consolidated Shares arising from the Proposed Share Consolidation, if any, shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

**AND THAT** the Board be and is hereby authorised to do all acts, deeds and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to implement, finalise and give full effect to the Proposed Share Consolidation with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant regulatory authorities.”

### **ORDINARY RESOLUTION 2**

**PROPOSED BONUS ISSUE OF UP TO 103,098,378 FREE WARRANTS IN YTB (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 4 CONSOLIDATED SHARES HELD BY ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained for the Proposed Bonus Issue of Warrants, and to the extent permitted by law and the Constitution of the Company, approval be and is hereby given to the Board to issue up to 103,098,378 Warrants on the basis of 1 Warrant for every 4 Consolidated Shares to the shareholders of the Company who are registered as a member and whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined by the Board and announced by the Company at a later date in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company (“**Deed Poll**”);

**THAT** the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as consequences of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to do all acts, deeds and things as they may deem fit and/or expedient in order to implement, finalise and give effect to the Deed Poll;

**THAT** the Board be and is hereby authorised to issue and allot such appropriate number of Warrants in accordance with the provisions of the Deed Poll and when required, to adjust the exercise price and/or the number of the Warrants to be issued (including, without limitation, any additional Warrant as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provision of the Deed Poll;

**THAT** the new YTB Shares shall, upon allotment and issuance, carry the same rights in all respects with the existing YTB Shares, save and except that the new YTB Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to the shareholders, the entitlement date of which precedes the date of allotment and issuance of the new YTB Shares;

**THAT** the fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interest of the Company;

**THAT** the proceeds arising from the exercise of the Warrants, if any, be utilised for the purposes set out in the circular to the shareholders of the Company dated 30 June 2022 ("**Circular**") in relation to the Proposed Bonus Issue of Warrants, and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents and take all necessary steps to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

### **ORDINARY RESOLUTION 3**

#### **PROPOSED SETTLEMENT OF AN AGGREGATE AMOUNT OF RM46,000,000 DEBT OWING TO CREDITORS ("CREDITOR(S)") BY THE COMPANY AND/OR ITS SUBSIDIARIES ("YTB GROUP"), VIA THE ISSUANCE OF 92,000,000 NEW YTB SHARES ("PROPOSED CREDITORS SETTLEMENT")**

**"THAT** subject to all the approvals and consents being obtained from all relevant authorities and/or parties (where applicable), including but not limited to the approval by Bursa Malaysia Securities Berhad for the listing and quotation of 92,000,000 new YTB Shares ("**Settlement Shares**") at an issue price of RM0.50 each, the Board be and is hereby authorised to allot and issue the Settlement Shares in the manner and subject to the terms and conditions contained in the Debt Settlement Agreements entered into with the Creditors of YTB Group;

**THAT** the Settlement Shares to be issued to the Creditors of YTB Group, shall upon allotment and issuance, rank pari passu in all respects with the then existing YTB Shares, save and except that the new YTB Shares shall not be entitled to any dividends, allotments and/or other distributions, the entitlement date of which is prior to the date of issuance and allotment of Settlement Shares;

**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, finalise and give full effect to the Proposed Debt Settlement to Creditors of YTB Group 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.”

**BY ORDER OF THE BOARD OF  
YONG TAI BERHAD**

**WONG YOUN KIM (F) (MAICSA 7018778) (SSM PC No. 201908000410)  
LEE CHIN WEN (F) (MAICSA 7061168) (SSM PC No. 202008001901)**

Company Secretaries  
Selangor Darul Ehsan

30 June 2022

**Notes:-**

- (i) Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- (ii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the registered office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting.
- (iii) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (iv) Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint only one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (v) If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
- (vi) Where a Member 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.
- (vii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 6 July 2022 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- (viii) Pursuant to Clause 66 of Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, speak and vote at the Company's 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.



**YONG TAI**  
永大集团

**YONG TAI BERHAD**

(Registration No. 199401025505 (311186-T))  
(Incorporated in Malaysia)

<b>No. of shares held</b>	<b>CDS Account No.</b>

I/ We, \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No. \_\_\_\_\_)

of \_\_\_\_\_  
(FULL ADDRESS)

Email Address: \_\_\_\_\_ Mobile No.: \_\_\_\_\_

being a member/ members of **YONG TAI BERHAD**, hereby appoint

<b>Name of Proxy</b>	<b>NRIC No./ Passport No.</b>	<b>% of Shareholdings to be Represented</b>
<b>Address</b>		
<b>Email Address</b>		<b>Mobile No.</b>

and/or failing him/her

<b>Name of Proxy</b>	<b>NRIC No./ Passport No.</b>	<b>% of Shareholdings to be Represented</b>
<b>Address</b>		
<b>Email Address</b>		<b>Mobile No.</b>
<b>Name of Proxy</b>	<b>NRIC No./ Passport No.</b>	<b>% of Shareholdings to be Represented</b>
<b>Address</b>		
<b>Email Address</b>		<b>Mobile No.</b>

or failing him/her, the Chairman of the Meeting as my/ our proxy to vote and act for me/ us on my/ our behalf, at the Extraordinary General Meeting of the Company to be conducted fully virtual from the online meeting platform at <https://bit.ly/3A00a32> provided by Niche & Milestones International Sdn Bhd on Friday, 15 July 2022 at 10.30 a.m.

The proportion of my/ our holding to be represented by my/ our proxies are as follows:-  
[The next paragraph must be completed if two proxies are appointed]

First proxy : \_\_\_\_\_ %  
Second proxy : \_\_\_\_\_ %  
Total \_\_\_\_\_

My/ our proxy is to vote as indicated below:-

<b>Ordinary Resolution:</b>	<b>FOR</b>	<b>AGAINST</b>
PROPOSED SHARE CONSOLIDATION		
PROPOSED BONUS ISSUE OF WARRANTS		
PROPOSED DEBT SETTLEMENT		

(Please indicate with an "X" in the appropriate space above how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at he/ she thinks fit.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Signature(s) of member(s)

**Notes:-**

- (i) Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- (ii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the registered office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting.
- (iii) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (iv) Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint only one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (v) If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.
- (vi) Where a Member 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.
- (vii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 6 July 2022, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- (viii) Pursuant to Clause 66 of Constitution of the Company and Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, speak and vote at the Company's 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.



Fold this flap for sealing

---

*Then fold here*

---

AFFIX  
STAMP

**The Company Secretaries**

**YONG TAI BERHAD**

(Registration No. 199401025505 (311186-T))

B-25-2, Block B, Jaya One

No. 72A, Jalan Prof Diraja Ungku Aziz

46200 Petaling Jaya

Selangor Darul Ehsan

---

*1st fold here*