

## YNH PROPERTY BHD (“YNH” OR “COMPANY”)

### PROPOSED ACQUISITION OF A FREEHOLD VACANT LAND HELD UNDER INDIVIDUAL TITLE H.S(D) 47941 P.T. 48632 IN THE MUKIM OF KUALA LUMPUR, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN BY KAR SIN BHD, A WHOLLY-OWNED SUBSIDIARY OF YNH PROPERTY BERHAD FROM GREAT WALL PARK SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM150 MILLION (“PROPOSED ACQUISITION”)

#### 1. INTRODUCTION

This announcement serves as the purpose of rectification of oversight pertaining to the Proposed Acquisition (hereinafter defined) and is made in accordance with Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

On 18 April 2022, the wholly-owned subsidiary of the Company, namely Kar Sin Bhd (“**KSB**”) entered into a Sale and Purchase Agreement (“**SPA**”) with Great Wall Park Sdn Bhd (“**GWP**”) for the proposed acquisition 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 purchase consideration of RM150.00 million only (“**the Purchase Consideration**”) (“**Proposed Acquisition**”).

On the even date, KSB and GWP entered into a Supplemental Agreement (“**SA**”) to the SPA whereby both parties agreed to vary the terms stated in the notice of termination served by KSB to GWP to terminate the Turnkey Construction Agreement (“**TCA**”) dated 20 June 2016 and the subsequent SA in relation thereto. Under the TCA, KSB had paid the security deposit of RM239.5 million only (“**Security Deposit**”) to GWP for the purpose of the construction of the Property. Whereas, under the SA, both parties mutually agreed that the part of the Security Deposit of RM150.0 million only shall be paid towards the Purchase Consideration and shall be deemed full payment of the Purchase Consideration of the said Property, whereas the remaining sum of RM89.5 million only (“**Balance Security Deposit**”) shall be refunded by GWP to KSB within six (6) months from the date of the notice of termination.

Subsequent thereto, on 1 September 2022, in a supplemental letter, GWP (as developer) and KSB (as contractor) clarified the intention of the parties pertaining to the SPA, whereof the SPA shall continue to be effective, valid and enforceable only upon fulfilment of the following conditions:

- (i) that KSB does not continue to develop the Property; and that
- (ii) the Property is successfully sold by KSB to third party purchaser. Both parties also agreed that the Balance Security Deposit shall be refunded to KSB on or before 30 June 2024.

As at the date of this announcement, all the condition precedents in SPA has been complied with, except for the members’ approval in general meeting of YNH.

## 2. DETAILS OF THE PROPOSED ACQUISITION

### 2.1 Information on KSB

KSB is a public company incorporated on 24 May 1982 in Malaysia under the Companies Act, 1965 (“Act”) with its registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur. 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 GWP

GWP is a private limited company incorporated on 8 May 2003 in Malaysia under the 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
	<b>Total</b>	<b>500,000</b>

### 2.3 Information on 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:

Description	Details of Property
Postal address	Mukim of Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Title No.	H.S.(D) 47941 P.T. 48632
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
Encumbrances	Charged to OCBC Al-Amin Bank Berhad

### **3. RATIONALE FOR THE PROPOSED ACQUISITION**

The Company views the Proposed Acquisition as a long-term investment, anticipating an increase in the value of the Property over time. Additionally, it is an opportunity for the Company to expand its physical footprint by launching projects on the Property, given the prominence of the Property's location.

### **4. BASIS AND JUSTIFICATION FOR ARRIVING AT THE PURCHASE CONSIDERATION**

The Purchase Consideration was arrived on a willing-buyer and willing-seller basis, through direct negotiation between GWP and KSB. No valuation was carried out on the said Property.

### **5. MODE OF PAYMENT OF THE PURCHASE CONSIDERATION**

Under the SPA, KSB had paid a deposit of RM15 million to GWP upon execution of the SPA and the deposit is accounted for part of the Purchase Consideration. The deposit of RM15 million is funded by KSB internally generated fund. The Balance Purchase Consideration amounted to RM135 million only shall be paid by KSB to GWP on or before the expiry of three (3) months from the date of the Condition Precedent in the SPA is fulfilled. In the event that KSB shall fail to settle the Balance Purchase Consideration, GWP expressly agree to grant an extension of a further one (1) month to KSB to settle the same PROVIDED THAT KSB shall pay an interested calculated at the rate of 8% per annum on daily basis on the outstanding amount unpaid to GWP. The Balance Purchase Consideration will be settled by a loan application.

Nevertheless, the mode of payment has been varied under the SA entered into by both parties on 18 April 2022 and the Supplemental Letter dated the 1 September 2022, the details of which are set out in Item 1.

## 6. SALIENT TERMS OF THE SPA

The salient terms of the SPA are set out in Appendix 1 of this announcement, whereas the salient terms of the SA are already set out in Item 1.

## 7. ASSUMPTION OF LIABILITIES

There are no liabilities, including contingent liabilities and guarantees to be assumed by KSB and YNH, arising from the Proposed Acquisition.

## 8. RISK OF THE TRANSACTIONS

The Proposed Acquisition is not expected to pose any risk factors which could materially and/or adversely affect the business operations and financial performance of the Group. 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 Acquisition is completed in a timely manner.

## 9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

### 9.1 Share Capital and Substantial Shareholders' Shareholdings

The Proposed Acquisition is not expected to have any material effect on the issued share capital and the substantial shareholders' shareholdings of YNH as the Purchase Consideration does not involve any issuance of new ordinary shares in YNH.

### 9.2 Net Assets, Net Assets Per Share and Gearing of the Group

The Proposed Acquisition does not have any impact on net assets, net assets per share and gearing ratio of the Group:-

	30.06.2023	30.06.2023
	Before acquisition	After acquisition
Net assets	1,193,189,072.00	1,193,189,072.00
Net assets per share	2.26	2.26
Gearing ratio	96%	96%
Share capital	528,999,579.00	528,999,579.00
Loan and borrowings	909,126,463.00	909,126,463.00
Lease	4,153,007.00	4,153,007.00
Trade and othe payables	228,753,530.00	228,753,530.00
	1,142,033,000.00	1,142,033,000.00
Total equity	1,193,189,072.00	1,193,189,072.00
Gearing ratio	96%	96%

### 9.3 Earnings and earnings per share (“EPS”)

The Proposed Acquisition does not have any impact on the earnings and earnings per share of the Company:-

	30.06.2023	30.06.2023
	Before acquisition	After acquisition
Profit for the year attributable to owners of the Company	3,682,219.00	3,682,219.00
Less: Distribution to holders of perpetual securities	(35,929,279.00)	(35,929,279.00)
Loss attributable to equity holder of the Company	(32,247,060.00)	(32,247,060.00)
Weighted average number of ordinary shares	528,487,067.00	528,487,067.00
Basic loss per shares (Sen)	(6.10)	(6.10)

### 10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approval being obtained at the forthcoming Extraordinary General Meeting (“EGM”), the Proposed Acquisition is estimated to be completed by June 2024.

### 11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Listing Requirements of Bursa Malaysia Securities Berhad is 12.57%. For clarity, shareholders’ approval is sought to comply with the condition precedent of the relevant agreements entered into pertaining to Proposed Acquisition.

### 12. APPROVAL REQUIRED

The Proposed Acquisition is conditional upon Proposed Disposal to be undertaken by YNH group.

The Proposed Acquisition is subject to the approval of shareholders of the Company and/or any other relevant authorities.

### 13. 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 Acquisition.

**14. DIRECTORS' STATEMENT**

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

**15. DOCUMENTS FOR INSPECTION**

The SPA and SA is available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia from Monday to Friday (except public holidays) during normal business hours for the date of this announcement up to the date of the forthcoming EGM.

This announcement is dated 17 January 2024.

**SALIENT TERMS OF THE SPA**

The salient terms of the SPA are set out below, which shall read together with the following definition:

- GWP shall also known as **"Vendor"**
- KSB shall also known as **"Purchaser"**
- SPA shall also known as **"this Agreement"**

**1. CONDITION PRECEDENT**

1.1 This Agreement shall be conditional upon the followings (hereinafter collectively referred to as **"the Condition Precedent"**):

- (i) 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 company secretary) of the Vendor's Board of Directors' resolution authorising the sale of the Property to the Purchaser upon the terms and conditions in this Agreement;
- (ii) 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 company secretary) of the Vendor's and the Vendor's holding company's member's resolution in general meeting authorising the sale of the Property to the Purchaser upon the terms and conditions in this Agreement (hereinafter referred to as **"the Vendor's Members' Resolution"**);
- (iii) the Purchaser having obtained and delivered to the Vendor's Solicitors, at the Purchaser's own cost and expenses, four (4) certified true copies each (duly certified by the company secretary) of the Purchaser's Board of Directors' Resolution authorising the purchase of the Property from the Vendor upon the terms and conditions in this Agreement; and
- (iv) the Purchaser having obtained and delivered to the Vendor's Solicitors, at the Purchaser's own cost and expenses, four (4) certified true copies each (duly certified by the company secretary) of the Purchaser's and the Purchaser's holding company's member's resolution in general meeting authorising the purchase of the Property from the Vendor upon the terms and conditions in this Agreement (hereinafter referred to as **"the Purchaser's Members' Resolution"**).

within Three (3) months from the date of this Agreement (hereinafter referred to as **"the Conditional Period"**). If the Condition Precedent is not fulfilled on or before the expiry of the Conditional Period, the Vendor's Solicitors shall and the Vendor shall cause the Vendor's Solicitors to, upon demand by the Purchaser or the Purchaser's Solicitors, forthwith refund to the Purchaser the Deposit free of interest or before the expiry of Fourteen (14) days from the date of receipt of the Purchaser's or the Purchaser's Solicitors' demand and whereupon this Agreement shall determine and be of no further effect and neither party hereto shall have any further claim against the other. In the event the Vendor does not refund or cause to be refunded all moneys due and owing to the Purchaser pursuant to this 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.

This Agreement shall become unconditional on the date the Condition Precedent is fulfilled (hereinafter referred to as the "**Unconditional Date**").

## **2. CONDITIONS OF THE SALE AND PURCHASE**

The purchase shall be subjected to :-

- (a) a good and registrable title to the said Property being given by the Vendor to the Purchaser;
- (b) the Purchaser being entitled to vacant possession of the said Property;
- (c) the said Property being free from all encumbrances subject nevertheless to the terms and conditions as appeared in the document of title as at the date of issue.

## **3. "AS IS WHERE IS BASIS"**

The said Property is sold on a "as-is-where-is" basis and the Purchaser shall be deemed to have inspected the said Property and shall purchase and accept the same in the condition and state in which it is at as at the date hereof (fair wear and tear excepted) and the Purchaser shall not be entitled to rescind this Agreement or make any claim for compensation or reduction of the Total Purchase Price or claim for damages in respect of any misdescription of the area, state or condition of the said Property.

## **4. APPLICATION OF LOAN**

4.1 If the Purchaser intends to apply to any Bank or licensed financial institution (hereinafter called "**the Purchaser's Financier**") for a loan to complete the purchase of the said Property, the following sub-clauses shall take effect :-

- (i) as soon as the Purchaser shall have obtained the approval of the loan from the Financier or upon the Financier issuing a letter of undertaking to release the loan towards settlement of the Balance Purchase Price the Vendor hereby agrees and the Purchaser's Solicitors are hereby authorized by the Vendor to release the issue document of title and memorandum of transfer of the said Property to the Financier or its Solicitors for the purpose of processing and release of the loan PROVIDED ALWAYS that if the loan is insufficient to cover the Balance Purchase Price, the difference thereof shall have first been paid by the Purchaser to the Purchaser's Solicitors as stakeholder for the Vendor;
- (ii) if the said Property shall be encumbered at the time of the approval of the loan by the Financier, the Vendor hereby agrees that the Financier or the Purchaser's Solicitors shall be entitled to utilise the loan to remove such encumbrance and to discharge any existing charge and the Financier shall be entitled to utilise the document of title for the purpose referred to in sub-clause (i) above;



- (iii) the Vendor hereby agrees to allow the Financier to present any private caveat or lienholder's caveat or charge as the Financier may deem expedient against the said Property to facilitate the release of the loan granted to the Purchaser.

4.2 The Vendor hereby undertakes and covenants that the Vendor shall at the request of the Purchaser's Financier's Solicitors or the Purchaser's Solicitors, whichever is applicable, forward to the Purchaser's Financier's Solicitors or the Purchaser's Solicitors, as the case may be, within Seven (7) days from the date of such written request (hereinafter referred to as the "**Notification Period**") the following documents, failing which the Vendor shall grant the extension of time free of interests in respect of the Completion Date equivalent to the date immediately following the expiry of the Notification Period to the date of receipt of the following documents by the Purchaser's Financier's Solicitors or the Purchaser's Solicitors, as the case may be:-

- (i) the Vendor's written undertaking to be addressed to the Purchaser's Financier (in the form and substance acceptable to the Purchaser's Financier) to refund to the Purchaser's Financier the Loan or any part(s) thereof disbursed and paid towards payment of the Total Purchase Price in the event that the Transfer is not registered for any reason whatsoever arising from any defect in the Original issue document of title to the said Property or for any reason whatsoever attributable to the Vendor's fault and/or default, resulting in the non-registration of the Charge;
- (ii) the Official Assignee's written confirmation that the Vendor is not a bankrupt or the Vendor's written Statutory Declaration to confirm that the Vendor is not a bankrupt;
- (iii) the Vendor's Chargee's written confirmation of the redemption statement for the outstanding sum due and payable by the Vendor to the Vendor's Chargee in respect of the said Property (hereinafter referred to as the "**the Redemption Sum**");
- (iv) the Vendor's Chargee's letter of undertaking addressed to the Purchaser's Financier that on receipt of the Redemption Sum sated therein, the Vendor's Chargee shall execute a valid and registrable Discharge of Charge Form and deliver it together with the Original issue document of title, the Duplicate copy of the Charge and other security document(s)(if any) to the Purchaser's/Purchaser's Financier's Solicitors;
- (v) the Vendor's Chargee's letter of undertaking addressed to the Purchaser's Financier to the effect that the Vendor's Chargee shall refund the Redemption Sum in the event that the Discharge of Charge cannot be registered/perfected for reasons attributed to the Vendor's Chargee provided all the security documents and other relevant documents are returned by the Purchaser's Financier to the Vendor's Chargee intact.

4.3 The Vendor shall deliver or cause to be delivered to the Purchaser's Solicitors or the Purchaser's Financier's Solicitors, as the case may be, from the Vendor's Chargee the following documents:-

- (a) the original Redemption Sum's statement and necessary undertaking (hereinafter called "**the Redemption Statement cum Undertaking**") within **fourteen (14) days** from the date of written request to the Vendor's Chargee,

failing which the time delayed in delivering the same shall be deemed to be the time extended in favour of the Purchaser free of interest and shall for that purpose be computed into the Completion Date accordingly; and

- (b) the original Title Deed and the duplicate charge within **fourteen (14) days** from the date of receipt of the Redemption Sum by the Vendor's Chargee, failing which the time delayed in delivering the same shall be deemed to be the time extended in favour of the Purchaser free of interest and shall for that purpose be computed into the Completion Date accordingly.

- 4.4 In the event the Balance Purchase Price is not sufficient to redeem the Vendor's outstanding loan with the Vendor's Chargee in order to obtain a release of the said Property, the Vendor hereby undertakes and covenants to pay to the Vendor's Chargee such deficient sum between the Redemption Sum and the Balance Purchase Price or any sum(s) outstanding and due to the Vendor's Chargee.

## **5. DEFAULT BY THE PURCHASER**

Should the Purchaser fail to settle the Balance Purchase Price in accordance with the provisions of the Agreement, the Vendor shall be entitled to forfeit the Deposit of RM15 million and this Agreement shall thereupon become null and void and of no further legal effect and neither of the parties hereto shall have any further claims against the other in respect of or under this Agreement.

## **6. DEFAULT BY THE VENDOR**

In the event of any breach by the Vendor of any of the provisions of this Agreement and/or in the event that the Vendor shall fail to complete this transaction for any reason whatsoever the Purchaser shall be entitled to the remedy at law for Specific Performance against the Vendor of any term of this Agreement.