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

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YNH PROPERTY BHD

(Company No. 561986-V)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:-

- (I) **PROPOSED BONUS ISSUE OF UP TO 88,289,225 NEW ORDINARY SHARES OF RM1.00 EACH IN YNH PROPERTY BHD ("YNH" OR THE "COMPANY") ("BONUS SHARES") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF RM1.00 EACH IN YNH ("YNH SHARES") HELD BY THE ENTITLED SHAREHOLDERS OF YNH ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE");**
- (II) **PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE SCHEME INVOLVING UP TO 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF YNH (EXCLUDING TREASURY SHARES) AT ANY ONE TIME TO ELIGIBLE DIRECTORS AND EMPLOYEES OF YNH AND ITS SUBSIDIARIES WHICH ARE NOT DORMANT ("PROPOSED ESS");**
- (III) **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM500,000,000 COMPRISING 500,000,000 YNH SHARES TO RM1,000,000,000 COMPRISING 1,000,000,000 YNH SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL"); AND**
- (IV) **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF YNH TO FACILITATE THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL ("PROPOSED AMENDMENT")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of YNH to be held at Hotel Sfera, 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Wednesday, 3 August 2016 at 11:45 a.m. or at any adjournment thereof, together with the Form of Proxy are enclosed herein.

If you decide to appoint a proxy or proxies, you are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the registered office of the Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time and date appointed for holding the EGM. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 1 August 2016 at 11.45 a.m.
Date and time of the EGM : Wednesday, 3 August 2016 at 11.45 a.m.

This Circular is dated 12 July 2016

DEFINITIONS

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

AmlInvestment Bank	: AmlInvestment Bank Berhad (23742-V)
Board	: Board of Directors of YNH
Bonus Shares	: Up to 88,289,225 new YNH Shares to be issued by YNH pursuant to the Proposed Bonus Issue
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
By-Laws	: By-Laws governing the Proposed ESS as may be amended from time to time, the draft of which is set out in Appendix I of this Circular
CDS Account	: The account established by Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
Circular	: This circular dated 12 July 2016 in relation to the Proposals
Director	: A natural person who holds a directorship, either in executive or non-executive capacity, within the meaning of Section 4 of the Companies Act, 1965 and Section 2(1) of the Capital Markets and Services Act, 2007
EGM	: Extraordinary General Meeting
Eligible Person	: Any Director or employee of the Group (excluding subsidiaries which are dormant) who fulfils the conditions of eligibility as stipulated in the By-Laws
Entitled Shareholders	: Shareholders of YNH whose names appear on the Company's Record of Depositors on the Entitlement Date in order to be entitled to participate in the Proposed Bonus Issue
Entitlement Date	: A date to be determined and announced later by the Board, as at the close of business of which the names of the Entitled Shareholders must appear on the Company's Record of Depositors in order to be entitled to participate in the Proposed Bonus Issue
EPS	: Earnings per Share
ESS Committee	: The committee to be duly appointed and authorised by the Board to administer the Proposed ESS in accordance with the By-Laws
FYE	: Financial year ended/ending 31 December, as the case may be
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 5 July 2016, being the latest practicable date prior to the printing of this Circular
Market Day	: Any day on which Bursa Securities is open for trading in securities

DEFINITIONS (CONT'D)

- Maximum Scenario** : A maximum scenario for the Proposals based on:-
- (a) the number of existing issued and paid-up share capital of the Company (including treasury shares) as at the LPD of 441,446,129 YNH Shares; and
 - (b) assuming that the treasury shares held by the Company were fully distributed to the shareholders as share dividends and no further treasury shares are accumulated prior to the Entitlement Date.
- MFRS 2** : Malaysian Financial Reporting Standards 2: *Share-Based Payment* issued by the Malaysian Accounting Standards Board
- Minimum Scenario** : A minimum scenario for the Proposals based on:-
- (a) the number of existing issued and paid-up share capital of the Company (excluding treasury shares after taking into account assumptions (b) and (c) below) as at the LPD of 438,307,828 YNH Shares;
 - (b) assuming that no treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend; and
 - (c) assuming that the remaining 3,138,301 treasury shares held by the Company after the Share Dividend were retained by the Company and no further treasury shares are purchased by the Company prior to the Entitlement Date.
- NA** : Net assets attributable to ordinary equity holders of YNH
- Offer** : The offer of Share Options and/or Share Grants made in writing by the ESS Committee to the Eligible Person
- Option Price** : The price which a Scheme Participant is required to pay to be entitled to subscribe for and/or acquire each Share under the Proposed ESS pursuant to the exercise of a Share Option
- Proposals** : Collectively, the Proposed Bonus Issue, Proposed ESS, Proposed Increase in Authorised Share Capital and Proposed Amendment
- Proposed Amendment** : Proposed amendment to the Memorandum of Association of the Company to facilitate the Proposed Increase in Authorised Share Capital
- Proposed Bonus Issue** : Proposed bonus issue of up to 88,289,225 Bonus Shares on the basis of one (1) Bonus Share for every five (5) existing YNH Shares held by the Entitled Shareholders
- Proposed ESS** : Proposed establishment of a new employees' share scheme involving up to 15% of the issued and paid-up share capital of YNH (excluding treasury shares) at any one time to Eligible Persons comprising the Proposed Share Option Plan and the Proposed Share Grant Plan
- Proposed Increase in Authorised Share Capital** : Proposed increase in authorised share capital of the Company from RM500,000,000 comprising 500,000,000 YNH Shares to RM1,000,000,000 comprising 1,000,000,000 YNH Shares
- Proposed Share Grant Plan** : Proposed share grant plan which entitles the Eligible Persons to receive Share Grant(s)

DEFINITIONS (CONT'D)

Proposed Share Option Plan	: Proposed share option plan involving the granting of rights to Eligible Persons to subscribe for and/or acquire YNH Shares at a pre-determined price
Record of Depositors	: A record of securities holders provided by Bursa Depository under the rules of Bursa Depository
RM and sen	: Ringgit Malaysia and sen respectively
Scheme	: The Company's Employees' Share Scheme to be set up under and governed by the By-Laws
Scheme Participant	: A Selected Person who has duly accepted an Offer in accordance with the By-Laws
Selected Person	: An Eligible Person to whom an Offer has been made
Senior Management	: Such employees as the ESS Committee may in its absolute discretion determine to be senior management
Share Dividend	: The distribution of treasury shares as share dividend at the ratio of 1 treasury share for every 25 existing YNH Shares as final share dividend for the FYE 2015, which was approved by the shareholders of YNH at the annual general meeting held on 30 June 2016, the entitlement date of which is on 20 July 2016
Share Grant Price	: The reference price which is used to determine the number of YNH Shares to be granted under the Share Grant
Share Grants	: Rights under the Proposed Share Grant Plan for Eligible Persons to receive new and/or existing YNH Shares, without any cash consideration payable by the Scheme Participants, cash or combinations thereof, on vesting date upon them achieving pre-determined financial and/or performance conditions and/or other service conditions, in accordance with the By-Laws
Share Options	: Rights to subscribe for and/or acquire YNH Shares under the Proposed Share Option Plan that are exercisable at a pre-determined price, in accordance with the By-Laws
Trust	: The trust to be constituted under the Trust Deed to facilitate the implementation of the Proposed ESS
Trust Deed	: The trust deed constituting the Trust, the draft salient terms of which are set out in Appendix II of this Circular
Trustee	: The trustee to be appointed by the Company to facilitate the implementation of the Proposed ESS
VWAP	: Volume-weighted average market price
YNH or Company	: YNH Property Bhd (561986-V)
YNH Group or Group	: Collectively, YNH and its subsidiaries
YNH Shares or Shares	: Ordinary shares of RM1.00 each in YNH

DEFINITIONS (CONT'D)

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/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amount listed, actual figures and the totals thereof are due to rounding.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

All references to “**you**” in this Circular are to the shareholders of YNH.

TABLE OF CONTENTS

LETTER TO THE SHAREHOLDERS OF YNH IN RELATION TO THE PROPOSALS:-

	PAGE
1. INTRODUCTION.....	1
2. DETAILS OF THE PROPOSALS.....	2
3. RATIONALE FOR THE PROPOSALS.....	12
4. EFFECTS OF THE PROPOSALS.....	13
5. HISTORICAL SHARE PRICES.....	18
6. APPROVALS REQUIRED.....	19
7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM.....	20
8. DIRECTORS' RECOMMENDATION.....	21
9. CORPORATE EXERCISES ANNOUNCED BUT NOT COMPLETED.....	21
10. ESTIMATED TIME FRAME FOR COMPLETION.....	21
11. EGM.....	22
12. FURTHER INFORMATION.....	22

APPENDICES

APPENDIX I	DRAFT BY-LAWS OF THE PROPOSED ESS.....	23
APPENDIX II	SALIENT TERMS OF THE DRAFT TRUST DEED.....	58
APPENDIX III	FURTHER INFORMATION.....	61
NOTICE OF EGM	Enclosed
FORM OF PROXY	Enclosed



YNH PROPERTY BHD
(Company No. 561986-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Malaysia

12 July 2016

Board of Directors:

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	(Chairman / Executive Director)
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	(Managing Director)
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	(Senior Independent Non-Executive Director)
Ching Nye Mi @ Chieng Ngie Chay	(Independent Non-Executive Director)
Ding Ming Hea	(Independent Non-Executive Director)

To: The Shareholders of YNH

Dear Sir/ Madam,

- (I) **PROPOSED BONUS ISSUE;**
 - (II) **PROPOSED ESS;**
 - (III) **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND**
 - (IV) **PROPOSED AMENDMENT**
-

1. INTRODUCTION

On 13 April 2016, AmInvestment Bank, on behalf of the Board announced that the Company proposes to undertake the Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Amendment.

On 20 April 2016, AmInvestment Bank, on behalf of the Board, announced that the Company proposes to undertake the Proposed ESS. On 26 May 2016, AmInvestment Bank, on behalf of the Board, announced that the Board had, on 26 May 2016 resolved to include the ability to settle the exercise of Share Options with existing YNH Shares purchased from the market.

On 23 June 2016, AmInvestment Bank had, on behalf of the Board, announced that the Bursa Securities had vide its letter dated 21 June 2016 approved the following:-

- (a) listing of up to 88,289,225 Bonus Shares to be issued pursuant to the Proposed Bonus Issue; and
- (b) listing of such number of additional new YNH Shares, involving up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares), to be issued pursuant to the exercise of the Share Options and/or Share Grants under the Proposed ESS.

The approval of Bursa Securities is subject to the conditions as set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL BY WAY OF POLL FOR THE RESOLUTIONS IN RELATION TO THE PROPOSALS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 PROPOSED BONUS ISSUE

2.1.1 Basis and number of Bonus Shares

The Proposed Bonus Issue entails the issuance of up to 88,289,225 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every five (5) existing YNH Shares held by the Entitled Shareholders as at the close of business on the Entitlement Date.

The maximum number of 88,289,225 Bonus Shares was arrived at after taking into consideration the following assumptions under the Maximum Scenario:-

- (i) the number of existing issued and paid-up share capital of the Company (including treasury shares) as at the LPD of 441,446,129 YNH Shares; and
- (ii) assuming that the treasury shares held by the Company were fully distributed to the shareholders of YNH as share dividends and no further treasury shares are accumulated prior to the Entitlement Date.

For illustrative purposes, based on the Minimum Scenario where:-

- (i) the number of existing issued and paid-up share capital of the Company (excluding treasury shares after taking into account assumptions (ii) and (iii) below) as at the LPD of 438,307,828 YNH Shares;
- (ii) assuming that no treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend; and
- (iii) assuming that the remaining 3,138,301 treasury shares held by the Company after the Share Dividend were retained by the Company and no further treasury shares are purchased by the Company prior to the Entitlement Date,

a total of 87,661,565 Bonus Shares will be issued pursuant to the Proposed Bonus Issue.

In any event, the actual number of Bonus Shares to be issued will be determined based on the issued and paid-up share capital of YNH (excluding treasury shares) on the Entitlement Date.

The Entitlement Date will be determined and announced at a later date upon the receipt of all relevant approvals for the Proposed Bonus Issue. The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

Any fractional entitlements arising from the Proposed Bonus Issue shall be disregarded and/or be dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company.

2.1.2 Capitalisation of reserves

The Proposed Bonus Issue is to be effected by way of capitalising the Company's share premium account and retained earnings.

For illustrative purposes, the proforma effects of the Proposed Bonus Issue on the reserves of the Company based on the Company's latest audited financial statements for the FYE 2015 is set out below:-

Company level	Minimum Scenario		Maximum Scenario	
	Share premium RM'000	Retained earnings RM'000	Share premium RM'000	Retained earnings RM'000
Audited as at 31 December 2015	44,698	156,992	44,698	156,992
(-) Share dividend distributed on 29 February 2016 ⁽¹⁾	(7,603)	-	(7,603)	-
(-) Share dividend distributed on 20 May 2016 ⁽²⁾	(30,741)	-	(30,741)	-
Adjusted balance	6,354	156,992	6,354	156,992
(-) Share dividend to be distributed on 12 August 2016 ⁽³⁾	(6,354)	(25,548)	(6,354)	(25,548)
(-) Assuming distribution of the entire treasury shares held by the Company as at the LPD as share dividends prior to the Entitlement Date ⁽⁴⁾	-	-	-	(5,939)
(-) Capitalisation pursuant to the Proposed Bonus Issue	-	(87,662)	-	(88,289)
(-) Estimated expenses for the Proposals	-	(190)	-	(190)
After the Proposed Bonus Issue	-	43,592	-	37,026

Notes:-

- (1) Reduction in share premium account pursuant to the distribution of 4,016,637 treasury shares worth RM7,603,368 on 29 February 2016 as interim share dividend for FYE 2015 on the basis of one (1) treasury share for every 100 existing YNH Shares held by entitled shareholders.
- (2) Reduction in share premium account pursuant to the distribution of 16,239,784 treasury shares worth RM30,741,402 on 20 May 2016 as interim share dividend for the FYE 2016 on the basis of one (1) treasury share for every 25 existing YNH Shares held by entitled shareholders.
- (3) Proforma reduction in share premium account and retained earnings pursuant to the distribution of 16,857,993 treasury shares worth RM31,902,391 to be distributed on 12 August 2016 in respect of the Share Dividend, assuming that no further treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend.
- (4) Assuming that the remaining 3,138,301 treasury shares after the Share Dividend (assuming no further treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend) will be fully distributed to shareholders by capitalising approximately RM5.9 million from the Company's retained earnings.

The Board confirms that:-

- (i) based on the latest audited consolidated financial statements of YNH for the FYE 2015 and the unaudited consolidated financial statements of YNH for the three (3)-month period ended 31 March 2016, the reserves required for the capitalisation of the Proposed Bonus Issue are unimpaired by losses on a consolidated basis in accordance with the requirements of paragraph 6.30(1) of the Listing Requirements; and
- (ii) based on the audited financial statements of YNH for the FYE 2015 and the unaudited consolidated financial statements of YNH for the three (3)-month period ended 31 March 2016, YNH's share premium and retained profits are adequate to cover the entire proposed capitalisation for the Proposed Bonus Issue.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing YNH Shares in issue at that time, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid in respect of which the entitlement date is prior to the date of allotment and issue of the Bonus Shares.

2.1.4 Listing of and quotation for the Bonus Shares

The approval from Bursa Securities was obtained vide its letter dated 21 June 2016 for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

2.2 PROPOSED ESS

2.2.1 Details of the Proposed ESS

The Proposed ESS will be administered by the ESS Committee consisting of such persons appointed by the Board from time to time and governed by the By-Laws. The ESS Committee will administer the Proposed ESS including determining the vesting conditions, performance targets and such other conditions as it may deem fit. Offers will be granted to Eligible Persons who meet the criteria of eligibility for participation under the Proposed ESS. For information only, the Company's previous Employees' Share Options Scheme which was implemented on 5 January 2010 had expired on 4 August 2014.

The Proposed ESS comprises the following:-

(i) Proposed Share Option Plan

The Proposed Share Option Plan involves the granting of Share Options to Eligible Persons to subscribe for and/or acquire YNH Shares at a pre-determined price, in accordance with the By-Laws.

Subject to the prevailing legislation and Listing Requirements, the ESS Committee will have the flexibility and discretion in determining the mode of settlement of the exercise of Share Options by way of:-

- (a) issuance of new Shares;
- (b) delivery of existing Shares via acquisition of existing Shares from the Main Market of Bursa Securities by the Trustee, followed by the transfer of the said Shares to the Scheme Participants; or
- (c) a combination of any of the above.

In determining the various modes of settlement, the ESS Committee will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company.

(ii) Proposed Share Grant Plan

The Proposed Share Grant Plan entails a Share Grant which entitles Eligible Persons to receive new and/or existing YNH Shares without any cash consideration payable by the Scheme Participants, cash or combinations thereof, on a vesting date upon them achieving pre-determined financial and/or performance conditions and/or other service conditions as determined by the ESS Committee. As such, no proceeds would be raised by the Company pursuant to the Proposed Share Grant Plan.

The pre-determined conditions to be met may include, amongst others, the achievement of individual key performance indicators in accordance with the performance management system adopted by YNH Group as well as financial performances such as the Group's profitability and total shareholder returns or such other targets that promote alignment of interests of the Scheme Participants with those of YNH shareholders.

Subject to the prevailing legislation and Listing Requirements, the ESS Committee will have the flexibility and discretion in determining the mode of settlement of the Share Grants by way of:-

- (a) issuance of new Shares;
- (b) delivery of existing Shares via acquisition of existing Shares from the Main Market of Bursa Securities by the Trustee, followed by the transfer of the said Shares to the Scheme Participants;
- (c) payment by cash with reference to Share Grant Price; or
- (d) a combination of any of the above.

In determining the various modes of settlement, the ESS Committee will take into account factors such as the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company. The Company shall have the flexibility to approve the vesting of the Share Grants, wholly or partly, in the form of cash rather than Shares, in which event the Scheme Participants shall receive the aggregate value of the relevant number of Shares in cash, with value of each Share being for this purpose, based on the fair value of the Shares on or prior to the vesting date.

2.2.2 Quantum

The maximum number of Shares to be granted to Eligible Persons pursuant to the Proposed ESS shall not at any point in time in aggregate exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares) or such other percentage of the issued and paid-up share capital of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed ESS.

2.2.3 Basis of allocation and maximum entitlement

The basis of allocation of the number of Shares in respect of the Share Options and/or Share Grants and the maximum number of Shares, which may be offered to an Eligible Person, shall be determined entirely at the discretion of the ESS Committee subject to provisions of the By-Laws. An Eligible Person who is a member of the ESS Committee shall abstain from deliberations in respect of any Share Options and/or Share Grants to be granted to or held or to be held by him or persons connected to him.

Notwithstanding the foregoing, subject to any adjustments which may be made under the By-Laws, the aggregate maximum number of Share Options and/or Share Grants that may be allocated to any one category/designation of Eligible Persons of the Group shall be determined by the ESS Committee provided that:-

- (i) the Directors (including non-executive directors) and Senior Management of the YNH Group do not participate in the deliberation or discussion of their own allocation;
- (ii) not more than fifty percent (50%) of YNH Shares available under the Proposed ESS on any date shall be allocated in aggregate to the Directors (including non-executive directors) and Senior Management of the YNH Group; and
- (iii) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum YNH Shares available under the Proposed ESS,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

The ESS Committee shall also decide in relation to the Share Options and Share Grants, amongst others, the date of the Share Options and Share Grants, performance condition(s), performance period, the vesting period(s), vesting date, release schedule, retention period and the extent to which the YNH Shares which are the subject of the Share Options and Share Grants shall be released on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

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2.2.4 Eligibility to participate in the Proposed ESS

Any Director (executive or non-executive) or employee of the YNH Group (excluding dormant subsidiaries within YNH Group), who meets the following criteria as at the date of the Offer is eligible to participate in the Proposed ESS at the discretion of the ESS Committee:-

- (i) if he has attained the age of eighteen (18) years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) if he is employed on a full time basis and is on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination;
- (iii) if his employment has been confirmed in writing and has been in employment for a continuous period of one (1) year in the Group or in the case of a director, he has been appointed to the board of directors of any members of the Group at least one (1) year prior to the date of Offer;
- (iv) if he is employed by a company or corporation which is acquired by the Group during the duration of the Proposed ESS and becomes a subsidiary of the Company upon such acquisition, he must have completed a continuous period of at least one (1) year in the Group following the date that such company becomes or is deemed to be a subsidiary;
- (v) if he is serving under an employment contract for a fixed duration, the contract should be of a duration of at least three (3) years in the Group; and
- (vi) if he fulfills any other criteria and/or falls within such category as may be determined by the ESS Committee from time to time.

For the avoidance of doubt, where the Eligible Person is a Director of any company within the Group, Section 2.2.4(ii) and (v) above shall not apply and no employees of dormant subsidiaries of the Company will be eligible to participate in the Proposed ESS.

If the Eligible Person is:-

- (i) a Director, chief executive officer and/or major shareholder of YNH; or
- (ii) a person connected to the Director, chief executive officer and/or major shareholder of YNH,

the specific allocation of Shares Options and/or Share Grants by the Company to him must first be approved by the shareholders of YNH at a general meeting, unless such approval is no longer required under the Listing Requirements. Such persons shall also abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolutions pertaining to their respective entitlements to be tabled at the forthcoming EGM.

An Eligible Person who represents the Government or Government institutions/agencies and Government employees who are serving in the public service as defined under Article 132 of the Federal Constitution are not eligible to participate in the Proposed ESS.

The eligibility for consideration under the Proposed ESS does not confer an Eligible Person with any rights whatsoever under or to participate in the Proposed ESS unless the ESS Committee has made the Offer to the Selected Person and the Selected Person has accepted the Offer in accordance with the terms of the Offer and terms set out in the By-Laws.

The selection of any Eligible Person to participate in the Proposed ESS and the number of Share Options and Share Grants to be offered to any Eligible Person under the Proposed ESS shall be at the discretion of the ESS Committee whose decisions shall be final and binding.

2.2.5 Duration of the Proposed ESS

The Proposed ESS shall continue to be in force for a period of five (5) years, commencing from the effective date of the Proposed ESS provided always that on or before the expiry thereof, the Board shall have the discretion upon recommendation of the ESS Committee, to extend in writing the tenure of the Proposed ESS for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years. Such extension of the Proposed ESS made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years from the effective date or such other period as may be prescribed by Bursa Securities or any other relevant authorities. The effective date of the Proposed ESS shall be the date of full compliance with all relevant requirements stipulated in the Listing Requirements.

Unless otherwise required by the relevant authorities, no further sanctions, approvals or authorisation shall be required for the extension of the Proposed ESS provided that the Company shall serve appropriate notices on each Selected Person or Scheme Participant and make the relevant announcement(s) to Bursa Securities (if required).

On expiry of the Proposed ESS, any Share Options and/or Share Grants which have yet to be exercised or vested shall be deemed cancelled and be null and void.

2.2.6 Pricing

The Option Price and Share Grant Price shall be the higher of the following:-

- (i) at a price determined based on the five (5)-day VWAP of YNH Shares up to the date immediately prior to the price-fixing date, subject to a discount (if any) of not more than 10% (or such basis as the relevant authorities may permit); or
- (ii) the par value of the YNH Shares at the material time.

The Option Price and Share Grant Price shall be subject to adjustments (if any) in accordance with the By-Laws.

2.2.7 Ranking of YNH Shares

The new YNH Shares to be issued pursuant to the Proposed ESS shall upon allotment and issue, rank *pari passu* in all respects with the then existing Shares save and except that such YNH Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid, for which the entitlement date is prior to the date of allotment and issue of such new YNH Shares.

The existing YNH Shares to be transferred to Scheme Participants shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid to the shareholders of the Company, for which the entitlement date is prior to the date on which the existing YNH Shares are credited into the relevant securities accounts of the Scheme Participants maintained by Bursa Depository.

2.2.8 Utilisation of proceeds

The amount of proceeds to be received arising from the exercise of the Share Options will depend on, among others, the number of Share Options granted and exercised at the relevant point in time as well as the Option Price. As such, the actual amount of proceeds arising from the exercise of the Share Options as well as the timeframe for the utilisation of the proceeds is not determinable at this juncture.

Nevertheless, the Company intends to utilise the proceeds arising from the exercise of the Share Options, if any, as working capital for the Group as and when received by the Company.

No proceeds will be received pursuant to the Proposed Share Grant Plan as Scheme Participants will not be required to pay for the YNH Shares that may be issued and/or transferred to them.

2.2.9 Listing of and quotation for the new YNH Shares to be issued pursuant to the Proposed ESS

The approval from Bursa Securities was obtained vide its letter dated 21 June 2016 for the listing of and quotation for the new YNH Shares to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities.

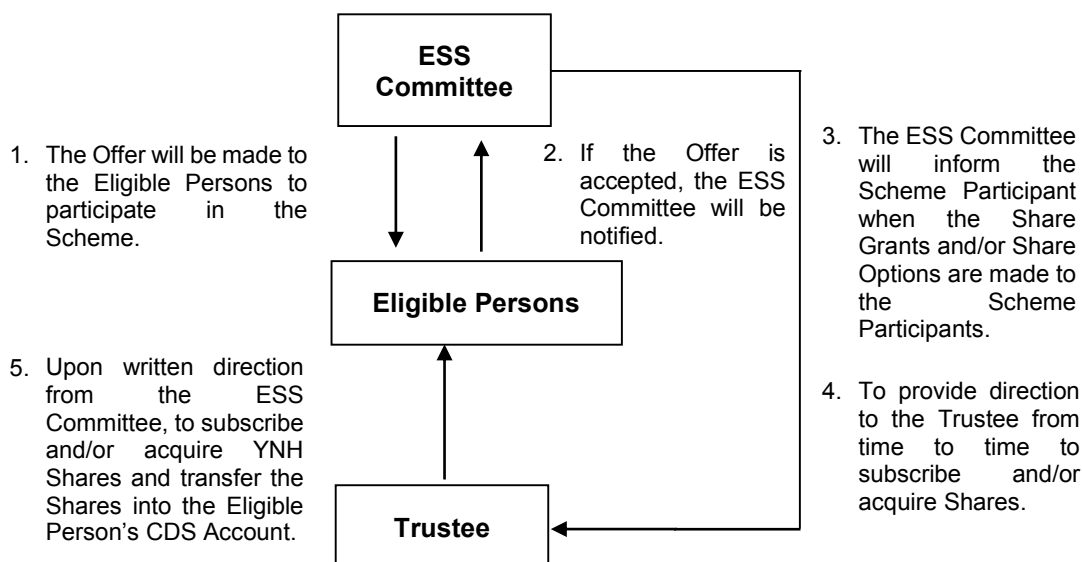
2.2.10 Trust arrangement

To facilitate the implementation of the Proposed ESS, the Company may establish a Trust to be administered by the Trustee. The Trustee shall, at such times as the ESS Committee shall direct, subscribe for and/or purchase the necessary number of existing YNH Shares to accommodate any transfer of YNH Shares to the Scheme Participants. For this purpose, the Trustee will be entitled from time to time to the extent permitted by law to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

The Trustee for the Proposed ESS will be appointed to administer the Trust in accordance with a Trust Deed. The Company shall have the power to appoint or rescind the appointment of any trustee as it deems fit in accordance with the provisions of the Trust Deed.

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A summary of the implementation flow for the Proposed ESS is set out below:-



Upon termination of the Trust pursuant to the Trust Deed, the Trustee shall transfer to such Scheme Participants such number of Shares as may be directed by the ESS Committee in writing and/or sell such Shares held at the then prevailing market price and convert such other trust assets into money to be dealt with in accordance with the Trust Deed. The salient features of the draft Trust Deed are set out in Appendix II of this Circular.

2.2.11 Retention period

A non-executive Director may only be offered and granted the Share Options to subscribe for new YNH Shares and pursuant to paragraph 8.20 of the Listing Requirements, he must not sell, transfer or assign any YNH Shares obtained pursuant to the Offer made to him within one (1) year from the date of Offer or such other period as may be stipulated by the relevant authorities or a longer period as may be determined by the ESS Committee.

Save for the above, the new YNH Shares to be allotted and issued and/or transferred to the Scheme Participants pursuant to the Proposed ESS will not be subjected to any retention period unless the ESS Committee stipulates otherwise in the Offer.

2.2.12 Fees, costs and expenses of the Proposed ESS

Subject to the provisions of the By-Laws, all fees, costs and expenses incurred in relation to the Proposed ESS including but not limited to the costs and expenses relating to the allotment and issue and/or transfer of YNH Shares pursuant to the Proposed ESS shall be borne by the Company. The estimated expenses in relation to the Proposed ESS cannot be determined at this juncture as it may vary in accordance with the number of allotments and/or transfers of YNH Shares pursuant to the Proposed ESS.

2.2.13 Alteration of capital

Subject to the provisions of the By-Laws, in the event of any alteration in the capital structure of the Company during the duration of the Proposed ESS, whether by way of rights issue, bonus issue, subdivision or consolidation of YNH Shares, capital reduction (save for set off against accumulated losses), capital repayment or any other variation of capital (excluding any cancellation of capital which is lost or unrepresented by available assets) being effected, the ESS Committee shall cause the following adjustments to be made to the Proposed ESS:-

- (i) the Option Price and/or Share Grant Price; and/or
- (ii) the number of Shares which are the subject of a Share Option and/or Share Grant to the extent not yet vested and/or vested but not allotted and issued or credited into the CDS Account of the Scheme Participants (as the case may be),

as shall be necessary to ensure that any adjustment made in such manner as the ESS Committee may determine to be appropriate and except in relation to bonus issue, upon the external auditor or the principal adviser (as defined in the Listing Requirements) of the Company (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

Provided always that any such adjustment shall be made in such a way that a Selected Person or Scheme Participant will not receive a benefit that a shareholder of YNH does not receive and provided further that no adjustment shall be made unless the ESS Committee, after considering all relevant circumstances, considers it equitable to do so.

2.2.14 Amendment, variation and/or modification to the Proposed ESS

Subject to the compliance with the Listing Requirements and the approvals of any other relevant authorities (if required), the ESS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend, modify and/or delete all or any of part of the provisions of the By-Laws upon such recommendation provided that no additions or amendments to or modifications or deletion of the By-Laws shall be made which will:-

- (i) prejudice any rights of shareholders of the Company without the prior approval of shareholders of the Company in a general meeting unless such amendment, modification or deletion arises as a consequence to the amendment, modification or deletion of the Listing Requirements; or
- (ii) provide an advantage to any Scheme Participant or group of Scheme Participants or all the Scheme Participants unless otherwise permitted under the provisions of Listing Requirements.

Where any amendments and/or modification is made to the By-Laws, the Company shall submit to Bursa Securities, the amendments and/or modifications to the By-Laws and a confirmation letter that the amendments and/or modifications complies with the provisions stipulated in the Listing Requirements no later than five (5) Market Days from the effective date of the said amendments and/or modifications.

2.3 PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the LPD, the authorised share capital of YNH is RM500,000,000 comprising 500,000,000 YNH Shares, of which RM441,446,129 comprising 441,446,129 YNH Shares have been issued and fully paid-up.

In order to accommodate the issuance of new YNH Shares pursuant to the Proposed Bonus Issue and Proposed ESS as well as to facilitate the issuance of new YNH Shares which may be undertaken by YNH in the future, YNH proposes to increase the authorised share capital of YNH from RM500,000,000 comprising 500,000,000 YNH Shares to RM1,000,000,000 comprising 1,000,000,000 YNH Shares, by the creation of an additional 500,000,000 YNH Shares.

2.4 PROPOSED AMENDMENT

The Proposed Amendment involves amendment to the relevant clause in the Memorandum of Association of YNH to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

The details of the amendment to the Memorandum of Association of YNH are as follows:

Clause No.	Existing Provision	Proposed Amendment
6	The capital of the Company is RM500,000,000/- divided into 500,000,000 shares of RM 1/- each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is <u>RM1,000,000,000/-</u> divided into <u>1,000,000,000</u> shares of RM 1/- each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Bonus Issue

The Proposed Bonus Issue is undertaken to:

- (i) reward the existing YNH shareholders for their loyalty and continuing support, by enabling them to have greater participation in the equity of the Company in terms of number of YNH Shares held, whilst maintaining their percentage of equity interest in YNH; and
- (ii) enhance the trading liquidity and marketability of YNH Shares on Bursa Securities.

3.2 Proposed ESS

The proposed establishment of the Proposed ESS is to:-

- (i) recognise the contribution of the Eligible Persons whose services are valued and vital to the operation and continued growth of the Group and reward them by allowing them to participate in the Group's profitability and eventually realise potential capital gains arising from appreciation in the value of the YNH Shares;
- (ii) inculcate a greater sense of loyalty, belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company;
- (iii) retain and provide a continuing incentive to Eligible Persons to stimulate greater commitment, productivity and effort on the part of the Eligible Persons towards the Group; and
- (iv) attract potential skilled and experienced employees to join the Group by making the total compensation package more competitive.

The Proposed ESS is also extended to the non-executive directors of YNH, in recognition of their contribution towards the growth and performance of YNH Group. In addition, their participation in the equity of the Company is an incentive for their continued efforts and strategic direction rendered to the YNH Group.

3.3 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital is required to facilitate the issuance of new YNH Shares pursuant to the Proposed Bonus Issue and Proposed ESS as well as to facilitate the issuance of new YNH Shares which may be undertaken by YNH in the future.

3.4 Proposed Amendment

The Proposed Amendment is required to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

4. EFFECTS OF THE PROPOSALS

For illustrative purposes, the proforma effects of the Proposals on the Group and/or the Company are based on the following scenarios:

(i) Minimum Scenario

Assuming that the remaining 3,138,301 treasury shares after the Share Dividend (assuming no further treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend) were retained by the Company and no further treasury shares are accumulated prior to the Entitlement Date.

(ii) Maximum Scenario

Assuming that the remaining 3,138,301 treasury shares after the Share Dividend (assuming no further treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend) were fully distributed to the shareholders as share dividends and no further treasury shares are accumulated prior to the Entitlement Date.

For information purposes, the Directors of the Company had announced on 30 June 2016, the distribution of the final share dividend for FYE 2015 to the entitled shareholders on the basis of one (1) treasury share for every 25 existing YNH Shares. The actual treasury shares to be distributed on 12 August 2016 will depend on the issued share capital (excluding treasury shares) of YNH on the 20 July 2016, being the entitlement date for the final share dividend.

The assumption above is made solely for the purpose of this illustration only and is not to be construed or regarded as the Company's commitment or indication of the Company's intention towards its treasury shares.

4.1 Issued and paid-up share capital

The Proposed Increase in Authorised Share Capital and Proposed Amendment will not have any effect on the existing issued and paid-up share capital of YNH.

The Proposed ESS will not have an immediate effect on the existing issued and paid-up share capital of YNH, until and unless new YNH Shares are issued pursuant to the Proposed ESS, in which case the Company's issued and paid-up share capital will increase progressively depending on the number of new YNH Shares issued.

The proforma effects of the Proposed Bonus Issue and the Proposed ESS on the issued and paid-up share capital of YNH is set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares ('000)	Amount (RM'000)	No. of Shares ('000)	Amount (RM'000)
As at the LPD	441,446	441,446	441,446	441,446
To be issued pursuant to the Proposed Bonus Issue ⁽¹⁾	87,662	87,662	88,289	88,289
After the Proposed Bonus Issue	529,108	529,108	529,735	529,735
Maximum number of new YNH Shares to be issued under the Proposed ESS ⁽²⁾	78,896	78,896	79,460	79,460
Enlarged issued and paid-up share capital	608,004	608,004	609,195	609,195

Notes:

- (1) *The Proposed Bonus Issue is assumed to be implemented prior to the issuance of any Share Options and/or Share Grants under the Proposed ESS.*
- (2) *Computed based on:-*
- (i) *15% of the enlarged issued and paid-up share capital of the Company (net of any treasury shares held, if any) after the Proposed Bonus Issue; and*
 - (ii) *assuming that the Share Grants issued and/or exercise of Share Options under the Proposed ESS are fully satisfied via issuance of new YNH Shares.*

4.2 Substantial shareholders' shareholdings

4.2.1 Proposed Bonus Issue

The Proposed Bonus Issue will not have any effect on the percentage of shareholdings of the substantial shareholders of YNH. However, there will be a proportionate increase in the total number of YNH Shares held by each substantial shareholder of YNH as the result of the issuance of the Bonus Shares to the Entitled Shareholders on a pro-rata basis.

4.2.2 Proposed ESS

The Proposed ESS will not have any immediate effect on the shareholdings of YNH's substantial shareholders until and unless new YNH Shares are issued to Scheme Participants. Any potential effect on their shareholdings will depend on the number of new Shares to be issued pursuant to the Proposed ESS and whether such new Shares are issued to Scheme Participants who are substantial shareholders at the relevant point in time.

In the event that the existing Shares are purchased for delivery to Scheme Participants as a mode of settlement for the Share Grants and/or Share Options, there will be no impact on the shareholdings of YNH's substantial shareholders, unless such existing Shares are delivered to such Eligible Persons who are also substantial shareholders of YNH, where the total number of YNH Shares held by and percentage of shareholdings in YNH of such relevant substantial shareholders shall increase accordingly.

If YNH pays the equivalent cash value pursuant to the Proposed Share Grant Plan, there will be no effect on the shareholdings of YNH's substantial shareholders.

4.2.3 Proposed Increase in Authorised Share Capital and Proposed Amendment

The Proposed Increase in Authorised Share Capital and Proposed Amendment will not have any effect on the shareholdings of the substantial shareholders of YNH.

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4.3 NA per Share and gearing

4.3.1 Proposed Bonus Issue

Based on YNH's latest audited consolidated statement of financial position as at 31 December 2015, the proforma effects of the Proposed Bonus Issue on YNH Group's consolidated NA per Share and gearing are as follows:-

	Audited as at 31 Dec 2015 RM'000	Subsequent events RM'000	Proforma I Distribution of Share Dividend RM'000	After I and upon completion of the Proposed Bonus Issue	
				Minimum Scenario RM'000	Maximum Scenario RM'000
Share capital	441,446	441,446	441,446	529,108	529,735
Share premium	44,698	(1)6,354	(3)-	-	-
Treasury shares	(74,593)	(2)(37,841)	(3)(5,939)	(5,939)	(5)-
Other reserves	33,091	33,091	33,091	33,091	33,091
Retained earnings	429,782	429,782	(3)404,234	(4)316,382	(6)309,816
NA	874,424	872,832	872,832	872,642	872,642
No. of Shares issued (excluding treasury shares)	402,041	422,297	438,308	525,970	529,735
NA per Share	2.17	2.07	1.99	1.66	1.65
Borrowings	799,001	799,001	799,001	799,001	799,001
Gearing (times)	0.91	0.92	0.92	0.92	0.92

Notes:

- (1) After taking into consideration the following subsequent events up to the LPD:-
- distribution of 4,016,637 treasury shares worth RM7,603,368 on 29 February 2016 as interim share dividend for FYE 2015 on the basis of one (1) treasury share for every 100 existing YNH Shares held by the entitled shareholders; and
 - distribution of 16,239,784 treasury shares worth RM30,741,402 on 20 May 2016 as first interim share dividend for FYE 2016 on the basis of one (1) treasury share for every 25 existing YNH Shares held by the entitled shareholders.
- (2) After taking into consideration the following subsequent events up to the LPD:-
- (a) distribution of share dividends per Note 1 above; and
 - (b) acquisition of 847,200 treasury shares at RM1,592,738 from 1 January 2016 up to the LPD
- (3) After taking into consideration the distribution of 16,857,993 treasury shares worth RM31,902,391 to be distributed on 12 August 2016 in respect of the Share Dividend, assuming that no further treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend by capitalising approximately RM6.4 million from the Company's share premium account and approximately RM25.5 million from the Company's retained earnings.
- (4) After capitalisation of YNH's retained earnings for the Proposed Bonus Issue of approximately RM87.7 million and the estimated expenses for the Proposals of approximately RM190,000.
- (5) Assuming that the remaining 3,138,301 treasury shares after the Share Dividend (assuming no further treasury shares are purchased or sold by the Company prior to 20 July 2016, being the entitlement date for the Share Dividend) will be fully distributed to shareholders by capitalising approximately RM5.9 million from the Company's retained earnings.
- (6) After taking into consideration the capitalisation of approximately RM88.3 million for the Proposed Bonus Issue, Note 5 and the estimated expenses for the Proposals of RM190,000.

4.3.2 Proposed ESS

The Proposed ESS is not expected to have an immediate effect on the NA and gearing of YNH Group until such time when the Share Options and Share Grants are granted and new YNH Shares are issued pursuant to the Proposed ESS and/or existing YNH Shares are acquired from the market. Any potential effect on the NA per Share and gearing of the Group will depend on, among others, the number of Share Options and/or Share Grants granted, the vesting conditions (if any), the number of YNH Shares to be issued upon the exercise of the Share Options, the mode of settlement for the Share Grants at vesting date, the mode of settlement for the exercise of Share Options and the utilisation of proceeds from the exercise of the Share Options.

4.3.3 Proposed Increase in Authorised Share Capital and Proposed Amendment

The Proposed Increase in Authorised Share Capital and Proposed Amendment will not have any effect on the NA per Share and gearing of YNH Group.

4.4 Earnings and EPS

4.4.1 Proposed Bonus Issue

The Proposed Bonus Issue will not have any material impact on the earnings of the Group for the FYE 2016. However, there will be a corresponding reduction in the consolidated EPS of YNH as a result of increase in the number of YNH Shares in issue pursuant to the Proposed Bonus Issue.

4.4.2 Proposed ESS

The Proposed ESS is not expected to have any immediate material effect on the earnings of YNH Group. In accordance with MFRS 2, the Proposed ESS will result in a charge to the earnings of YNH Group over the period from the grant date to the vesting date of the Share Options and/or Share Grants, as the case may be.

The potential effect of the Proposed ESS on the EPS of YNH Group in future, as a consequence of recognising the expenses in accordance with MFRS 2 cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Share Options and/or Share Grants at the relevant point in time.

Strictly for illustrative purposes, excluding the effects on the future earnings generated by the Group and the potential cost of awarding the Share Grants and/or Share Options under MFRS 2, the Proposed ESS will have a dilutive effect on the Group's EPS due to the increase in the number of Shares resulting from the issuance of new YNH Shares to satisfy any Share Grants or exercise of Share Options pursuant to the Proposed ESS.

The Board has taken note of the potential effect of the Proposed ESS on YNH Group's earnings and will take into consideration such potential effects in managing the earnings impact in allocating and granting of the Share Options and Share Grants to the Eligible Persons.

4.4.3 Proposed Increase in Authorised Share Capital and Proposed Amendment

The Proposed Increase in Authorised Share Capital and Proposed Amendment will not have any effect on the consolidated earnings and EPS of YNH.

4.5 Convertible securities

As at the LPD, the Company does not have any existing convertible securities.

5. HISTORICAL SHARE PRICES

The monthly high and low prices of YNH Shares traded on Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:-

Month	High (RM)	Low (RM)
<u>2015</u>		
July	1.81	1.70
August	1.78	1.48
September	1.83	1.64
October	1.87	1.70
November	1.81	1.73
December	1.81	1.70
<u>2016</u>		
January	1.83	1.69
February	2.02	1.75
March	1.92	1.80
April	2.02	1.85
May	2.06	1.83
June	1.96	1.84
The last transacted market price of YNH Shares on 12 April 2016 (being the last market day immediately prior to the announcement of the Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Amendment)		1.89
The last transacted market price of YNH Shares on 19 April 2016 (being the last market day immediately prior to the announcement of the Proposed ESS)		1.92
The last transacted market price of YNH Shares as at the LPD		1.88

(Source: Bloomberg)

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6. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the new YNH Shares to be issued pursuant to the Proposed Bonus Issue and Proposed ESS on the Main Market of Bursa Securities. The approval from Bursa Securities was obtained vide its letter dated 21 June 2016 and is subject to the following conditions:-

	Conditions	Status of compliance
1)	YNH and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue.	To be complied with in the course of implementation.
2)	YNH and AmInvestment Bank to inform Bursa Securities upon the completion of the Proposed Bonus Issue.	To be complied with upon completion of the Proposed Bonus Issue.
3)	YNH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed.	To be complied with upon completion of the Proposed Bonus Issue.
4)	YNH and AmInvestment are required to make the relevant announcements pursuant to Paragraph 6.35(2)(a) and (b) and 6.35(4) of the Listing Requirements.	To be complied with upon announcement of the Entitlement Date and after the Entitlement Date and the exact number of Bonus Shares to be listed and quoted on the Main Market of Bursa Securities have been determined.
5)	AmInvestment Bank is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation.	To be complied upon the effective date of implementation of the Proposed ESS.
6)	YNH is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESS shares listed as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied in due course.
7)	To furnish a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposals.	To be complied after receipt of the approval of the shareholders of YNH at the forthcoming EGM to be convened.
8)	To incorporate Bursa Securities' comments in respect of the Circular.	Complied.

- (ii) shareholders of the Company at the forthcoming EGM to be convened; and
- (iii) any other relevant parties and/or authorities, if required.

The Proposed Bonus Issue and Proposed ESS are conditional upon the Proposed Increase in Authorised Share Capital and Proposed Amendment. The Proposed Increase in Authorised Share Capital and Proposed Amendment are inter-conditional.

Other than the above, the Proposals are not conditional upon any other proposal or scheme undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

7.1 Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Amendment

None of the directors and/or major shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Amendment, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue, which are also available to all other shareholders of the Company on a pro-rata basis.

7.2 Proposed ESS

All the Directors of the Company ("**Interested Directors**") (of whom Dato' Dr. Yu Kuan Chon and Dato' Yu Kuan Huat are also the major shareholders of YNH) are deemed interested only in respect of their respective entitlements under the Proposed ESS. As such, the Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of their respective allocation of Share Options and/or Share Grants to themselves as well as the specific allocations to any persons connected to them at the relevant Board meetings.

Further, the Interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolutions pertaining to their respective specific allocations of Share Options and/or Share Grants as well as the specific allocations to any persons connected to them under the Proposed ESS at the EGM to be convened.

The Interested Directors have also undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolutions pertaining to their respective specific allocations of Share Options and/or Share Grants to themselves respectively under the Proposed ESS at the EGM to be convened.

Save as disclosed above, none of the other directors and/or major shareholders of YNH and/or persons connected to them have any interest, whether direct or indirect, in the Proposed ESS.

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8. DIRECTORS' RECOMMENDATION

The Board, having considered and deliberated on all aspects of the Proposals (including but not limited to the rationale and effects of the Proposals), is of the opinion that the Proposals are in the best interests of the Company. Accordingly, the Board recommends that you vote in favour of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM.

However, the respective Directors of YNH have abstained from giving any opinion on the respective specific allocation under the Proposed ESS to each of them and/or persons connected to them. In addition, the respective Directors of YNH have also abstained from making any recommendation for voting in respect of the resolutions pertaining to specific allocations of the Share Options and/or Share Grants to each of them and/or persons connected to them, given that they are interested in the respective specific allocation to them and/or persons connected to them under the Proposed ESS.

9. CORPORATE EXERCISES ANNOUNCED BUT NOT COMPLETED

Save for the Proposals, there are no other corporate exercises which have been announced by YNH but have yet to be completed as at the LPD.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the required approvals being obtained, the Proposals are expected to be implemented by the fourth (4th) quarter of the calendar year 2016.

The tentative timetable in relation to the completion of the Proposals is as follows:-

Date	Event
Early August 2016	EGM
Mid August 2016	Announcement of the Entitlement Date
Early September 2016	<ul style="list-style-type: none">• Entitlement Date• Listing of and quotation for the Bonus Shares
End September 2016	Effective date of the Proposed ESS

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11. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Hotel Sfera, 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia, on Wednesday, 3 August 2016 at 11.45 a.m., or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolutions by way of poll, with or without any modifications, to give effect to the Proposals and the resolutions pertaining to the Proposed ESS as set out in the Notice of EGM.

If you decide to appoint a proxy or proxies, you are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the registered office of the Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time and date appointed for holding the EGM. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders of YNH are requested to refer to the enclosed appendices of this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors of
YNH PROPERTY BHD

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS
Chairman / Executive Director

YNH PROPERTY BHD**EMPLOYEES' SHARE SCHEME 2016****1. DEFINITIONS**

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:-

“Adviser”	: A corporate finance adviser that may act as a principal adviser under the Principal Adviser Guidelines issued by the Securities Commission Malaysia on 8 May 2009 (effective from 3 August 2009)
“Awards”	: The awards of Share Grants and/or Options granted to Eligible Persons pursuant to By-Law 8.3
“Board”	: The board of directors of YNH
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“By-Laws”	: These by-laws governing the Scheme as amended from time to time
“CDS”	: The Central Depository System governed under SICDA
“Companies Act”	: Companies Act, 1965
“Company” or “YNH”	: YNH Property Bhd (Company No. 561986-V) and shall, where the context admits, include its successors in title
“Director”	: A natural person who holds a directorship in any company in the Group, either in executive or non-executive capacity
“Effective Date”	: The date in which the Scheme takes effect, being the date on which the last of the approvals and/or conditions referred to in By-Law 6.1 have been obtained and/or complied with
“Eligible Person”	: Eligible directors and employees of the Group who fulfill the conditions of eligibility as stipulated in By-Law 4
“Entitlement Date”	: The date as at the close of business on which names of shareholders of the Company must appear on the record of depositors maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments or other distributions

- “ESS Committee” : The committee comprising directors and/or executives appointed by the Board pursuant to By-Law 20 to implement and administer the Scheme in accordance with these By-Laws
- “Group” : Collectively, YNH and its Subsidiaries (excluding Subsidiaries which are dormant and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period unless determined by the Board and/or ESS Committee, in its absolute discretion, that any such subsidiary of YNH shall not fall within this expression)
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities
- “Market Day” : A day on which Bursa Securities is open for trading in securities
- “Maximum Allowable Allocation” : The aggregate maximum number of Scheme Shares that may be allocated to any one category/designation of Eligible Persons pursuant to By-Law 5
- “Maximum Scheme Shares Available” : The maximum number of Scheme Shares which may be made available under the Scheme as set out in By-Law 3.1
- “Offer” : An offer for Option(s) and/or Share Grant(s) made in writing by the ESS Committee to the Eligible Person pursuant to By-Law 8
- “Offer Date” : The date on which an Offer is made or deemed made by the ESS Committee to an Eligible Person which shall be the date the Offer is served in accordance with By-Law 34
- “Offer Period” : The period of thirty (30) days from the Offer Date or such other period as may be determined by the ESS Committee having regard to the Terms of Reference and specified in the Offer during which an Offer may be accepted
- “Option” : A right to subscribe for and/or acquire YNH Shares under the Share Option Plan that is exercisable pursuant to the provisions of By-Law 13
- “Option Period” : The period during which an Option may be exercised as may be specified in the Offer

- “Option Price” : The price which a Scheme Participant is required to pay to be entitled to subscribe for and/or acquire each Scheme Share pursuant to the exercise of an Option
- “Performance Period” : The period in which the Performance Targets stipulated by the ESS Committee and set out in the Offer are required to be performed
- “Performance Targets” : The performance targets stipulated by the ESS Committee and as set out in an Offer which are to be achieved by the Group during the Performance Period
- “RM” and “sen” : Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
- “Rules of the Exchange” : Rules of Bursa Securities
- “Scheme” : The YNH Property Bhd Employees’ Share Scheme set up under and governed by these By-Laws comprising of the Share Grant Plan and Share Option Plan
- “Scheme Participant” : A Selected Person who has duly accepted an Offer in accordance with these By-Laws
- “Scheme Period” : The period of the Scheme as set out in By-Law 6.1
- “Scheme Share(s)” : YNH Shares to be made available for purposes of the Scheme
- “Selected Person” : An Eligible Person to whom an Offer has been made pursuant to By-Law 8
- “Senior Management” : Such employees as the ESS Committee may determine to be senior management
- “Service Period” : The period determined by the ESS Committee and stipulated in the Offer during which a Scheme Participant: (i) must remain/continue in continuous employment with any corporation in the Group; and (ii) must not have given a notice of resignation or received a notice of termination
- “Share Grant” : A right under the Share Grant Plan for Eligible Persons to receive new and/or existing Scheme Shares, without any cash consideration payable by the Scheme Participants, cash or combinations thereof, on Vesting Date upon them achieving pre-determined financial and/or performance conditions and/or other service conditions, in accordance with these By-Laws

APPENDIX I – DRAFT BY-LAWS OF THE PROPOSED ESS (CONT'D)

“Share Grant Plan”	:	The share grant plan which entitles the Scheme Participants to receive Share Grant(s)
“Share Grant Price”	:	The reference price which is used to determine the number of Scheme Shares to be granted under the Awards as stipulated in the Offer
“Share Option Plan”	:	The share option plan involving the granting of rights to Eligible Persons to subscribe for and/or acquire Scheme Shares at a pre-determined price
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“Subsidiaries”	:	Subsidiaries of YNH within the meaning of Section 5 of the Companies Act
“Terms of Reference”	:	The terms of reference which the Board may establish to regulate and govern the ESS Committee’s functions and/or responsibilities under these By-Laws as amended from time to time
“Trust”	:	The trust established to facilitate the implementation of the Scheme (if required)
“Trust Deed”	:	The trust deed constituting the Trust
“Trustee”	:	The trustee (if required) for the time being appointed to be the trustee for the Scheme pursuant to By-Law 21.2
“Unexercised Options”	:	Options and any part thereof which have not been fully exercised at the relevant time and in respect of which the Option Period has not expired
“Unvested Share Grants”	:	Scheme Shares or any part thereof which have not been vested in the Scheme Participant pursuant to an Award by the relevant date
“Value”	:	The value which is used to determine the number of Share Grants offered to a Selected Person under an Award pursuant to the Share Grant Plan as stipulated in the Offer
“Vesting Date”	:	The date on which the Share Grants or Options granted pursuant to an Award vest in the Scheme Participant
“YNH Share(s)” or “Shares”	:	Ordinary share(s) in the capital of the Company which currently have a par value of RM1.00

- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.
- 1.3 Any reference to “By-Law” is a reference to a By-Law of these By-Laws.
- 1.4 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws.
- 1.5 Any reference to a statute, statutory provision, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.6 Any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESS Committee (including any selection) may be exercised in the ESS Committee’s sole and absolute discretion having regard only to the Terms of Reference (where applicable) and the ESS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.7 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day, and if an event is to occur on a stipulated day which falls after the expiry of the Scheme Period then the stipulated day will be taken to be the last Market Day of the Scheme Period.
- 1.8 In the event of any change in the name of the Company from its present name, all references to “YNH Property Bhd” in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company’s new name.

2. THE SCHEME

- 2.1 The Scheme shall be called the “YNH Property Bhd Employees’ Share Scheme”.

3. MAXIMUM NUMBER OF SCHEME SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of Scheme Shares which may be made available under the Scheme shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) or such other percentage of the issued and paid-up share capital of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant authorities from time to time at any point of time during the Scheme Period (“**Maximum Scheme Shares Available**”).
- 3.2 In the event that the Company purchases or cancels its own shares in accordance with the provisions of Section 67A of the Companies Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its issued and paid-up ordinary share capital, the following provisions shall apply in respect of future Offers but all the Share Grants and Options granted prior to such purchase and/or the reduction/adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid or exercisable in accordance with the provisions of the Scheme as if that reduction/adjustment had not occurred:

- (a) if, after such purchase, cancellation or reduction, the aggregate number of Scheme Shares in respect of the Awards granted by the Company as at the date of purchase, cancellation or reduction of shares is greater than the Maximum Scheme Shares Available, no further Offers shall be made by the ESS Committee until such aggregate number of Scheme Shares in respect of the Awards granted falls below the Maximum Scheme Shares Available; and
- (b) if, after such purchase, cancellation or reduction, the aggregate number of Scheme Shares in respect of the Awards granted by the Company as at the date of purchase, cancellation or reduction of shares is less than the Maximum Scheme Shares Available, the ESS Committee may make further Offers but only until such aggregate number of Scheme Shares in respect of the Awards granted is equivalent to the Maximum Scheme Shares Available after such purchase, cancellation or reduction.

3.3 The Company will use all reasonable efforts to make available or ensure that it has available and sufficient Scheme Shares to satisfy the Offers made during the Scheme Period.

4. ELIGIBILITY

4.1 Any Director or employee of a corporation in the Group who meets the following criteria as at the Offer Date shall be eligible for consideration and selection as a Selected Person by the ESS Committee:

- (a) if he has attained the age of eighteen (18) years and is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (b) if he is employed on a full time basis and is on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination;
- (c) if his employment has been confirmed in writing and has been in employment for a continuous period of one (1) year in the Group or in the case of a Director, he has been appointed to the board of directors of any members of the Group at least one (1) year prior to the date of the Offer;
- (d) if an Eligible Person is employed by a corporation which is acquired by the Group during the duration of the Scheme and becomes a subsidiary of the Company upon such acquisition, he must have completed a continuous period of at least one (1) year in the Group following the date that such company becomes or is deemed to be a Subsidiary;
- (e) if he is serving under an employment contract for a fixed duration, the contract should be of a duration of at least three (3) years in the Group; and
- (f) if he fulfils any other criteria and/or falls within such category as may be determined by the ESS Committee from time to time,

provided always that the selection of any Eligible Person for participation in the Scheme shall be at the discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

- 4.2 For the avoidance of doubt, where the Eligible Employee is a Director of any company with the Group, By-Laws 4.1 (b) and (e) shall not apply and no employees of dormant subsidiaries of the Company will be eligible to participate in the Scheme.
- 4.3 If the Eligible Person is:-
- (i) a director, chief executive officer and/or major shareholder of YNH; or
 - (ii) a person connected to such director, chief executive officer and/or major shareholder of YNH,
- the specific allocation of Share Grants and/or Shares Options granted by the Company to him must first be approved by the shareholders of YNH at a general meeting, unless such approval is no longer required under the Listing Requirements.
- 4.4 An Eligible Person who represents the Government or Government institutions/agencies and Government employees who are serving in the public service as defined under Article 132 of the Federal Constitution are not eligible to participate in the Scheme.
- 4.5 Eligibility for consideration under the Scheme does not confer an Eligible Person with any rights whatsoever under or to participate in the Scheme unless the ESS Committee has made the Offer to the Selected Person and the Selected Person has accepted the Offer in accordance with the terms of the Offer and terms set out in these By-Laws.
- 4.6 An employee who during the tenure of the Scheme becomes an Eligible Person may be eligible for the Scheme (at the sole and absolute discretion of the ESS Committee).

5. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION

- 5.1 Subject to any adjustments which may be made under By-Law 18, the aggregate maximum number of Scheme Shares that may be allocated to any one category or designation of the Eligible Persons shall be determined by the ESS Committee ("**Maximum Allowable Allocation**") provided that:
- (a) the Directors (including the non-executive directors) and Senior Management of the Group do not participate in the deliberation or discussion of their own allocation;
 - (b) not more than fifty percent (50%) of the Scheme Shares available under the Scheme on any date shall be allocated in aggregate to the Directors (including non-executive directors) and Senior Management of the Group; and
 - (c) the allocation to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds twenty percent (20%) or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares), shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the Maximum Scheme Shares Available,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

- 5.2 Subject to By-Law 5.1 and any adjustments which may be made under By-Law 18, the ESS Committee shall determine the actual number of Scheme Shares to be allocated to a Selected Person after taking into consideration, amongst others, the Selected Person's position, ranking, performance, seniority, the length of service, contribution and/or potential contribution to the continued success of the Group and any other factors deemed appropriate by the ESS Committee.
- 5.3 The Company and/or ESS Committee shall ensure that the allocation of Scheme Shares to Selected Persons is verified at the end of each financial year of the Company by the Company's audit committee, so as to follow the criteria referred to in By-Law 5.2
- 5.4 For the avoidance of doubt, the ESS Committee shall have discretion in determining whether the vesting conditions, Performance Targets to be met and the Scheme Shares available for vesting under the Scheme are to be awarded to the Selected Persons via:
 - (a) one single Award at a time determined by the ESS Committee; or
 - (b) several Awards where the vesting of any number of Scheme Shares comprised in those Awards is staggered or made in several tranches at such times and on such terms determined by the ESS Committee.
- 5.5 In the event the ESS Committee decides that the Award of vesting of any number of Scheme Shares is to be staggered, the number of Scheme Shares to be granted in each Award and the timing for the vesting of the same shall be decided by the ESS Committee at its discretion and each Award shall be separate and independent from the others.
- 5.6 In the event that an Eligible Person is promoted, the Maximum Allowable Allocation applicable to such Eligible Person shall be the Maximum Allowable Allocation corresponding to the category of employee of which he then is a party, subject always to the Maximum Scheme Shares Available.
- 5.7 In the event that an Eligible Person is redesignated, demoted or moved to a lower category for whatever reason, his Maximum Allowable Allocation may be reduced as the ESS Committee may in its absolute discretion determine.

6. SCHEME PERIOD AND TERMINATION OF THE SCHEME

6.1 The Scheme shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with (“**Effective Date**”) and shall continue to be in force for a period of five (5) years from the Effective Date (“**Scheme Period**”):

- (a) approval-in-principle of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme;
- (b) approval of the shareholders of the Company for the Scheme;
- (c) the submission to Bursa Securities of the final copy of these By-Laws in accordance with the requirements set out in the Listing Requirements;
- (d) any other relevant regulatory authorities’ approval (if any); and
- (e) fulfilment of all conditions attached to the above approvals (if any),

provided always that on or before the expiry thereof, the Board shall have the discretion upon recommendation of the ESS Committee to extend in writing the tenure of the Scheme for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years. For the avoidance of doubt, such extension of the Scheme made pursuant to these By-Laws shall not in aggregate exceed a duration of ten (10) years from the Effective Date or such other period as may be prescribed by Bursa Securities or any other relevant authorities.

6.2 Any extended Scheme under this provision shall be implemented in accordance with the terms of these By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force. Unless otherwise required by the relevant authorities, no further sanctions, approvals or authorisation shall be required for the extension of the Scheme provided that the Company shall serve appropriate notices on each Selected Person or Scheme Participant and/or make any announcement to Bursa Securities (if required).

6.3 Within five (5) Market Days from the Effective Date, the Company shall through its Adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 6.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.

6.4 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Securities and any other regulatory authorities’ guidelines or directives, the Company may by notice in writing to affected Scheme Participants, terminate the Scheme at any time during the Scheme Period, whereupon any Unvested Share Grants and/or Unexercised Options shall be deemed to have been cancelled and be null and void on the date specified in the notice (“**Termination Date**”) provided that the ESS Committee may in its discretion, permit the vesting of Unvested Share Grants (or any part thereof) in the Scheme Participant and/or the exercise of any Unexercised Options by the Scheme Participant at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:-

- (a) the Vesting Date is not due or has not occurred; and/or
 - (b) the Option Period has not commenced; and/or
 - (c) other terms and conditions set out in the Offer have not been fulfilled or satisfied.
- 6.5 All Options which the ESS Committee permits to be exercisable pursuant to By-Law 6.4, shall automatically lapse and shall become null and void to the extent unexercised by the Termination Date.
- 6.6 In the event that the Company terminates the Scheme before its expiry, the Company shall immediately announce to Bursa Securities:
- (a) the effective Termination Date;
 - (b) the number of Share Grants vested or Options exercised; and
 - (c) the reason for termination.

7. RETENTION PERIOD

- 7.1 Save for By-Law 7.3, the Scheme Shares to be allotted and issued and/or transferred to the Scheme Participants pursuant to these By-Laws will not be subjected to any retention period unless the ESS Committee stipulates otherwise in the Offer.
- 7.2 The expression “retention period” referred to in By-Law 7.1 shall mean the period in which the Scheme Shares allotted and issued and/or transferred pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the Scheme Participant.
- 7.3 Notwithstanding By-Law 7.1, unless allowed or not prohibited by any applicable laws, regulation and guidelines, a Scheme Participant who is a non-executive Director may only be offered and granted Options to subscribe for new YNH Shares under the Scheme and he must not sell, transfer or assign any Scheme Shares obtained pursuant the Offer made to him/her within one (1) year from the Offer Date or such other period as may be stipulated by the relevant authorities or a longer period as may be determined by the ESS Committee.

8. OFFER OF AWARDS UNDER THE SCHEME

- 8.1 Pursuant to the Scheme, the ESS Committee may, subject to compliance with all relevant regulatory authorities’ guidelines and/or directives, from time to time during the Scheme Period, make an Offer to an Eligible Person to participate in the Scheme.
- 8.2 Upon acceptance of the Offer, the Eligible Person shall be referred to as a Selected Person for the purposes of these By-Laws.

8.3 Subject to By-Law 8.4, an Offer shall comprise an Award wherein an Eligible Person is granted:

- (a) a Share Grant whereby the Eligible Persons have the right to receive new and/or existing Scheme Shares without any cash consideration payable by the Scheme Participants or cash (calculated with reference to the Share Grant Price) or combinations thereof on the Vesting Date, in accordance with these By-Laws under the Share Grant Plan; and/or
- (b) an Option to subscribe for and/or acquire Scheme Shares at the Option Price during the Option Period,

provided that the Performance Targets, Performance Period, Service Period and such other conditions as may be stipulated by the ESS Committee in the Offer are duly and fully satisfied.

8.4 Nothing herein shall prevent the ESS Committee from making:

- (a) an Offer to an Eligible Person which consists of only an Award; or
- (b) more than one Offer to any Eligible Person provided always that the aggregate number of Scheme Shares in respect of the Awards granted shall not exceed the Maximum Allowable Allocation and Maximum Scheme Shares Available.

9. TERMS OF THE OFFER

9.1 The ESS Committee may stipulate any terms and conditions it deems appropriate in an Offer and the terms and conditions of each Offer may differ.

9.2 The terms and conditions set out in the Offer relating to an Award should include the following, where applicable:

- (a) type of offer (whether it is a Share Grant or Option);
- (b) Share Grant Price and Value;
- (c) Option Price;
- (d) number of Share Grants to be made under an Award;
- (e) number of Scheme Shares entitled to be subscribed for or acquired upon the exercise of the Option;
- (f) Option Period;
- (g) Offer Date;
- (h) Offer Period;
- (i) Vesting Date;
- (j) vesting conditions (if any);
- (k) Performance Targets to be met (if any),

and may include such/any other conditions as may be stipulated by the ESS Committee.

- 9.3 In the event of any error in the stating of any particulars referred to in By-Law 9.2 or otherwise in the Offer, the ESS Committee may, to the extent permitted by law, issue a supplemental Offer stating the correct particulars referred to in By-Law 9.2.

10. SHARE GRANT PRICE AND OPTION PRICE

- 10.1 The Share Grant Price and Option Price shall be the higher of the following:
- (a) at a price determined based on the five (5)-day volume weighted average market price of the YNH Shares up to the date immediately prior to the price-fixing date, subject to a discount (if any) of not more than ten percent (10%) (or such basis as the relevant authorities may permit); or
 - (b) the par value of YNH Shares at the material time.

11. ACCEPTANCE OF THE OFFER

- 11.1 The Offer may only be accepted by the Selected Person during the Offer Period in such form and manner as may be prescribed in the Offer and must be accompanied by a non-refundable sum of Ringgit Malaysia One (RM1.00) only payable to the Company. The date of receipt by the ESS Committee of such form together with the money shall be the date of acceptance of the Offer by the Selected Person, provided that the Scheme is not terminated pursuant to By-Law 6.4 and provided that the Offer is not terminated pursuant to By-Law 15 or provided that the Offer is not deemed withdrawn pursuant to By-Law 14.
- 11.2 In the event that the Selected Person fails to accept the Offer in the manner prescribed within the Offer Period, the Offer shall automatically lapse and shall be, then, null and void provided that the ESS Committee shall not be precluded from making a fresh Offer to the Selected Person subsequently.

12. SATISFACTION OF CONDITIONS

- 12.1 The determination as to whether the stipulated conditions in the Offer have been fulfilled shall be made by the ESS Committee.
- 12.2 Where the ESS Committee has made the determination that the stipulated conditions have been fulfilled pursuant to By-Law 12.1, the ESS Committee shall notify the Scheme Participant of:
- (a) the number of Scheme Shares vested/which will be vested in him on the Vesting Date; and/or
 - (b) the number of Scheme Shares which the Scheme Participant is entitled to subscribe for and/or acquire upon the exercise of the Option granted to him,

as the case may be. Upon receipt of such notification, the Scheme Participant shall notify the ESS Committee (in the form as may be prescribed by the ESS Committee from time to time) of his CDS account number.

- 12.3 In the event that the conditions stipulated in an Offer in respect of any one or more Scheme Participant cannot be achieved/satisfied, the ESS Committee may in its discretion by notice in writing to such Scheme Participant(s), waive any conditions stipulated in the Offer so long as such waiver does not result in a non-compliance or breach of any applicable rules, guidelines and laws issued by Bursa Securities or any other relevant authorities, as amended from time to time.
- 12.4 No Scheme Participant shall have any right to or interest in the Share Grants or right to exercise the Options granted to him unless and until the ESS Committee has made a determination and notification under the provisions of By-Laws 12.1 and 12.2 and with effect from the Vesting Date or the date during the Option Period on which the Options are duly exercised and the remittance for the full amount of the monies for the Scheme Shares in respect of which the Options are exercised is paid pursuant to By-Law 13.
- 12.5 In relation to Share Grants to be vested on the Vesting Date the ESS Committee shall, within eight (8) Market Days after the receipt of the Scheme Participant's notice of his CDS account number pursuant to By-Law 12.2 (or such other period as may be prescribed or allowed by Bursa Securities):
- (a) issue and allot the relevant number of Scheme Shares / transfer the relevant number of Scheme Shares into the CDS account so notified;
 - (b) despatch a notice of allotment/transfer of such Scheme Shares to the Scheme Participant; and
 - (c) make an application for the quotation of such relevant number of Scheme Shares on Bursa Securities (where new Scheme Shares are issued).
- 12.6 In relation to Scheme Shares:-
- (i) to be allotted and issued; or
 - (ii) to be transferred to the Scheme Participant;
- pursuant to an exercise of an Option, the ESS Committee shall, within eight (8) Market Days after the ESS Committee's receipt of the notice of exercise of an Option and remittance for the full amount of monies for Scheme Share in respect of which the Option is exercised pursuant to By-Law 13.3 (or such other period as may be prescribed or allowed by Bursa Securities):
- (a) issue and allot the relevant number of Scheme Shares/ transfer the relevant number of Scheme Shares into the CDS account of the Scheme Participant;
 - (b) despatch a notice of allotment/transfer of such Scheme Shares to the Scheme Participant; and
 - (c) make an application for the quotation of such relevant number of Scheme Shares on Bursa Securities (where new Scheme Shares are issued).
- 12.7 For cash settlements pursuant to the Share Grant Plan, the ESS Committee shall procure that such cash payments are made to the Scheme Participants in the manner as it deems appropriate.

13. EXERCISE OF OPTIONS UNDER THE AWARD

- 13.1 An Option may be exercised by a Scheme Participant within the Option Period in full or in part by notice in writing to the Company or ESS Committee in the prescribed form as may be amended from time to time during the Option Period, provided that where an Option is exercised in part, such exercise shall not be for less than one hundred (100) Scheme Shares and shall be for multiples of one hundred (100) Scheme Shares other than in the case of the final exercise by the Scheme Participant under the Option.
- 13.2 The partial exercise of an Option shall not preclude the Scheme Participant from exercising the Option with respect to the balance of Scheme Shares comprised in the Option during the Option Period.
- 13.3 Every notice of exercise of an Option referred to in By-Law 13.1 must be in the form prescribed by the ESS Committee as amended from time to time and accompanied by a remittance for the full amount of the monies for the Scheme Shares in respect of which the Option is exercised.
- 13.4 Subject to the discretion of the ESS Committee to waive any breach, failure by a Scheme Participant to comply with the procedure for an exercise of Option as stipulated in the provisions of By-Law 13 will invalidate the purported exercise of such Option by the Scheme Participant.
- 13.5 The minimum period which an Option must be held before it can be exercised, if any, may be determined by the ESS Committee at its absolute discretion.

14. DISCIPLINARY PROCEEDINGS

- 14.1 In the event a Selected Person is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) after an Offer is made but before the acceptance thereof by such Selected Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Selected Person. Nothing herein shall prevent the ESS Committee (but the ESS Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn provided that such Offer is made within the duration of the Scheme Period.

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14.2 In the event a Scheme Participant is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the right of the Scheme Participant to have vested any Unvested Share Grant and/or to exercise any Unexercised Option shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the ESS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Scheme Participant. Nothing herein shall prevent the ESS Committee (but the ESS Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right of the Scheme Participant to have vested any Unvested Share Grant and/or to exercise any Unexercised Option in the event that such disciplinary actions are not decided against him or if such disciplinary actions are withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the ESS Committee does not reinstate such right of the Scheme Participant prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void.

15. TERMINATION OF OFFERS, UNVESTED SHARE GRANT(S) AND UNEXERCISED OPTION(S)

15.1 Subject to By-Laws 15.2 and 15.3, any unaccepted Offers in respect of a Selected Person and/or any Unvested Share Grant and/or any Unexercised Option in respect of a Scheme Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in a Scheme Participant and/or cease to be exercisable, as the case may be, without any liability to or right to claim against the Company, the ESS Committee and/or the Trustee upon the occurrence of any one or more of the following events:

- (a) service of a notice of resignation by the Selected Person or Scheme Participant, as the case may be;
- (b) service of a notice of termination on or termination or cessation of employment of the Selected Person or Scheme Participant with the Group by reason of misconduct, as the case may be; or
- (c) bankruptcy of the Selected Person or Scheme Participant, as the case may be.

15.2 In the event of the termination or cessation of employment of the Scheme Participant with the Group in any of the following circumstances:

- (a) retirement on attaining the retirement age under the Group's retirement policy;
- (b) retirement before attaining the normal retirement age by reason of ill-health, injury, physical or mental disability;
- (c) redundancy or voluntary separation scheme; or
- (d) any other circumstances which are acceptable to the ESS Committee in its sole and absolute discretion,

the ESS Committee may in its discretion permit the vesting of Unvested Share Grants (or any part thereof) in the Scheme Participant and/or the exercise of any Unexercised Options by the Scheme Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer have not been fulfilled or satisfied,

provided that unless the ESS Committee in its sole discretion so permits such vesting or exercise, as the case may be by notice in writing to the Scheme Participant, any unaccepted Offers in respect of a Selected Person and/or any Unvested Share Grant and/or any Unexercised Option in respect of a Scheme Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in a Scheme Participant and/or cease to be exercisable, as the case may be, without any liability to or right to claim against the Company, ESS Committee and/or Trustee.

- 15.3 In the event of death of the Scheme Participant, By-Law 15.2 shall apply mutatis mutandis to the Scheme Participant's legal or personal representatives as if the Scheme Participant's legal or personal representatives were the Scheme Participant.
- 15.4 All Options which the ESS Committee permits to be exercisable pursuant to By-Law 15.2 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed by the ESS Committee notwithstanding that the Option Period has not commenced or has not expired.
- 15.5 Any unaccepted Offers, Unvested Share Grants and/or Unexercised Options shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting/exercisable, as the case may be, without any claim against the Company, ESS Committee and/or Trustee upon the occurrence of one or more of the following events:
 - (a) when any order is made or resolution is passed for the winding-up or liquidation of YNH; or
 - (b) termination of the Scheme pursuant to By-Law 6.4.

16. TAKEOVER AND DISPOSAL OF ASSETS

- 16.1 In the event:
 - (a) of a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional, the Unvested Share Grants shall immediately vest in a Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, and/or any Unexercised Options may immediately be exercised by a Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, during the takeover period or until the expiry of the Option Period, whichever is earlier;

- (b) of the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of YNH Shares under the provisions of the Act and/or Capital Markets And Services Act 2007 or other relevant law applicable at the material time and gives notice to the Company that it intends to exercise such right on a specific date, any Unexercised Options may immediately be exercised by a Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, from the date of service of the said notice to the Company until and inclusive of the date on which the right of the compulsory acquisition is exercised or until the expiry of the Option Period, whichever is earlier; or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional, the Unvested Share Grants shall immediately vest in a Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, and/or any Unexercised Options may immediately be exercised by a Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, commencing from the unconditional date of the said disposal until the date prescribed by the ESS Committee within the Option Period.

subject to such terms and conditions (if any) as may be prescribed by the ESS Committee notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

17. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, MERGER, DEMERGER ETC.

17.1 In the event of:-

- (a) the court sanctioning a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other company or companies or a privatisation via selective capital reduction, the ESS Committee may permit the vesting of Unvested Share Grants (or any part thereof) in the Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, and/or the exercise of any Unexercised Options by the Scheme Participant or a Scheme Participant's legal and personal representatives, as the case may be, at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court or a date to be specified by the ESS Committee within the Option Period up to such period as may be determined by the ESS Committee provided that no Options shall be exercised after the expiry of the Option Period; or

- (b) in the event the Company decides to merge with other company or companies, the ESS Committee may permit the vesting of Unvested Share Grants (or any part thereof) in the Scheme Participant or the Scheme Participant's legal and personal representatives, as the case may be, and/or the exercise of any Unexercised Options by the Scheme Participant or the Scheme Participant's legal and personal representatives, as the case may be, at any time commencing from the unconditional date of the said transaction until the date prescribed by the ESS Committee within the Option Period,

subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

- 17.2 All Options which the ESS Committee permits to be exercisable pursuant to By-Law 17.1 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed by the ESS Committee notwithstanding that the Option Period has not commenced or has not expired.

18. ALTERATION OF CAPITAL

- 18.1 Subject to By-Law 18.3, in the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of rights issue, bonus issue, subdivision or consolidation of YNH Shares, capital reduction (save for set off against accumulated losses), capital repayment or any other variation of capital (excluding any cancellation of capital which is lost or unrepresented by available assets) being effected, the ESS Committee shall cause the following adjustments to be made to the Scheme:-

- (a) the Share Grant Price and/or Option Price; and/or
- (b) the number of Unvested Share Grants and/or Unexercised Options comprised in the Offer; and/or
- (c) vested YNH Shares which have yet to be allotted and issued or credited into the CDS account of the Scheme Participants (as the case may be),

as shall be necessary to ensure that any adjustments made in such manner as the ESS Committee may determine to be appropriate and except in relation to bonus issue, upon the external auditor or Adviser of the Company (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

Provided always that any such adjustment shall be made in such a way that a Selected Person or Scheme Participant will not receive a benefit that a shareholder of the Company does not receive and provided further that no adjustment shall be made unless the ESS Committee, after considering all relevant circumstances, considers it equitable to do so.

- 18.2 The ESS Committee shall inform the Selected Persons and Scheme Participants of its decision through an announcement to them to be made in such manner deemed appropriate by the ESS Committee.
- 18.3 The provisions of By-Laws 18.1 and 18.2 shall not apply where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of YNH Shares or other securities convertible into YNH Shares or right to acquire or subscribe for YNH Shares in consideration or part consideration for any acquisition or settlement of liabilities of the Group;
 - (b) a special issue, restricted issue or private placement of YNH Shares and/or other securities convertible into YNH Shares;
 - (c) a share buy-back arrangement by the Company and the cancellation of all or a portion of such shares pursuant to the relevant provisions of the Companies Act;
 - (d) a special issue of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy in Bumiputera capital participation;
 - (e) an issue of YNH Shares arising from the exercise of any conversion rights attached to securities convertible to YNH Shares or upon exercise of any other rights including warrants (if any) issued by the Company; or
 - (f) an issue of further Offers pursuant to the Scheme and the allotment and issuance of YNH Shares for the purpose of satisfying the Scheme Shares.
- 18.4 Any adjustment pursuant to this By-Law 18 shall be made in accordance with the formulae set out below:

(a) Consolidation, Subdivision or Conversion

If and whenever a YNH Share, by reason of any consolidation or subdivision or conversion, shall have a different par value, then the Share Grant Price and/or Option Price shall be adjusted and the additional number of Scheme Shares comprised in the Offer shall be calculated in accordance with the following formula:

$$\text{New Share Grant Price/New Option Price} = S \times \left[\frac{\text{Revised Par Value}}{\text{Former Par Value}} \right]$$

$$\text{Additional number of Scheme Shares} = T \times \left[\frac{\text{Former Par Value}}{\text{Revised Par Value}} \right] - T$$

where

S = existing Share Grant Price and/or Option Price; and

T = existing number of Scheme Shares comprised in the Offer.

Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date when the YNH Shares are traded on Bursa Securities at the new par value), or such period as may be prescribed by Bursa Securities.

In the event of a no par value regime, then any adjustment to the Share Grant Price and/or Option Price and the additional number of Scheme Shares comprised in the Offer shall be administered by the ESS Committee in such manner as it shall in its discretion deem fit.

(b) Capitalisation of Profits or Reserves

If and whenever the Company shall make any issue of YNH Shares to its ordinary shareholders of the Company credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Share Grant Price and/or Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the additional number of Scheme Shares comprised in the Offer shall be calculated as follows:

$$\text{Additional number of Scheme Shares} = T \times \left[\frac{A+B}{A} \right] - T$$

where

A = the aggregate number of issued and fully paid-up YNH Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of YNH Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = as T referred to in By-Law 18.4(a) above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:

(i) Capital Distribution

A Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

- (ii) Rights Issue of Shares
Any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for YNH Shares by way of rights; or
- (iii) Rights Issue of Convertible Securities
Any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into YNH Shares or securities with rights to acquire or subscribe for YNH Shares,

then and in respect of each such case, the Share Grant Price and/or Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Laws 18.4(c)(ii) and (c)(iii) hereof, the additional number of Scheme Shares comprised in the Offer shall be calculated as follows:

$$\text{Additional number of Scheme Shares} = T \times \left[\frac{C}{C-D^*} \right] - T$$

where

- C = the Current Market Price (as defined in By-Law 18.4(h) below) of each YNH Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;
- D = (aa) in the case of an offer or invitation to acquire or subscribe for YNH Shares by way of rights under By-Law 18.4(c)(ii) above or for securities convertible into YNH Shares or securities with rights to acquire or subscribe for YNH Shares under By-Law 18.4(c)(iii) above, the value of rights attributable to one (1) YNH Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.4(c) hereof, the fair market value, as determined by the Board (with the concurrence an external auditor and/or Adviser of the Company), of that portion of the Capital Distribution attributable to one (1) YNH Share.

For the purpose of definition (aa) of D above, the “value of the rights attributable to one (1) YNH Share” shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

where

- C = as C referred to in By-Law 18.4(c) above;

- E = the subscription price for one (1) additional YNH Share under the terms of such offer or invitation or subscription price for one (1) additional YNH Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) YNH Share under the offer or invitation;
- F = the number of YNH Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one (1) additional YNH Share or security convertible into rights to acquire or subscribe for one (1) additional YNH Share; and
- D* = the value of rights attributable to one (1) YNH Share (as defined below); and

For the purpose of definition D* above, the “value of rights attributable to one (1) YNH Share” shall be calculated in accordance with the following formula:

$$\frac{C - E^*}{F^* + 1}$$

where

- C = as C referred to in By-Law 18.4(c) above;
- E* = the subscription price for one (1) additional YNH Share under the terms of such offer or invitation to acquire or subscribe for YNH Shares; and
- F* = the number of YNH Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one (1) additional YNH Share.
- T = as T referred to in By-Law 18.4(a) above.

For the purpose of By-Law 18.4(c) hereof, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of YNH Shares (not falling under By-Law 18.4(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of the Company as shown in the audited profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day following the Entitlement Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.4 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.4(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also Entitlement Date for the purpose of the offer or invitation, the Share Grant Price and/or Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.4(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.4(c)(ii) above and the record date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the additional number of Scheme Shares comprised in the Offer shall be calculated as follows:

Additional number of Scheme Shares comprised in Options

$$= T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Additional number of Scheme Shares to be vested

$$= T \times \left[\frac{(G + H + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

- B = as B referred to in By-Law 18.4(b) above;
- C = as C referred to in By-Law 18.4(c) above;
- G = the aggregate number of issued and fully paid-up YNH Shares on the Entitlement Date;
- H = the aggregate number of new YNH Shares under an offer or invitation to acquire or subscribe for YNH Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into YNH Shares or rights to acquire or subscribe for YNH Shares, as the case may be;
- H* = the aggregate number of new YNH Shares under an offer or invitation to acquire or subscribe for YNH Shares by way of rights;
- I = the subscription price of one (1) additional YNH Share under the offer or invitation to acquire or subscribe for YNH Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional YNH Share, as the case may be;
- I* = the subscription price of one (1) additional YNH Share under the offer or invitation to acquire or subscribe for YNH Shares; and

T = as T referred to in By-Law 18.4(a) above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

(e) Rights Issue of Shares and Convertible Securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for YNH Shares as provided in By-Law 18.4(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for YNH Shares as provided in By-Law 18.4(c)(iii) above, the Share Grant Price and/or Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the additional number of Scheme Shares comprised in the Offer shall be calculated as follows:

Additional number of Scheme Shares comprised in Options

$$= T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Additional number of Scheme Shares to be vested

$$= T \times \left[\frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

where

C = as C referred to in By-Law 18.4(c) above;

G = as G referred to in By-Law 18.4(d) above;

H = as H referred to in By-Law 18.4(d) above;

H* = as H* referred to in By-Law 18.4(d) above;

I = as I referred to in By-Law 18.4(d) above;

I* = as I* referred to in By-Law 18.4(d) above;

J = the aggregate number of YNH Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for YNH Shares by the ordinary shareholders of the Company;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional YNH Share; and

T = as T referred to in By-Law 18.4(a) above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the Entitlement Date for the above transactions.

(f) Capitalisation of Profits / Reserves and Rights Issue of Shares or Convertible Securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.4(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for YNH Shares as provided in By-Law 18.4(c)(ii) above, together with rights to acquire or subscribe for securities convertible into YNH Shares or with rights to acquire or subscribe for Shares as provided in By-Law 18.4(c)(iii) above, and the record date for the purpose of allotment is also the books closure for the purpose of the offer or invitation, the Share Grant Price and/or Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the additional number of Scheme Shares comprised in the Offer shall be calculated as follows:

Additional number of Scheme Shares comprised in Options

$$= T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Additional number of Scheme Shares to be vested

$$= T \times \left[\frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

where

B = as B referred to in By-Law 18.4(b) above;

C = as C referred to in By-Law 18.4(c) above;

G = as G referred to in By-Law 18.4(d) above;

H = as H referred to in By-Law 18.4(d) above;

H* = as H* referred to in By-Law 18.4(d) above;

I = as I referred to in By-Law 18.4(d) above;

I* = as I* referred to in By-Law 18.4(d) above;

J = as J referred to in By-Law 18.4(e) above;

K = as K referred to in By-Law 18.4(e) above; and

T = as T referred to in By-Law 18.4(a) above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the Entitlement Date for the above transactions.

(g) Others

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under By-Laws 18.4(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any YNH Shares or any securities convertible into YNH Shares or any rights to acquire or subscribe for YNH Shares, and in any such case, the Total Effective Consideration per YNH Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) YNH Share (as defined below) or, as the case may be, the price at which the YNH Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Share Grant Price and/or Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

where

- L = the number of YNH Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of YNH Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of YNH Shares so issued or, in the case of securities convertible into YNH Shares or rights to acquire or subscribe for YNH Shares, the maximum number (assuming no adjustment of such rights) of YNH Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 18.4(g), the “Total Effective Consideration” shall be determined by the Board with the concurrence of an external auditor and/or Adviser of the Company and shall be:

- (i) in the case of the issue of YNH Shares, the aggregate consideration receivable by the Company on payment in full for such YNH Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into YNH Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for YNH Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and “Total Effective Consideration per YNH Share” shall be the Total Effective Consideration divided by the number of YNH Shares issued as aforesaid or, in the case of securities convertible into YNH Shares or securities with rights to acquire or subscribe for YNH Shares, by the maximum number of YNH Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.4(g), the “Average Price of one (1) YNH Share” shall be the average price of one (1) YNH Share as derived from the last dealt prices for one or more board lots of YNH Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such YNH Shares is determined.

Each such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the next Market Day following the date on which the issue is announced, or (failing any such announcement) on the next Market Day following the date on which the Company determines the offering price of such YNH Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

- (h) For the purpose of By-Law 18.4(c), (d), (e) and (f), the “Current Market Price” in relation to one (1) YNH Share for any relevant day shall be the volume weighted average market price for the five (5) consecutive Market Days before such date.

- 18.5 If an event occurs that is not set out in By-Law 18.4 or if the application of any of the formulae to an event results in a manifest error, the ESS Committee, may subject to the provision of By-Law 18.1, agree to any other adjustment formula or not to make any adjustment provided that the Selected Persons and Scheme Participants shall be notified of the adjustment through an announcement to them to be made in such manner deemed appropriate by the ESS Committee.
- 18.6 In the event that a fraction of a YNH Share arises from the adjustments pursuant to this By-Law 18, the number of Scheme Shares shall automatically be rounded down to the nearest whole number. Any adjustment to the Share Grant Price and/or Option Price shall automatically be rounded down to the nearest whole number.
- 18.7 The provisions of By-Law 18 shall also apply to a situation where the Offer Period has not lapsed and the Offer has not been accepted by the Selected Person or withdrawn by the ESS Committee.

19. RIGHTS ATTACHED TO SCHEME SHARES

- 19.1 The new Scheme Shares to be allotted and issued pursuant to the Scheme shall rank *pari passu* in all respects with the then existing issued YNH Shares save and except that such new Scheme Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid to the shareholders of the Company, for which the Entitlement Date is prior to the date of allotment and issue of such new Scheme Shares.

- 19.2 The Scheme Shares to be transferred shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid to the shareholders of the Company, for which the Entitlement Date is prior to the date on which the Scheme Shares are credited into the Scheme Participants' respective CDS accounts.
- 19.3 The Scheme Shares shall be subjected to all the provisions of the Articles of Association of the Company in relation to their allotment and issuance, transfer, transmission or otherwise.

20. ADMINISTRATION

- 20.1 The Scheme shall be implemented and administered by the ESS Committee consisting of such persons appointed by the Board from time to time and the ESS Committee shall be vested with such powers and duties as are conferred upon it by the Board and the Board may determine all matters pertaining to the ESS Committee, including its duties, powers and limitations.
- 20.2 The ESS Committee shall implement and administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the ESS Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the ESS Committee may in its discretion deem fit necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme. The ESS Committee in the exercise of its power may rectify any defect or omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Award in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective and to determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company.
- 20.3 The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the ESS Committee and appoint replacement members to the ESS Committee;
 - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESS Committee pursuant to these By-Laws; and
 - (c) amend, modify or vary the Terms of Reference of the ESS Committee.

- 20.4 Neither the Scheme nor Awards granted under the Scheme shall impose on the Company, the Board or the ESS Committee or any of its members any liability whatsoever in connection with:
- (a) the lapse of any Awards pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the ESS Committee to exercise, or the exercise by the ESS Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the ESS Committee made pursuant to any provision of the Scheme.
- 20.5 Any decision or determination of the ESS Committee made pursuant to any provision of the Scheme shall be final, binding and conclusive (including, for the avoidance of doubt, any decisions pertaining to dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The ESS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities.

21. IMPLEMENTATION OF THE SCHEME AND TRUST

- 21.1 In implementing the Scheme, the ESS Committee may in its discretion and subject to compliance with the provisions of the Companies Act and the Listing Requirements, decide that the Share Grants be satisfied either by way of:
- (a) issuance of new YNH Shares;
 - (b) delivery of existing YNH Shares via acquisition of existing YNH Shares from the Main Market of Bursa Securities by the Trustee, followed by the transfer of the said YNH Shares to the Scheme Participants;
 - (c) payment by cash with reference to the Share Grant Price; or
 - (d) a combination of any of the above.
- 21.2 In implementing the Scheme, the ESS Committee may in its discretion and subject to compliance with the provisions of the Companies Act and the Listing Requirements, decide that the exercise of the Options be satisfied either by way of:
- (a) issuance of new YNH Shares;
 - (b) delivery of existing YNH Shares via acquisition of existing YNH Shares from the Main Market of Bursa Securities by the Trustee, followed by the transfer of the said YNH Shares to the Scheme Participants; or
 - (c) combination of any of the above.

- 21.3 If required, the Company and/or ESS Committee will establish a Trust to be administered by the Trustee consisting of such trustee appointed by the Company from time to time, subject to the provisions set out in the Trust Deed, for the purposes of subscribing for new YNH Shares and/or acquiring existing YNH Shares from the market and transferring them to the Scheme Participants at such times as the ESS Committee shall direct. To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of implementing the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its Subsidiaries.
- 21.4 The Trustee shall administer the Trust in accordance to the Trust Deed. For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its discretion direct for the implementation and administration of the Trust.
- 21.5 The Company and/or ESS Committee shall have power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

22. QUOTATION

- 22.1 In cases where the Share Grants and/or Options are satisfied by the issue of new YNH Shares, and the existing issued YNH Shares are listed and quoted on Main Market of Bursa Securities at the time such new YNH Shares are to be allotted, the Company shall make an application to Bursa Securities for such listing of and quotation for the new YNH Shares in accordance with the Listing Requirements.

23. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME

- 23.1 Subject to compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation, provided that no additions or amendments to or modifications or deletion of these By-Laws shall be made which will:
- (a) prejudice any rights of the shareholders of the Company without the prior approval of the shareholders of the Company in a general meeting unless such amendment, modification or deletion arises as a consequence to the amendment, modification or deletion of the Listing Requirements; or
 - (b) provide an advantage to any Scheme Participant or group of Scheme Participants or all the Scheme Participants unless otherwise permitted under the provisions of Listing Requirements.

23.2 Where any amendment and/or modification is made to the By-Laws, the Company shall submit to Bursa Securities, the amendment and/or modification to the By-Laws and a confirmation letter that the amendment and/or modification complies with the relevant provisions stipulated in the Listing Requirements no later than five (5) Market Days from the effective date of the said amendment and/or modification.

24. NON-TRANSFERABILITY

24.1 The rights of a Scheme Participant to the vesting of Scheme Shares and where applicable to Options, shall be personal to him and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever unless By-Laws 15.3, 16.1 and 17.1 (where applicable) apply.

25. DISPUTES

25.1 In the event of any dispute between the ESS Committee and/or Trustee with an Eligible Person, Selected Person or Scheme Participant, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose written decision given to the Eligible Person, Selected Person or Scheme Participant shall be final and binding on all parties in all respects.

26. SCHEME NOT A TERM OF EMPLOYMENT

26.1 The Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment of any Eligible Person. The Scheme shall not confer or be construed to confer on any Eligible Person of any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group nor any rights in addition to compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment.

27. COMPENSATION

27.1 No Eligible Person, Selected Person or Scheme Participant who ceases to hold office in or employment with the Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.

27.2 The Company, the Board, the ESS Committee and/or the Trustee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person, Selected Person or Scheme Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of rights to the vesting of Scheme Shares and/or his rights to exercise his Options, ceasing to be valid pursuant to the provisions of these By-Laws.

28. DIVESTMENT OF SUBSIDIARIES

28.1 If a Scheme Participant who held office or was in the employment with a corporation of the Group which has ceased to be a Subsidiary as a result of a restructuring, divestment exercise (other than a takeover or reconstruction as provided under these By-Laws), the ESS Committee may in its discretion permit the vesting of Unvested Share Grants (or any part thereof) in the Scheme Participant and/or the exercise of any Unexercised Options (or any part thereof) by the Scheme Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer have not been fulfilled or satisfied.

A Scheme Participant who held office or was in the employment with a corporation of the Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise shall not be eligible for any further Award under the Scheme after such restructuring or divestment exercise.

28.2 All Options which may be allowed by the ESS Committee to be exercisable under By-Law 28.1(b), to the extent unexercised by the date prescribed by the ESS Committee, shall automatically lapse and shall become null and void.

29. TRANSFER TO OTHER CORPORATIONS

29.1 Notwithstanding By-Law 15.1, in the event a Scheme Participant who was employed in a corporation within the Group and is subsequently transferred from such corporation to a subsidiary of YNH which is not a Subsidiary within the meaning of these By-Laws or to a corporation related to YNH, the Scheme Participant shall be entitled, at the discretion of the ESS Committee, to:

- (a) continue to have a right in any Unvested Share Grants; and
- (b) exercise any Unexercised Options;

upon the same terms and conditions as may be set out in the Offer as if the Scheme Participant is still in employment with the Group for the purposes of the Service Period.

30. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

30.1 All Scheme Participants shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available at the Company's website and/or the Bursa Securities' website.

31. COSTS AND EXPENSES AND TAXES

- 31.1 Save for By-Law 31.2, the Company shall bear all fees, costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses relating to the allotment and issue and/or transfer of the Scheme Shares pursuant to an Award and upon the exercise of any Option.
- 31.2 However, each Scheme Participant shall be solely responsible for the costs and expenses in connection with the opening or closing of his/her CDS account, brokerage commissions and stamp duty for holding or dealing of the Scheme Shares and any taxes (including income tax) which may be levied on him arising out of or as a result of such issuance and allotment or transfer of Scheme Shares.
- 31.3 All taxes (including income tax) arising from the grant of Scheme Shares, Share Grants and/or Options to any Scheme Participant under the Scheme shall be borne by the Scheme Participant. The Company shall have absolute discretion on, where it deems appropriate, to require the Scheme Participants to pay to the Company, or make arrangements satisfactory to the ESS Committee regarding the payment of, any taxes required by law to be withheld by the Company with respect to the Scheme Shares, Share Grants and/or Options. The Company has the absolute right to terminate all Unvested Share Grants and/or Unexercised Options granted to any Scheme Participant in the event the Scheme Participant fails to comply with the Company's request for payment.

32. ARTICLES OF ASSOCIATION

- 32.1 Notwithstanding the terms and conditions contained in the Scheme, if a situation of conflict should arise between the Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall prevail at all times save and except where such provisions of these By-Laws are included pursuant to the Listing Requirements.

33. ERRORS AND OMISSIONS

- 33.1 If in consequence of an error or omission, the ESS Committee discovers or determines that:
- (a) an Eligible Person who was selected by the ESS Committee as a Selected Person, has not been given the opportunity to participate in the Scheme on any occasion;
 - (b) an Eligible Person was erroneously selected as a Scheme Participant; or
 - (c) the number of Scheme Shares allotted and issued and/or transferred to any Scheme Participant on any occasion is found to be incorrect,

the ESS Committee and/or the Trustee (if so directed by the ESS Committee) may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or to withdraw the Award given to such person who was erroneously selected as Scheme Participant and/or ensure that the aggregate number of Scheme Shares to which the Scheme Participant is correctly entitled to is credited into his CDS account.

34. NOTICE

- 34.1 Any notice under the Scheme required to be given to or served upon the ESS Committee and/or Trustee by an Eligible Person, Selected Person or a Scheme Participant or any correspondence to be made between an Eligible Person, Selected Person or Scheme Participant to the ESS Committee and/or Trustee shall be given or made in writing and sent to the registered office of the Company or such other office which the ESS Committee and/or Trustee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter.
- 34.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person, Selected Person or Scheme Participant or any correspondence to be made with an Eligible Person or Scheme Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, electronic mail, facsimile or registered letter addressed to the Eligible Person, Selected Person or Scheme Participant at the place of employment or at the electronic mail address of the Eligible Person or at the last facsimile number or address known to the Company as being his facsimile number or address. Any notice served by hand, electronic mail, facsimile or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by electronic mail is when an automatic “read receipt” acknowledging the receipt of electronic mail is sent from the electronic mail address of the recipient to the electronic mail account of the sender or if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages and if by registered letter would in the ordinary course of post be delivered.
- 34.3 Notwithstanding By-Law 34.2, where any notice is required to be given by the Company or the ESS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons, Selected Person or Scheme Participants, as the case may be, the Company or ESS Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Committee. Upon the making of such an announcement, the notice to be made under By-Law 34.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons, Selected Person or Scheme Participants, as the case may be.

35. SEVERABILITY

- 35.1 If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision contained in these By-Laws.

36. DISCLAIMER OF LIABILITY

- 36.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the ESS Committee and the Company and/or the Trustee shall not under any circumstances be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Scheme Participant whether by reason of the Company, ESS Committee or Trustee's delay in allotting and issuing new YNH Shares and/or applying for or procuring the listing of and quotation for the new YNH Shares on Bursa Securities and/or transferring the Scheme Shares in accordance with these By-Laws for any reason whatsoever.

37. DECISION OF THE ESS COMMITTEE

- 37.1 Any decision and/or determination made by the ESS Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

38. GOVERNING LAW

- 38.1 The Scheme and these By-Laws shall be governed by and construed in accordance with the laws of Malaysia. The Scheme Participant, by accepting the Offer in accordance with these By-Laws and terms of the Scheme and the Articles of Association of the Company, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

[END OF BY-LAWS]

APPENDIX II – SALIENT TERMS OF THE DRAFT TRUST DEED

The following words and expressions shall have the following meaning:

Rights	:	Any rights or options (not being by way of a pro rata bonus issue of Shares or other securities) to acquire or subscribe for Shares or other securities issued or to be issued by the Company
Securities Account	:	A “securities account” as defined by Section 2(1) of the Securities Industry (Central Depositories) Act 1991 established by a central depository for a depositor for the recording of deposits of securities and for dealings in securities by the depositor
Terms of Issue	:	In respect of a Trust Share, the terms of issue of that Trust Share as determined by the ESS Committee
Trust Asset	:	The property, assets, rights and income of the Trust including the Trust Shares and any moneys and property received by the Trustee for purposes of the Scheme and all income, additions or accretions from such moneys and property
Trust Shares	:	All Shares acquired or subscribed pursuant to the Scheme from time to time held or to be held by the Trustee on trust pursuant to the Trust Deed

Unless the context of the Trust Deed otherwise provides, all definitions herein shall have the same meaning as provided for in the By-Laws.

1. The purpose of the Trust is to facilitate the implementation and administration of the Scheme. The Trustee shall:
 - (a) hold the Trust Assets for the purposes of the Scheme, to be dealt with in accordance with the terms of the Trust Deed and the By-Laws; and
 - (b) at the direction of the ESS Committee, from time to time:
 - (i) subscribe for new Shares and/or acquire the Shares from the open market of Bursa Securities; and
 - (ii) hold the Shares subscribed for and/or acquired and transfer such number of Shares to the Scheme Participants; and
 - (iii) exercise such rights attached to the Shares held in trust as per the instructions of the ESS Committee,

in accordance with the Trust Deed.
2. Subject to the Trust Deed, the Trustee, in its discretion, has the full power to do all things a trustee is permitted to do by law in respect of the Trust and the Trust Assets including, amongst others, the following:
 - (a) to enter into and execute all contracts, deed and documents and do all acts, matters or things which are necessary for the purposes of giving effect to and carrying out the trusts, authorities, rights, powers and discretion conferred on the Trustee under the Trust Deed;
 - (b) to subscribe for, purchase or otherwise acquire and hold the Trust Shares and transfer them to Scheme Participants in accordance with the Trust Deed;
 - (c) to receive dividends and distributions paid on the Trust Shares and to apply those amounts in accordance with the Trust Deed;

APPENDIX II – SALIENT TERMS OF THE DRAFT TRUST DEED (CONT'D)

- (d) to sell the Trust Shares upon instruction from the ESS Committee and apply the proceeds of sale in accordance with the written instruction of the ESS Committee;
 - (e) to sell or take up any Rights and apply the proceeds of sale or resulting Shares or other securities in accordance with the Trust Deed;
 - (f) to open and operate any bank or other accounts for the Trust as the Trustee thinks fit;
 - (g) subject to the prior written consent of the Company, to institute, conduct, defend, compound, settle or abandon any legal proceedings concerning the affairs of the Trust, and also to compound and allow time for payment or satisfaction of any debts due and any claim or demands by or against the Trustee concerning the Trust; and
 - (h) to do all acts and things which the Trustee may consider necessary or expedient for the administration, maintenance and preservation of the Trust and the Trust Assets in accordance with the Trust Deed and in the performance of its obligations under the Trust Deed.
3. Subject to the Trustee receiving sufficient funds or having sufficient capital in respect of which the Trustee has received a notice from the ESS Committee to acquire or subscribe such number of Shares, by no later than such period as may be specified by the ESS Committee in writing (or other period as the ESS Committee and the Trustee agree) after the receipt of that notice, the Trustee must:
- (a) purchase the requisite number of Shares from the open market of Bursa Securities;
 - (b) if the Company agrees to issue Shares, subscribe for the requisite number of Shares; or
 - (c) effect a combination of the acts in sub-paragraphs (a) and (b) above as may be instructed by the ESS Committee.
4. The subscription price for each of the Shares referred to in Sections 3(b) and 3(c) of this Appendix II will be as determined by the ESS Committee on the date on which the Shares are issued to the Trustee and the Shares subscribed shall be registered in the name of the authorised nominee (for the Trustee) on subscription and held on trust by the Trustee for purposes of the Scheme until such time as the ESS Committee may direct in writing to transfer such number of Trust Shares to such Scheme Participants at such time as shall be specified in the ESS Committee's written directions.
5. The Company must provide the Trustee, or cause the provision to the Trustee of, any funds required by the Trustee in order to comply with its obligations under Section 3 above. The Trustee must apply any funds received in satisfying its obligation under Section 3 above.
6. The Company or any subsidiary shall pay to the Trustee any amount in respect of reasonable and properly documented expenses, costs and charges incurred by the Trustee in the establishment or execution of the Trust or any of the powers, authorities or discretions vested in the Trustee.

APPENDIX II – SALIENT TERMS OF THE DRAFT TRUST DEED (CONT'D)

7. The Trust will terminate and be wound-up as provided by law or upon the first to occur of the following events:
 - (a) an order being made or an effective resolution being passed for the winding-up of the Company (other than for the purpose of amalgamation or reconstruction);
 - (b) the termination or expiry of the Scheme pursuant to the By-Laws; or
 - (c) the ESS Committee determining that the Trust is to be wound-up.
8. Immediately upon termination or expiry of the Trust, the Trustee shall transfer to such Scheme Participants such number of Trust Shares as may be directed by the ESS Committee in writing.
9. If there are any Trust Assets remaining in the Trust following the transfer of the Trust Shares to the Scheme Participants under Section 8 above, those Trust Assets may be applied by the Trustee in any of the following manner as instructed by the ESS Committee or the Company in writing:
 - (a) sell all remaining Trust Shares or securities at the then prevailing market price;
 - (b) convert such other Trust Assets into money; or
 - (c) transfer the remaining Trust Assets for the benefit of such persons as may be determined in writing by the ESS Committee or return to the Company as instructed by the ESS Committee.

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1. RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

AmlInvestment Bank, being the Principal Adviser 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 so appear in this Circular.

AmlInvestment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

3. MATERIAL LITIGATION, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**3.1 Material litigation**

As at 15 June 2016, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

3.2 Contingent liabilities

The Board is not aware of any contingent liabilities incurred or known to be incurred by the Group as at 15 June 2016 which may upon becoming enforceable, materially and adversely affect the financial position or the business of YNH Group.

3.3 Material commitments

Saved as disclosed below, the Board is not aware of any material commitments incurred or known to be incurred by the Group as at 15 June 2016.

Approved and contracted for:	RM'000
- Purchase of plant and equipment	<u>1,006</u>

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4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of YNH at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia during business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Memorandum and Articles of Association of YNH;
- (ii) audited consolidated financial statements of YNH for the past two (2) FYEs 2014 and 2015 and the latest unaudited consolidated financial statements of YNH for the three (3)-month period ended 31 March 2016;
- (iii) the letter of consent and non-conflict of interest referred to in Section 2 of this Appendix III; and
- (iv) the draft By-Laws.

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YNH PROPERTY BHD

(Company No. 561986-V)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of YNH Property Bhd (“**YNH**” or the “**Company**”) will be held at Hotel Sfera, 2479, Jalan Dato’ Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Wednesday, 3 August 2016 at 11.45 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modification, the following resolutions by way of poll:-

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 88,289,225 NEW ORDINARY SHARES OF RM1.00 EACH IN YNH (“BONUS SHARES”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF RM1.00 EACH IN YNH (“YNH SHARES” OR “SHARES”) HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”)

“**THAT**, subject to the passing of Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, approval and authority be and is hereby given to the Board of Directors of the Company (“**Board**” or “**Directors**”) to capitalise an amount of up to RM88,289,225 out of the share premium and/or retained profits of the Company and to apply the same for the purposes of issuing up to 88,289,225 Bonus Shares credited as fully paid-up, on the basis of one (1) Bonus Share for every five (5) YNH Shares held by the shareholders of YNH whose names appear on the Company’s Record of Depositors as at the close of business on the Entitlement Date (“**Entitled Shareholders**”);

AND THAT, the Bonus Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing YNH Shares in issue at that time, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid in respect of which the entitlement date is prior to the date of allotment and issue of the Bonus Shares;

AND THAT, the fractional entitlements (if any) arising from the Proposed Bonus Issue shall be disregarded and/or be dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

AND THAT, the Directors be and are hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as it may deem fit and/or as may be required, or imposed by the relevant authorities, and to take all steps and to execute all such documents as may be required to implement, finalise and give full effect to the Proposed Bonus Issue.”

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE SCHEME ("SCHEME") INVOLVING UP TO 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF YNH (EXCLUDING TREASURY SHARES) AT ANY ONE TIME TO ELIGIBLE DIRECTORS AND EMPLOYEES OF YNH AND ITS SUBSIDIARIES WHICH ARE NOT DORMANT ("PROPOSED ESS")

"THAT subject to the passing of the Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, approval and authority be and is hereby given to the Board to:-

- (a) establish, implement and administer the Proposed ESS for the benefit of eligible Directors and employees of the Company and its subsidiaries which are not dormant ("**YNH Group**") who meet the criteria of eligibility for participation in the Proposed ESS ("**Eligible Persons**") in accordance with the By-Laws governing the Scheme ("**By-Laws**"), a draft of which is set out in Appendix I of the Circular to the shareholders of YNH dated 12 July 2016 ("**Circular**");
- (b) to appoint a trustee to facilitate the implementation and administration of the Proposed ESS ("**Trustee**") and authorise the Trustee to, among others, subscribe for, transfer and/or sell the YNH Shares for the purpose of the implementation and administration of the Proposed ESS and to do all such acts and things and enter into any transaction, agreement, deed, document or arrangement and make rules, regulations or impose terms and conditions or delegate part of its powers as may be necessary or expedient to the administration of the trust as the scheme committee may in its discretion direct for the implementation and administration of the Proposed ESS;
- (c) to authorise the Company and/or procure any one or more of the subsidiaries of the Company to provide, to the extent permitted by law, money or other assistance (financial or otherwise) from time to time (if required) to enable the Trustee to subscribe for new YNH Shares or acquire existing YNH Shares from the open market and/or make payment of equivalent cash value to the Eligible Persons;
- (d) to make necessary applications to Bursa Malaysia Securities Berhad ("**Bursa Securities**") and do all things necessary at the appropriate time or times for permission to deal in and for the listing of and quotation for the new Shares that may hereafter or from time to time be allotted and issued pursuant to the Proposed ESS;
- (e) to modify and/or amend the By-Laws from time to time as may be required provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws;
- (f) to do all such acts and things, execute all such documents and to enter into such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS and terms of the By-Laws; and
- (g) to allot and issue such number of new YNH Shares and/or procure for delivery such number of YNH Shares to the Trustee and the Eligible Persons pursuant to the Proposed ESS from time to time which may be available under the Proposed ESS, provided that the maximum number of YNH Shares to be allotted and issued pursuant to the Proposed ESS shall not at any point in time in aggregate exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares) or such other percentage of the issued and paid-up share capital of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed ESS.

AND THAT the Directors be and are hereby authorised to give effect to the Proposed ESS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as it may deem fit and/or as may be required or imposed by the relevant authorities.

AND THAT the proposed By-Laws of the Proposed ESS as set out in Appendix I of the Circular, be and is hereby approved."

ORDINARY RESOLUTION 3

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM500,000,000 COMPRISING 500,000,000 YNH SHARES TO RM1,000,000,000 COMPRISING 1,000,000,000 YNH SHARES (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)

“**THAT**, subject to the passing of the Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the authorised share capital of YNH be and is hereby increased from RM500,000,000 comprising 500,000,000 YNH Shares to RM1,000,000,000 comprising 1,000,000,000 YNH Shares by the creation of an additional 500,000,000 new YNH Shares.

AND THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Directors may consider necessary, expedient or relevant to give effect to and complete the Proposed Increase in Authorised Share Capital with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital.”

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO DATO’ DR. YU KUAN CHON

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Dato’ Dr. Yu Kuan Chon, being the Chairman/Executive Director and a major shareholder of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management (as defined in the Circular) of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO DATO' YU KUAN HUAT

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Dato' Yu Kuan Huat, being the Managing Director and a major shareholder of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF SHARE OPTIONS TO DATO' ROBERT LIM @ LIM GIT HOOI

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Dato' Robert Lim @ Lim Git Hooi, being the Senior Independent Non-Executive Director of the Company, such number of Share options and, if accepted and exercised by him, to allot and issue such number of Shares comprised in the Share options granted to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF SHARE OPTIONS TO CHING NYE MI @ CHIENG NGIE CHAY

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Ching Nye Mi @ Chieng Ngie Chay, being the Independent Non-Executive Director of the Company, such number of Share options and, if accepted and exercised by him, to allot and issue such number of Shares comprised in the Share options granted to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF SHARE OPTIONS TO DING MING HEA

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Ding Ming Hea, being the Independent Non-Executive Director of the Company, such number of Shares options and, if accepted and exercised by him, to allot and issue such number of Shares comprised in the Share options granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 9

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO DATIN TEH NAI SIM

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Datin Teh Nai Sim, being a person connected to Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in her at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to her from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 10

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO DATIN CHAN SOW KENG

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Datin Chan Sow Keng, being a person connected to Dato’ Dr. Yu Kuan Chon, the Chairman/Executive Director of the Company, such number of Shares in the Company which will be vested in her at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to her from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 11

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO YU CHONG HUA

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Yu Chong Hua, being a person connected to Dato’ Dr. Yu Kuan Chon, the Chairman/Executive Director of the Company and Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in her at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to her from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 12

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO TEH HACK BOON

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Teh Hack Boon, being a person connected to Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 13

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO YU HUEI JIUN

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Yu Huei Jiun, being a person connected to Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in her at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to her from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 14

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO LEONARD TAN TONG LOONG

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Leonard Tan Tong Loong, being a person connected to Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 15

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO YU KAI LEUN

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Yu Kai Leun, being a person connected to Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 16

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO YU KAI LIANG

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Yu Kai Liang, being a person connected to Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 17

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO YU CHONG CHEN

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Yu Chong Chen, being a person connected to Dato’ Dr. Yu Kuan Chon, the Chairman/Executive Director of the Company and Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

ORDINARY RESOLUTION 18

PROPOSED ALLOCATION OF SHARE OPTIONS AND/OR GRANT OF YNH SHARES TO KONG PEI YEE

“**THAT**, subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3, Special Resolution 1 and the approvals of all relevant authorities and/or parties (if required) being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Kong Pei Yee, being a person connected to Dato’ Dr. Yu Kuan Chon, the Chairman/Executive Director of the Company and Dato’ Yu Kuan Huat, the Managing Director of the Company, such number of Shares in the Company which will be vested in her at a specified future date and to allot and issue and/or deliver such number of Share options, Shares and/or cash or combinations thereof comprised in the Proposed ESS granted and/or awarded to her from time to time, provided always that:-

- (a) not more than fifty percent (50%) of the share options and/or share grants available under the Proposed ESS on any date shall be allocated in aggregate to the directors (including non-executive directors) and Senior Management of the YNH Group; and
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed ten percent (10%) (or such percentage as the relevant authorities may permit) of the maximum share options and/or share grants available under the Proposed ESS,

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular.”

SPECIAL RESOLUTION 1

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF YNH TO FACILITATE THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL (“PROPOSED AMENDMENT”)

“THAT subject to the passing of Ordinary Resolution 3 and the approval of the relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Board to give effect to the alterations, variations and deletions to the Memorandum of Association of YNH in the following manner:

Clause No.	Existing Provision	Proposed Amendment
6	The capital of the Company is RM500,000,000/- divided into 500,000,000 shares of RM 1/- each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is RM1,000,000,000/- divided into 1,000,000,000 shares of RM 1/- each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

AND THAT, the Directors be and are hereby authorised to do all acts and things, and to take all steps and to execute all such documents as may be required to give effect to the Proposed Amendment.

By Order of the Board
YNH PROPERTY BHD

CHAN YOKE YIN (MAICSA 7043743)
CHENG GHEE CHENG (LS 04598)
CHAN EOI LENG (MAICSA 7030866)

Company Secretaries

IPOH, PERAK DARUL RIDZUAN, MALAYSIA
12 JULY 2016

Notes:

- (a) A member entitled to attend and vote at the Extraordinary General Meeting (“EGM”) is entitled to appoint one or two proxies to attend, speak and vote instead of him.
- (b) A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (c) Where a member of the Company 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.
- (d) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (e) The instrument appointing a proxy must be deposited at the registered office of the Company, 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (f) Depositors who appear in the Record of Depositors as at 25 July 2016 shall be regarded as Member of the Company entitled to attend the EGM or appoint one or two proxies to attend, speak and vote on his behalf.



YNH PROPERTY BHD

(Company No. 561986-V)

(Incorporated in Malaysia under the Companies Act, 1965)

PROXY FORM

I/We,

NRIC No./Company No.....of

..... being a member of YNH Property Bhd hereby appoint the following person(s):

Name of proxy & NRIC No.	No. of shares	%
1. _____	_____	_____
2. _____	_____	_____

or failing him/her

1. _____	_____	_____
2. _____	_____	_____

or failing him/her, the Chairman of the Extraordinary General Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on 3 August 2016 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Resolutions	For	Against
Ordinary Resolution 1 : Proposed Bonus Issue		
Ordinary Resolution 2 : Proposed ESS		
Ordinary Resolution 3 : Proposed Increase in Authorised Share Capital		
Ordinary Resolution 4 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Dato' Dr. Yu Kuan Chon		
Ordinary Resolution 5 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Dato' Yu Kuan Huat		
Ordinary Resolution 6 : Proposed Allocation Of Share Options to Dato' Robert Lim @ Lim Git Hooi		
Ordinary Resolution 7 : Proposed Allocation Of Share Options to Ching Nye Mi @ Chieng Ngie Chay		
Ordinary Resolution 8 : Proposed Allocation Of Share Options to Ding Ming Hea		
Ordinary Resolution 9 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Datin Teh Nai Sim		
Ordinary Resolution 10 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Datin Chan Sow Keng		
Ordinary Resolution 11 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Yu Chong Hua		
Ordinary Resolution 12 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Teh Hack Boon		
Ordinary Resolution 13 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Yu Huei Jiun		
Ordinary Resolution 14 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Leonard Tan Tong Loong		
Ordinary Resolution 15 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Yu Kai Leun		
Ordinary Resolution 16 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Yu Kai Liang		
Ordinary Resolution 17 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Yu Chong Chen		
Ordinary Resolution 18 : Proposed Allocation Of Share Options and/or Grant of YNH Shares to Kong Pei Yee		
Special Resolution 1 : Proposed Amendment		

Please indicate with (✓) or (x) how you wish your vote to be cast.

No. of shares held	
CDS Account No.	

Date:

.....

Signature of Shareholder



Notes:

- (a) *A member entitled to attend and vote at the Extraordinary General Meeting (“EGM”) is entitled to appoint one or two proxies to attend, speak and vote instead of him.*
- (b) *A proxy may but need not be a member of the Company and there shall be no restriction as the qualification of the proxy.*
- (c) *Where a member of the Company 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.*
- (d) *Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (e) *The instrument appointing a proxy must be deposited at the registered office of the Company, 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM.*
- (f) *Depositors who appear in the Record of Depositors as at 25 July 2016 shall be regarded as Member of the Company entitled to attend the EGM or appoint one or two proxies to attend, speak and vote on his behalf.*

Fold this flap for sealing

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AFFIX
STAMP

THE SECRETARY

YNH PROPERTY BHD (561986-V)

55A, MEDAN IPOH 1A
MEDAN IPOH BESTARI
31400 IPOH
PERAK DARUL RIDZUAN
MALAYSIA

1st fold here

