

Reference Number :IQL-24052023-00001

25 May 2023

**Subject:PROPOSED DISPOSAL BY KAR SIN BERHAD, A WHOLLY-OWNED SUBSIDIARY OF YNH OF PROPERTY ON ALL THAT FREEHOLD VACANT LAND IN THE MUKIM OF KUALA LUMPUR, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN KUALA LUMPUR FOR A TOTAL CASH CONSIDERATION OF RM170.00 MILLION ONLY TO SUNWAY LIVING SPACE SDN BHD (PROPOSED DISPOSAL)**

We refer to your Company's announcements dated 16 May 2023 and 19 May 2023, in respect of the aforesaid matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad with the following additional information for public release:-

1. Based on your representation made in the announcements, the Sub-Sale Agreement entered into on 18 April 2022 whereby the Vendor had purchased the Property from the First Beneficial Owner for a purchase consideration of RM150 million is deemed a transaction pursuant to Chapter 10 and Questions & Answers 10.2 of the Main Market Listing Requirements ("LR"). In this regard, you are required to calculate the materiality of the percentage ratios pursuant to Paragraph 10.02 of the LR and make announcement on the acquisition of the Property, if required, pursuant to Chapter 10 of the LR.

[We acknowledge our oversight of such announcement and shall seek advice from the Adviser to rectify this oversight.](#)

2. To provide further clarification on the "various submissions to various authority" with regard to the deferred registration for Kar Sin Berhad to be the registered proprietor by specifying the names of the authority involved, type/description of the application submitted, the date of the application, current status of the application and the indicative timeline to obtain the authority's approval.

[Application in the name of the First Beneficial Owner to Jabatan Ketua Pengarah Tanah Dan Galian Persekutuan Wilayah Persekutuan Kuala Lumpur has been made on 13th October 2022 to obtain a final title after the compulsory acquisition by the government and it is estimated that the approval for the application with the final title can only be obtained in July or August 2023.](#)

[Moreover, the Development Order \("DO"\) approved by Dewan Bandaraya Kuala Lumpur \("DBKL"\) require annual renewal and currently the approval is given to the First Beneficial Owner based on support that the registered owner and the First Beneficial Owner is the same party and a change in ownership may interrupt renewal of the DO.](#)

3. To clarify further on the rationale and reason for the inclusion of the specific Condition Precedent to seek approval of YNH's shareholders if the Proposed Disposal is not subject to such shareholders' approval.

The inclusion of the specific Condition Precedent to seek approval of YNH's shareholders approval is to fulfil the requirement by the Purchaser arising from the negotiation.

4. Pursuant to Paragraph 9.03(1) of the LR, a listed issuer must make immediate public disclosure of any material information. Paragraph 9.04 of the LR also sets out some examples of event which may require immediate disclosure including, among others, the entry into a joint venture agreement and the acquisition or loss of a contract. In this regard, please clarify the basis/ justification and the materiality assessment undertaken by YNH to form the conclusion that no announcement was required for the Turnkey Construction Agreement entered into on 20 June 2016 and the subsequent termination of the said agreement on 1 April 2022. 5. To provide the salient terms of the Turnkey Construction Agreement entered into on 20 June 2016.

We acknowledge our oversight of such announcement and shall seek advice from the Adviser to rectify this oversight.

6. To clarify further why the Vendor (as contractor) has to make upfront payment to the First Beneficial Owner (as developer) based on the agreed profit-sharing proportions ahead of the completion time of the Mixed Development. To comment if such term/arrangement is fair/reasonable and in the best interest of YNH.

The upfront payment by the Vendor is a requirement of the Turnkey Construction Agreement and in return of the upfront payment the Vendor secure the right to use the land as security to be pledged to financial institution to finance the operation of Vendor without restriction which is a fair commercial term for both parties.

7. To justify further on the rationale for the refund to be made conditional upon the successful selling of the said Property to the third party purchaser. In the event the Proposed Disposal does not go through and the Vendor is unable find a new purchaser, please clarify whether the refund will continue to be held back by the First Beneficial Owner indefinitely. To also provide the salient terms and clauses relating to such refund. To comment if this arrangement is fair/reasonable and in the best interest of YNH.

In view for the First Beneficial Owner to agree to lower the selling Price to RM150 million and for them to further agree to refund the differential amount of RM89.5 million a generous reasonable time is required to be allowed to the First Beneficial Owner in order to secure repayment. In the event that the Vendor is unable to find new purchaser, the Vendor may have to consider to revive the Turnkey Construction Agreement to recover the amount paid to the First Beneficial Owner.