

YNH PROPERTY BHD (“YNH” OR “COMPANY”)

PROPOSED DISPOSAL BY KAR SIN BERHAD, A WHOLLY-OWNED SUBSIDIARY OF YNH OF PROPERTY ON ALL THAT FREEHOLD VACANT LAND HELD UNDER THE INDIVIDUAL TITLE H.S.(D) 47941 P.T. 48632 IN THE MUKIM OF KUALA LUMPUR, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN KUALA LUMPUR MEASURING APPROXIMATELY 20,630.474 SQUARE METERS (APPROXIMATELY 5.098 ACRES) (HEREINAFTER REFERRED TO AS “THE PROPERTY”) FOR A TOTAL CASH CONSIDERATION OF RM170.00 MILLION ONLY TO SUNWAY LIVING SPACE SDN BHD (“PROPOSED DISPOSAL”)

1. INTRODUCTION

The Board of Directors of YNH wishes to announce that Kar Sin Berhad (“**Vendor**”), a wholly owned subsidiary of YNH, had on 12 May 2023, entered into a Sale and Purchase Agreement (“**SPA**” or “**Agreement**”) with

- Imbuan Sempurna Sdn. Bhd., the Registered Proprietor;
- Great Wall Park Sdn. Bhd., the First Beneficial Owner;
- Sunway Living Space Sdn. Bhd., the Purchaser

for the proposed disposal of all that freehold vacant land held under the individual title H.S.(D) 47941 P.T. 48632 in the Mukim of Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 20,630.474 square meters (approximately 5.098 acres) (hereinafter referred to as “**the Property**”) with vacant possession free from all encumbrances and subject to the terms and conditions of the SPA for a total consideration of RM170.00 million only (“**the Purchase Price**”) on *as is where is basis*, subject to the First Development Order being in force at all material times and free from all encumbrances, charges, restrains, trusts, caveats or liens howsoever and whatsoever, and with vacant possession but subject to all conditions of title whether express or implied affecting the same, for the consideration and upon the terms and conditions of the SPA.

(Herein referred to as “**Proposed Disposal**”)

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on Kar Sin Berhad (“**KSB**” or “**the Vendor**”)

KSB is a public company incorporated on 24 May 1982 in Malaysia under the Companies Act, 1965 (“**Act**”) with its registered office at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak. Its business office is located at 188, Jalan PPMP 3/3, Pusat Perniagaan Manjung Point 3, 32040 Seri Manjung, Perak. KSB is a wholly-owned subsidiary of YNH. The principal activity of KSB is property development and cultivation and sale of oil palm produce.

As at the date of this announcement, KSB has a total paid up share capital of RM102,600,000.00 consisting of 102,600,000 ordinary shares.

2.2 Information on Imbuan Sempurna Sdn. Bhd. (“ISSB” or “Registered Proprietor”)

ISSB is a private limited company incorporated on 14 August 2000 in Malaysia under the Companies Act, 1965 (“Act”) with its registered office at 13A Persiaran Greentown 5, Pusat Perdagangan Greentown, 30450 Ipoh, Perak. Its business office is located at 91, Jalan PPMP 8, Pusat Perniagaan Manjung Point 1, 32040 Seri Manjung, Perak.

The principal activity of ISSB is property development and cultivation and sale of oil palm produce.

As at the date of this announcement, ISSB has a total paid up share capital of RM2.00 consisting of 2 ordinary shares.

The Directors and Shareholders of ISSB are as follows:

Name	Director/Shareholder	Number of Shareholdings
Lau Sheng Ming	Director & Shareholder	1
Yu Teong Wei	Shareholder	1
	Total	2

2.3 Information on Great Wall Park Sdn. Bhd. (“GWP” or “First Beneficial Owner”)

GWP is a private limited company incorporated on 8 May 2003 in Malaysia under the Companies Act, 1965 (“Act”) with its registered office at 13A Persiaran Greentown 5, Pusat Perdagangan Greentown, 30450 Ipoh, Perak. Its business office is located at 91, Jalan PPMP 8, Pusat Perniagaan Manjung Point 1, 32040 Seri Manjung, Perak.

The principal activity of GWP is building construction & general contractors.

As at the date of this announcement, GWP has a total paid up share capital of RM500,000.00 consisting of 500,000 ordinary shares.

The Directors and Shareholders of GWP are as follows:

Name	Director/Shareholder	Number of Shareholdings
Lau Sheng Ming	Director & Shareholder	499,999
Yu Teong Wei	Shareholder	1
	Total	500,000

2.4 Information on Sunway Living Space Sdn. Bhd. (“SLS” or “the Purchaser”)

SLS is a private limited company incorporated on 5 March 2004 in Malaysia under the Act with its registered office at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor. Its business office is located at Unit 4.5, Level 4, East Lobby, Menara Sunway Annexe, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor. The principal activity of SLS is property development, property investment, operation and management of short stay accommodation.

As at the date of this announcement, SLS has a total paid up share capital of RM43,221,000.00 consisting of 934,221,000 shares.

Name	Director/Shareholder	Number of Shareholdings
Chong Chang Choong	Director	-
Goh Hai Thun @ Ng Hai Thun	Director	-
Chong Sau Min	Director	-
Sarena Cheah Yean Tih	Director	-
Sunway City Sdn Bhd	Shareholder	1,000,000 ordinary shares 933,221,000 preference shares

2.5 Information on the Property

The Vendor is the beneficial owner of the Property.

The Property is located within Desa Seri Hartamas, Kuala Lumpur which is sited on the left side of the Kerinchi Link of the SPRINT Highway, travelling from Bangsar/Petaling Jaya towards Jalan Duta/Kuala Lumpur city centre.

Further information on the Property is summarized as follows:

Registered Proprietor	Imbuan Sempurna Sdn. Bhd.
Postal address	Mukim of Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Title No.	H.S.(D) 47941 P.T. 48632
Land tenure	Freehold
Land area	20,630.474 square meters (approximately 5.098 acres)
Restriction-in-interest	Residential
Expressed Conditions	N/A
Description of the Property	The land is an almost trapezoidal shaped parcel of land
Category of the land use	Bangunan
Existing use	Vacant
Tenure	Freehold land
Encumbrances	Charged to OCBC Al-Amin Bank Berhad

Original cost of investment/ Date of investment	RM150,000,000 (18.4.2022)
Audited Net Book Value as at 31 December 2021*	RM165,775,206

* the last audited annual report was 31 December 2021 as YNH has on 25 April 2023 announced on the change of year end from 31 December 2022 to 30 June 2023.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal provides an opportunity for the Group to realize and unlock the value of its investment. The Proposed Disposal may also strengthen its liquidity and cash flow position. The proceeds will be utilized for repayment of bank borrowing and working capital, which will result in interest saving of RM3,771,823 per annum and is expected to reduce the gearing ratio of YNH Group.

4. BASIS AND JUSTIFICATION FOR ARRIVING AT THE DISPOSAL CONSIDERATION

The disposal consideration was arrived on a willing-buyer and willing-seller basis, through director negotiation between the Purchaser and Vendor. No valuation was carried out on the said Property.

5. MODE OF SETTLEMENT

The Disposal Consideration shall be satisfied in the following manner:

Payment	Timing	Total (RM)
1) Deposit	Upon Execution of the SPA (10%)	17.00 million
2) Balance of the Disposal Consideration	Completion Period ⁽ⁱ⁾	153.00 million
	Total	170.00 million

Note :

- (i) KSB shall grant to SLS an automatic extension of 1 month from the expiry of the Completion Period, subject to SLS paying late payment interest at the rate of 8% per annum calculated on a daily basis commencing from the date immediately after the expiry of the Completion Period until the balance of the Disposal Consideration is fully paid.
- (ii) Completion Period is defined as 3 months from the Unconditional Date which defined in the Appendix 1 (2b) of the SPA.

6. ORIGINAL COST AND DATE OF INVESTMENT

The original cost of investment and the date of investment by the Vendor are as follows:

<u>Date of Investment</u>	<u>Original Cost of Investment</u>	<u>Audited Net Book Value as at 31 December 2021</u>
18 April 2022	150,000,000	RM165,775,206

7. SALIENT TERMS OF THE SPA

The salient terms of the SPA are set out in Appendix 1 of this announcement.

8. EXPECTED GAIN ARISING FROM THE PROPOSED DISPOSAL

The Proposed Disposal will result in an estimated gain of approximately RM2,602,843 to the Group, after taking into consideration the estimated expenses of RM800,000 in relation to the Proposed Disposal.

9. UTILISATION OF PROCEEDS FROM THE PROPOSED DISPOSAL

The net proceeds arising from the Disposal are expected to be utilized for the working capital of YNH and its group of companies ("YNH Group").

10. ASSUMPTION OF LIABILITIES

There are no liabilities, including contingent liabilities and guarantees to be assumed by the Purchaser arising from the Proposed Disposal, except a Corporate Guarantee as stated in the salient features of the SPA in Appendix 1 (Item 5).

11. RISK OF THE TRANSACTIONS

The Proposed Disposal is not expected to pose any risk factors which could materially and/or adversely affect the business operations and financial performance of the Group. However, should there be a delay or non-completion of the Proposed Disposal occurs, the Company may not realize all the benefits from the proposed utilization of proceeds as stated in Section 9 above. Notwithstanding the above, the Company shall use its best endeavor to ensure that all the terms and conditions as set out in the SPA are met and that the Proposed Disposal is completed in a timely manner.

12. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

12.1 Share Capital and Substantial Shareholders' Shareholdings

The Proposed Disposal is not expected to have any material effect on the issued share capital and the substantial shareholders' shareholdings of YNH as the Disposal Consideration shall be fully satisfied via cash and does not involve any issuance of new ordinary shares in YNH.

12.2 Net Assets (“NA”), Net Assets Per Share and Gearing of the Group

For illustrative purposes, the pro forma effects of the Proposed Disposal on the NA and gearing of YNH Group based on the latest audited consolidated financial statements of YNH as at 31 December 2021 and on the assumption that the Proposed Disposal had been effected on the said date are set out below:

	Audited as at 31 December 2021 (RM' million)	After the Proposed Disposal (RM' million)
Share capital	528	528
Other Reserves	356	359
Shareholders' equity / NA	884	887
Perpetual Securities	346	346
Equity attributable to owners of the Company (Total Equity)	1,230	1233
Number of ordinary shares in issue (excluding treasure shares)	528	528
NA per share (RM)	RM2.329	RM2.330
Total borrowings (RM' million)	802	733
Gearing ratio (times) ⁽³⁾	0.65	0.59

- (1) *After taking into consideration the estimated net gain of RM2,602,843 arising from the Proposed Disposal.*
- (2) *Assuming that RM170.00 million of the Disposal Consideration is used for repayment of bank borrowings.*
- (3) *Gearing is calculated as total borrowings divided by total equity.*

12.3 Earnings and earnings per share (“EPS”)

The Proposed Disposal is expected to have a positive effect on the earnings and EPS of the Group for the financial year ending 30 June 2023, with the pro forma gain of approximately RM2.6 million upon the completion of the Proposed Disposal.

For illustrative purposes, based on the audited net carrying value of the Property as at 31 December 2021 and the Disposal Consideration, and assuming the Proposed Disposal had been completed.

	Audited FYE 31 December 2021	After the Proposed Disposal
Profit after tax attributable to equity holders of the Company (RM'million)	(2.8)	(0.18) ⁽ⁱ⁾
Weighted Average Number of Issued YNH Shares	528,487,067	528,487,067
Basic EPS (sen)	(0.53)	(0.04)

- (i) After adjusting for the pro forma gain of approximately RM2.604 million as set out below:

	RM'000
Consideration	170,000
Less: Audited net book value as at 31 December 2021	(165,775)
Less: Estimated expenses for the Proposed Disposal	(800)
Less: Taxation	(821)
Add: Reversal of deferred tax recognised	-
Proforma gain	2,604

- (ii) Excluding a total of 512,521 treasury shares

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is estimated to be completed within 3 months from the Unconditional Date as defined in the Appendix 1 (2b).

14. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Main Listing Requirements of Bursa Malaysia Securities Berhad is 13.8205%.

15. APPROVAL REQUIRED

The Proposed Disposal is not conditional upon any other corporate proposals undertaken or to be undertaken by YNH group.

The Proposed Disposal is not subject to the approval of shareholders of the Company and/or any other relevant authorities.

16. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

The Directors and Major Shareholders of YNH and persons connected to the Directors and Major Shareholders do not have any interest, whether direct or indirect in the Proposed Disposal.

17. DIRECTORS' STATEMENT

The Board of Directors of YNH, after having considered all relevant aspects of the Proposed Disposal, including but not limited to the rationale, justification and the financial effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of YNH and the Group.

18. DOCUMENTS FOR INSPECTION

The SPA is available for inspection at the registered office of the Company at 55A, Medan Ipoh 1A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak from Monday to Friday (except public holidays) during normal business hours for three (3) months.

This announcement is dated 16 May 2023.

APPENDIX 1

SALIENT TERMS OF THE SPA

The salient terms of the SPA are set out below:

1. Sale and Purchase – Recital

- (A) By a Sale and Purchase Agreement dated the **20th day of March 2008** (hereinafter referred to as “**the Principal Agreement**”) made between the Registered Proprietor of the one part and the First Beneficial Owner of the other part, the Registered Proprietor sold and the First Beneficial Owner had purchased from the Registered Proprietor all that freehold vacant land held under the individual title **H.S.(D) 47941 P.T. 48632 in the Mukim of Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur** measuring approximately 25,454.414 square meters (approximately 6.29 acres) (hereinafter referred to as “**the Land**”) with vacant possession free from all encumbrances and subject to the terms and conditions appearing in the Principal Agreement.
- (B) The Principal Agreement is a conditional agreement whereby the sale of the Land by the Registered Proprietor to the First Beneficial Owner was subject to the Foreign Investment Committee Approval (hereinafter referred to as “**the FIC Approval**”) being obtained by the Registered Proprietor in accordance with the Foreign Investment Committee’s Guidelines dated 1st day of January 2008 (hereinafter referred to “**the FIC Guideline**”).
- (C) On 5th day of May 2009, the Government of Malaysia acquired part of the Land measuring approximately 4823.94 square meters (approximately 1.192 acres) vide acquisition Presentation No. **PDN311/2010** registered on **05th day of May 2010** (hereinafter referred to as “**the said Acquisition**”). Upon the said Acquisition, the net land area of the Land is approximately 20,630.474 square meters (approximately 5.098 acres) only (hereinafter referred to as “**the Net Land Area**”). The Land with the measurement of the Net Land Area shall herein be referred to as “**the Property**”.
- (D) On 30th day of June 2009, the Government of Malaysia announced that the FIC Guidelines shall be repealed with effect from 30th June 2009.
- (E) On 1st day of August 2009, the Registered Proprietor and the First Beneficial Owner entered into a supplemental agreement to waive the FIC Approval as a condition precedent to the Principal Agreement and acknowledged that the Principal Agreement has become unconditional with effect from 1st August 2009.
- (F) The Principal Agreement was completed on 15 February 2014 wherein the First Beneficial Owner paid the Registered Proprietor the full purchase price and all other monies due and payable under the Principal Agreement.
- (G) On 20th day of June 2016, the First Beneficial Owner (as developer) and the Vendor (as contractor) entered into a Turnkey Construction Agreement (hereinafter referred to as “**the Turnkey Construction Agreement**”) for the purpose of developing the Property into a mixed residential and commercial development (hereinafter referred to as “**the Mixed Development**”) in accordance with the terms and conditions of the Turnkey Construction Agreement.

- (H) In accordance with the terms and conditions of the Turnkey Construction Agreement, the Vendor (as contractor) paid the First Beneficial Owner (as developer) a sum of **Ringgit Malaysia Forty One Million Five Hundred Thousand (RM41,500,000.00) Only**.
- (I) On 7th day of August 2020 Dewan Bandaraya Kuala Lumpur issued a valid Development Order in favour of the First Beneficial Owner (as developer) for the Mixed Development of the Property with a minimum development plot ratio of Five (5) on the Net Land Area with no squatters and no onerous conditions on the Property (hereinafter referred to as "**the First Development Order**").
- (J) In the meantime and pending the transfer and registration of the issue document of title of the Property in the name of the First Beneficial Owner, the First Beneficial Owner agreed and consented to the creation of a charge over the Property by the Registered Proprietor to secure a loan in favor of the Vendor whereupon a charge was registered over the Property in favor of OCBC Al-Amin Bank Berhad (hereinafter referred to as "**the Chargee**") vide charge presentation number **PDSC 10747-2019** duly registered on **1 April 2019** (hereinafter referred to as "**the Charge**").
- (K) On 18th day of July 2019 and 26th day of March 2020 respectively, the First Beneficial Owner (as developer) and the Vendor (as contractor) agreed to amend the Turnkey Construction Agreement *inter-alia* to extend the completion date of the Mixed Development and to vary the parties' profit sharing proportions whereupon the Vendor (as contractor) paid the First Beneficial Owner an additional sum of **Ringgit Malaysia One Hundred Ninety Eight Million (RM198,000,000.00) Only** under the Turnkey Construction Agreement, as amended.
- (L) On 1st day of April 2022, the First Beneficial Owner (as developer) and the Vendor (as contractor) agreed to mutually terminate the Turnkey Construction Agreement (as amended) whereupon the First Beneficial Owner (as developer) shall refund to the Vendor (as contractor) a sum of **Ringgit Malaysia Two Hundred Thirty Nine Million Five Hundred Thousand (RM239,500,000.00) Only**, being the total sum paid by the Vendor (as contractor) to the First Beneficial Owner (as developer) under the Turnkey Construction Agreement (as amended) (hereinafter referred to as "**the Sum to be Refunded**") within six (6) months from the date of termination, i.e. within six (6) months from 1st April 2022.
- (M) On 18th day of April 2022, by way of a Sub-Sale Agreement (hereinafter referred to as "**the Sub-Sale Agreement**") made between the First Beneficial Owner of the one part and the Vendor of the other part, the First Beneficial Owner sold and the Vendor had purchased the Property from the First Beneficial Owner with vacant possession free from all encumbrances and subject to the terms and conditions appearing in the Sub-Sale Agreement for a purchase consideration of **Ringgit Malaysia One Hundred Fifty Million (RM150,000,000.00) Only** (hereinafter referred to as "**the Purchase Price of the Sub Sale Agreement**").

- (N) The Sub-Sale Agreement was subject to conditions precedent appearing in the Sub-Sale Agreement (hereinafter referred to as “**the Conditions Precedent of the Sub-Sale Agreement**”) which *inter-alia* includes the Vendor’s holding company’s members resolution in general meeting approving and authorising the purchase of the Property from the First Beneficial Owner upon the terms and conditions appearing in the Sub-Sale Agreement (hereinafter referred to as the “**Vendor’s Holding Company’s Members’ Resolution**”).
- (O) Save and except for the Vendor’s Holding Company’s Members’ Resolution, all other Conditions Precedent of the Sub-Sale Agreement have been fulfilled.
- (P) By way of a Supplemental Agreement dated 18th day of April 2022, the First Beneficial Owner and Vendor agreed that **Ringgit Malaysia One Hundred Fifty Million (RM150,000,000.00) Only** of the Sum to be Refunded shall be paid towards the Purchase Price of the Sub Sale Agreement whereupon it was agreed by the parties that the Vendor is deemed to have paid the First Beneficial Owner the Purchase Price of the Sub Sale Agreement (hereinafter referred to as “**the Supplementary Agreement**”).
- (Q) Pending the Vendor’s Holding Company’s Members’ Resolution approving and authorising the purchase of the Property by the Vendor from the First Beneficial Owner upon the terms and conditions appearing in the Sub-Sale Agreement, the Vendor has now agreed to sell and the Purchaser has agreed to purchase the Property on *as is where is basis*, subject to the First Development Order being in force at all material times and the Property free from all encumbrances, charges, restrains, trusts, caveats or liens howsoever and whatsoever subject to the Conditions Precedent and with vacant possession but subject to all conditions of title whether express or implied affecting the same, for the consideration and upon the terms and conditions of the SPA.

2. Conditions Precedents

- (a) The SPA shall be among other conditional upon the following (hereinafter collectively referred to as “**the Conditions Precedent**”):
- (i) The Vendor having obtained and delivered to the Purchaser’s Solicitors, at the Vendor’s own costs and expense, the original copy of an extension of the validity of the First Development Order until 6 August 2023;
- (ii) The Vendor having obtained and delivered to the Purchaser’s Solicitors, at the Vendor’s own costs and expense, Four (4) certified true copies (duly certified by the Vendor’s company’s secretary) of the Vendor’s Board of Directors’ resolution authorizing and approving the purchase of the Property by the Vendor upon the terms and conditions appearing in the Sub-Sale Agreement;
- (iii) the Vendor having obtained and delivered to the Purchaser’s Solicitors, at the Vendor’s own cost and expenses, Four (4) certified true copies each (duly certified by the Vendor’s company secretary) of the Vendor’s members’ resolution authorizing and approving the purchase of the Property by the Vendor upon the terms and conditions appearing in the Sub-Sale Agreement;
- (iv) the Vendor having obtained and delivered to the Purchaser’s Solicitors, at the Vendor’s own cost and expenses, Four (4) certified true copies each

(duly certified by the Vendor's Holding company's secretary) of the Vendor's Holding Company's Members' Resolution in general meeting authorizing and approving the purchase of the Property by the Vendor upon the terms and conditions appearing in the Sub-Sale Agreement;

- (v) The Vendor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's own costs and expense, Four (4) certified true copies (duly certified by the Vendor's company's secretary) of the Vendor's Board of Directors' resolution authorizing and approving the Vendor to enter into the Supplementary Agreement upon the terms and conditions appearing in the Supplementary Agreement;
- (vi) the Vendor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's own cost and expenses, Four (4) certified true copies each (duly certified by the Vendor's company secretary) of the Vendor's members' resolution authorizing and approving the Vendor to enter into the Supplementary Agreement upon the terms and conditions appearing in the Supplementary Agreement;
- (vii) the Vendor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's own cost and expenses, Four (4) certified true copies each (duly certified by the Vendor's holding company's secretary) of the Vendor's holding company's members' resolution in general meeting authorizing and approving the Vendor to enter into the Supplementary Agreement upon the terms and conditions appearing in the Supplementary Agreement;
- (viii) the Vendor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's own cost and expenses, Four (4) certified true copies (duly certified by the Vendor's company secretary) of the Vendor's Board of Directors' resolution authorizing the sale of the Property to the Purchaser upon the terms and conditions in the SPA;
- (ix) the Vendor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's own cost and expenses, Four (4) certified true copies each (duly certified by the Vendor's company secretary and the Vendor's Holding company's secretary) of the Vendor's and the Vendor's holding company's members' resolution in general meeting authorizing the sale of the Property to the Purchaser upon the terms and conditions in the SPA (hereinafter referred to as "**the Vendor's Members' Resolution & Vendor's Holding Company's Members' Resolution**");
- (x) the Registered Proprietor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's cost and expenses, Four (4) certified true copies (duly certified by the Registered Proprietor's company secretary) of the Registered Proprietor's Board of Directors' resolution authorizing and approving the Registered Proprietor to enter into the SPA, including consenting the sale of the Property to the Purchaser upon the terms and conditions in the SPA;
- (xi) the Registered Proprietor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's cost and expenses, Four (4) certified true copies (duly certified by the Registered Proprietor's company secretary) of the Registered Proprietor's members' resolution authorizing and approving the Registered Proprietor to enter into the SPA, including consenting the sale of the Property to the Purchaser upon the terms and conditions in the SPA;

- (xii) the First Beneficial Owner having obtained and delivered to the Purchaser's Solicitors, at the Vendor's cost and expenses, Four (4) certified true copies (duly certified by the First Beneficial Owner's company secretary) of the First Beneficial Owner's Board of Directors' resolution authorizing and approving the First Beneficial Owner to enter into the SPA, including consenting the sale of the Property to the Purchaser upon the terms and conditions in the SPA;
- (xiii) the First Beneficial Owner having obtained and delivered to the Purchaser's Solicitors, at the Vendor's cost and expenses, Four (4) certified true copies (duly certified by the First Beneficial Owner's company secretary) of the First Beneficial Owner's members' resolution authorizing and approving the First Beneficial Owner to enter into the SPA, including consenting the sale of the Property to the Purchaser upon the terms and conditions in the SPA;
- (xiv) the Purchaser having obtained and delivered to the Vendor's Solicitors, at the Purchaser's own cost and expenses, Four (4) certified true copies (duly certified by the Purchaser's company secretary) of the Purchaser's Board of Directors' Resolution authorizing the purchase of the Property from the Vendor upon the terms and conditions in the SPA;
- (xv) the Purchaser having obtained and delivered to the Vendor's Solicitors, at the Purchaser's own cost and expenses, Four (4) certified true copies (duly certified by the Purchaser's company secretary) of the Purchaser's members' resolution authorizing the purchase of the Property from the Vendor upon the terms and conditions in the SPA (hereinafter referred to as **"the Purchaser's Members' Resolution"**);
- (xvi) If applicable, any regulatory approval(s) for the purpose of acquiring the Property by the Purchaser or the disposal of the Property by the Vendor, all of which to be obtained by the Vendor at the Vendor's own cost and expense and delivered to the Purchaser's Solicitors unless the same is to be applied and obtained by the Purchaser;
- (xvii) the Vendor having obtained and delivered to the Purchaser's Solicitors, the original copy of a written confirmation from the company secretary of the Vendor's holding company addressed to the Purchaser regarding the following:-
 - (aa) that the constitution of the Vendor's holding company permits the Vendor's holding company to issue the corporate guarantee in favour of the Purchaser for the Vendor's obligations under the SPA, as stated in Clause 3A of the SPA ;
 - (bb) that the only approvals required for the Vendor's holding company to validly and legally issue the corporate guarantee stated in Clause 3A of the SPA are the Vendor's holding company's directors' and members' resolution in general meeting; and
 - (cc) that the issuance of the corporate guarantee by the Vendor's holding company stated in Clause 3A of the SPA does not contravene any laws, rules and/or regulations, including but not limited to Bursa Malaysia listing requirements and/or all other related rules, regulations, directives, orders, etc.;

- (xviii) the Vendor having obtained and delivered to the Purchaser's Solicitors, at the Vendor's own cost and expenses, Four (4) certified true copies each (duly certified by the Vendor's Holding company's secretary) of the Vendor's holding company's directors and members' resolution in general meeting authorizing the Vendor's holding company to issue the corporate guarantee required in Clause 3A of the SPA;
- (xix) The Vendor having obtained and delivered to the Purchaser's Solicitors a corporate guarantee issued by the Vendor's holding company in favour of the Purchaser for the Vendor's obligations under the SPA, as stated in Clause 3A of the SPA;
- (xx) Evidence or report of the Vendor's due diligence on the Property including soil investigation, evidence of payment of premiums, development charges and contributions including but not limited to the sewerage (Indah Water) charges to be delivered to the Purchaser's Solicitors; and
- (xxi) Vendor to provide release letters of all consultants, architects and contractors appointed by the Vendor to work on the planning and the development of the Property previously including any submissions to the authorities

within three (3) months from the date of the SPA or such further extended period(s) as the Vendor and the Purchaser may mutually agree (hereinafter referred to as "**the Conditional Period**"). If the Conditions Precedent are not fulfilled on or before the expiry of the Conditional Period, the SPA shall determine and be of no further effect and neither party hereto shall have any further claim against the other.

- (b) The SPA shall be become unconditional on the date the Conditions Precedent are fulfilled (hereinafter referred to as "**Unconditional Date**")

3. Limited Power of Attorney

- (a) Simultaneously with the execution of the SPA, the Vendor and Registered Proprietor shall execute and deliver to the Vendor's Solicitors as stakeholders a limited Power of Attorney in favour of the Purchaser (hereinafter referred to as "**the Limited PA**") in five (5) sets each whereupon the Vendor's Solicitors are irrevocably authorized to date the Limited PA and release all five (5) sets of the Limited PA to the Purchaser's Solicitors for the Purchaser's further action on the first anniversary of the SPA.
- (b) The Limited PA shall confer upon the Purchaser as attorney of the Vendor and Registered Proprietor (hereinafter referred to as "**the Attorney**") to prepare and submit all applications necessary and incidental for obtaining planning permission approval, applications to amend the First Development Order and applications to obtain all building and other approvals (including but not limited to all consents, certificates, permissions, plans, orders, permits, licenses, etc.) required for the Purchaser's proposed development on the Property at the Purchaser's own costs and expense.
- (c) The Purchaser hereby agrees and undertakes with the Vendor that it shall not use or allow to be used the Limited PA for any purpose other than those expressly permitted by the SPA and the Limited PA.

- (d) Upon the registration of the Limited PA, the Purchaser shall deliver or caused to be delivered a certified true copy thereof to the Vendor's Solicitors.
- (e) The Limited PA shall be revoked and be of no further force or effect if the SPA is lawfully terminated pursuant to and in accordance with the provisions of the SPA. The Purchaser undertakes and agrees with the Vendor that it shall at its own cost and expense withdraw all applications, forms and other documents submitted to the relevant authorities pursuant to the Limited PA, consent to the revocation of the Limited PA and return the Limited PA to the Vendor in the event that the SPA is lawfully terminated pursuant to the provisions of the SPA.
- (f) On the first anniversary of the SPA, the Parties shall execute a deed of revocation (hereinafter referred to as "**the Deed of Revocation**"), and shall deposit the duly executed (but undated and unstamped) Deed of Revocation with the Purchaser's Solicitors, who shall:-
 - (i) after Completion, stamp and submit the Deed of Revocation for the revocation of the Limited PA with the High Court of Malaya and the relevant authority; or
 - (ii) if the SPA is lawfully terminated pursuant to the provisions of the Agreement, release the Deed of Revocation to the Vendor's Solicitors, whereupon the Vendor's Solicitors shall stamp and submit the Deed of Revocation for the revocation of the Limited PA with the High Court of Malaya and the relevant authority.
- (g) In consideration of the Vendor and Registered Proprietor granting the Limited PA to the Purchaser, the Purchaser hereby further covenants and undertakes with the Vendor and the Registered Proprietor to indemnify and to keep indemnified the Vendor and Registered Proprietor against all losses, damages, liabilities, fees, charges, taxes, impositions, costs and expenses which the Vendor and Registered Proprietor may incur, suffer or sustain and/or all claims, actions and proceedings which may be made or brought against the Vendor and Registered Proprietor as a result of or by reason of the use and/or exercise of the powers conferred upon the Purchaser by the Limited PA or any act or thing taken or done by the Purchaser and/or its employees, agents, consultants and advisers against or in connection with the Property, including as a result of or by reason of any negligent act by the Purchaser and/or its employees, agents, consultants and advisers or any act by the Purchaser and/or its employees, agents, consultants and advisers in breach of the Agreement when exercising its rights and/or powers under the Limited PA.

4. **Deed of Mutual Revocation of the Power of Attorney Granted by the Registered Proprietor in favour of the First Beneficial Owner**

On the first anniversary of the SPA, the Registered Proprietor and the First Beneficial Owner shall execute and deliver to the Purchaser's Solicitors a duly stamped and registered Deed of Mutual Revocation of the Power of Attorney dated 28 April 2022 granted by the Registered Proprietor in favour of the First Beneficial Owner in respect of the Property.

5. Corporate Guarantee

In consideration of the Purchaser entering into the SPA, the Vendor shall cause its holding company, YNH Property Bhd (Registration No. 200101026228 [561986-V]), to furnish to the Purchaser a corporate guarantee hereto, guaranteeing the due performance and observance by the Vendor of all their covenants, undertakings, warranties, representations, obligations and all other terms of the SPA and to indemnify and keep the Purchaser fully indemnified and to hold the Purchaser harmless from and against any damages, actions, proceedings, claims, demands, penalties, expenses, liabilities, losses, etc., suffered and/or incurred or to be suffered and/or incurred by the Purchaser arising out of any breach, non-observance or non-performance by the Vendor of any of its covenants, undertakings, warranties, representations, obligations and all other terms of the SPA (hereinafter referred to as "the Corporate Guarantee").

6. The First Development Order

In consideration of the Purchaser entering into the SPA, the Registered Proprietor, First Beneficial Owner and/or the Vendor undertake, covenant and/or warrant to do all acts and things required to validly transfer and/or amend the First Development Order (as amended or otherwise) in favour of the Purchaser.

7. Default by Purchaser

PROVIDED ALWAYS THAT the Vendor, the Registered Proprietor and/or the First Beneficial Owner is or are not in breach of the SPA, it is hereby agreed between the parties herein that if the Purchaser fails to pay the Balance Purchase Price to the Vendor in accordance with the terms and conditions of the SPA or commits other breach of the provisions of the SPA, and the Purchaser fails to rectify the said breach within Fourteen (14) days after the Purchaser's Solicitors are in receipt of a written notification for the Purchaser to remedy the said breach, then the Vendor shall be entitled by giving notice in writing to the Purchaser EITHER (i) to the equitable remedy of specific performance against and at the cost of the Purchaser OR (ii) terminate the SPA (hereinafter referred to as "the Vendor's Termination Notice") whereupon:

- (a) the Deposit shall be absolutely forfeited to the Vendor as agreed liquidated damages; and
- (b) the Vendor shall, subject to redelivery to the Vendor of the Vendor's Documents (if the same had earlier been delivered to the Purchaser or the Purchaser's Solicitors, as the case may be) with the Vendor's interest in the Property intact and removal by the Purchaser and the Purchaser's Financier at his own cost and expenses of any caveat lodged by them against the Property and redeliver vacant possession of the Property (if delivered), in exchange for the same return to the Purchaser any other sums paid by the Purchaser to the Vendor (including the Additional Consideration [if applicable]) free of interest on or before the expiry of Fourteen (14) days from the Purchaser's or the Purchaser's Solicitors' receipt of the Vendor's Termination Notice. In the event the Vendor does not refund all moneys due and owing to the Purchaser pursuant to the clause within the aforesaid time limit, the Vendor shall pay interest thereon at the rate of Eight per centum (8%) per annum at daily rests commencing from the day next after expiry of the aforesaid time limit to the date of receipt by the Purchaser or the Purchaser's Solicitors of such moneys;

and thereafter the SPA shall be deemed null and void and neither party hereto shall have any claim against the other and the Vendor shall be at liberty to resell the Property either by public auctions or by private contract and at such time and place and subject to such conditions and in such manner as the Vendor shall think fit without the necessity of previously tendering or offering to make any sale to the Purchaser.

8. Default by Vendor

PROVIDED ALWAYS THAT the Purchaser is not in breach of the SPA, it is hereby agreed between the parties herein that if the Vendor, the Registered Proprietor and/or the First Beneficial Owner fails, refuses or neglects to complete the sale and transfer of the Property to the Purchaser free from all encumbrances in accordance with the provisions of the SPA or fail to carry out its obligations under the SPA, and the Vendor, the Registered Proprietor and/or the First Beneficial Owner fails to rectify the said breach within Fourteen (14) days after the party and/or their solicitors' receipt of a written notification from the Purchaser or the Purchaser's Solicitors to remedy the said breach, the Purchaser shall be entitled by giving notice in writing to the Vendor, the Registered Proprietor and/or the First Beneficial Owner EITHER (i) to the equitable remedy of specific performance against the Vendor, the Registered Proprietor and/or the First Beneficial Owner and at the cost of the Vendor, the Registered Proprietor and/or the First Beneficial Owner or (ii) elect to terminate the SPA (hereinafter referred to as "the Purchaser's Termination Notice") whereupon:

- (a) the Vendor shall refund to the Purchaser within Fourteen (14) days from the Vendor's or the Vendor's Solicitors' receipt of the Purchaser's Termination Notice, all moneys paid by the Purchaser hereunder (including the Additional Consideration [if applicable]) free of interest, and further pay to the Purchaser a sum equivalent to the sum of the Deposit as agreed liquidated damages; and
- (b) the Purchaser shall simultaneously upon the Vendor's refund and payment in accordance with Clause 6(a) return to the Vendor the Vendor's Documents which have been forwarded to Purchaser or to the Purchaser's Solicitors with the Vendor's interest in the Property intact, remove at the Purchaser's own costs and expenses any caveat lodged by the Purchaser and the Purchaser's Financier against the Property and redeliver vacant possession of the Property (if delivered).

In the event the Vendor does not refund and/or pay all moneys due and owing to the Purchaser pursuant to the clause of SPA within Fourteen (14) days, the Vendor shall pay interest thereon at the rate of Eight per centum (8%) per annum at daily rests commencing from the day next after the expiry of the aforesaid time limit to the date of receipt by the Purchaser or the Purchaser's Solicitors of such moneys.

9. Special Conditions - Additional Consideration

- (i) The sum of **Ringgit Malaysia Fifty Million (RM50,000,000-00) Only** (hereinafter referred to as "**the Additional Consideration**") shall be deposited by the Purchaser with the Stakeholders as stakeholders within **Three (3) months** after the Unconditional Date or within **Two (2) months** from the date the Purchaser and/or the Purchaser's Solicitors receipt of the new approved development order by the relevant Authority for a development with minimum plot ratio of Seven (7) on Net Land Area (hereinafter referred to as "**the New Development Order**") from the Vendor, whichever is later (hereinafter referred to as "**the Completion Date for the Additional Consideration**"). In the event that the Purchaser fails to

pay the Additional Consideration to the Stakeholders within the aforesaid time limit, the Purchaser shall pay interest thereon at the rate of Eight per centum (8%) per annum at daily rests commencing from the day next after expiry of the aforesaid time limit to the date of receipt by the Stakeholders of the Additional Consideration **PROVIDED THAT** any extra / additional development charges and premiums due to the increase in the development with minimum plot ratio of Seven (7) on Net Land Area in relation to the New Development Order, shall be paid by the Vendor and there shall be no onerous conditions attached to the New Development Order, including but not limited to the imposition of any conditions that deviates from the First Development Order such as the imposition of affordable homes, building of additional infrastructure, bumiputra quota, government contributions, etc.

- (ii) The Vendor shall provide the New Development Order to the Purchaser and/or the Purchaser's Solicitors within **One (1) year** from the date of the SPA (hereinafter referred to as "**The Time Frame to Obtain The New Development Order**"), failing which the Additional Consideration shall not be payable by the Purchaser to the Vendor and thereafter the Vendor shall have no further claim on the Additional Consideration from the Purchaser.
- (iii) In the event that the Vendor fails to obtain and to forward the New Development Order within the time frame to obtain The New Development Order to the Purchaser and/or the Purchaser's Solicitors, the Purchaser shall not nullify or invalidate the sale and purchase herein nor shall it be a ground for any adjustment of Purchase Price and shall continue with the sale and purchase herein.
- (iv) In the event the Additional Consideration becomes payable in accordance to the SPA Schedule and upon the same being deposited with the Stakeholders as stakeholders, the Stakeholders are authorized to release the Additional Consideration to the Vendor within Three (3) days from the Completion Date for the Additional Consideration or upon expiry of Four (4) days from the date of extraction of the original issue document of title to the Property duly registered in the name of the Purchaser, whichever is later.
- (v) In the event the SPA is terminated in accordance with the provisions hereof, then without prejudice to any other rights of the parties hereunder:-
 - (a) The Stakeholders are irrevocably authorized to release the Additional Consideration to the Purchaser or the Purchaser's Solicitors (if the same has yet to be paid over to the Vendor); or
 - (b) The Vendor shall refund the Additional Consideration to the Purchaser or the Purchaser's Solicitors (if the same has been paid to the Vendor),within seven (7) days of receipt of the written notice from the Purchaser or Purchaser's Solicitors.