

## SIAB HOLDINGS BERHAD ("SIAB" OR THE "COMPANY")

### DEBT SETTLEMENT AGREEMENT WITH YONG TAI BERHAD ("YTB"), YTB DEVELOPMENT SDN BHD ("YTBD") AND YTB IMPRESSION SDN BHD ("YTBI") FOR THE SETTLEMENT OF AN AGGREGATE AMOUNT OF RM6.00 MILLION DEBT OWING BY YTBD AND YTBI TO SIAB (M) SDN BHD ("SIAB (M)"), VIA THE ISSUANCE OF 12,000,000 NEW ORDINARY SHARES IN YTB ("YTB SHARES" OR "SETTLEMENT SHARE(S)") AT AN ISSUE PRICE OF RM0.5000 PER SETTLEMENT SHARE

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#### 1. INTRODUCTION

The Board of Directors of Siab ("**Board**") wishes to announce that Siab (M) ("**Creditor**") had on 17 May 2022 entered into a debt settlement agreement with YTB, YTBD and YTBI (YTBD and YTBI are wholly-owned subsidiaries of YTB) ("**Debt Settlement Agreement**") for the settlement of an aggregate amount of RM6.00 million debt owing by YTBD and YTBI ("**Debtors**") to Siab (M) ("**Settlement Amount**"), via the issuance of 12,000,000 Settlement Shares at an issue price of RM0.5000 per Settlement Share ("**Settlement Share Issue Price**") ("**Debt Settlement**").

Further details of the Debt Settlement are set out in the ensuing sections.

#### 2. DETAILS OF THE DEBT SETTLEMENT

Pursuant to the Debt Settlement Agreement, YTB shall pay the debt owing by the Debtors to Siab (M) of RM6,000,000 based on the cut-off date as at 13 May 2022.

The details of the debt owing by the Debtors to Siab (M) as at 13 May 2022 are as follows:

No	Period	Debtors	Purpose	Oustanding Amount (RM)	Settlement Amount (RM)
1.	Period from 15 October 2021 to 29 November 2021	YTBI	Main Building works for TD Block of Plot 5 project	1,959,237.07	1,500,000.00
2.	Period from 9 March 2021 to 14 September 2021	YTBD	Main Building works for U-Thant project	5,282,610.53	4,500,000.00
<b>Total</b>				<b>7,241,847.60</b>	<b>6,000,000.00</b>

Please refer to Appendix I for the salient terms of the Debt Settlement Agreement.

#### 2.1 Information on YTB and Debtors

##### YTB

YTB is currently listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). It was incorporated in Malaysia on 12 August 1994 as a public limited company under the Companies Act, 1965 and is deemed registered under the Companies Act, 2016 ("**Act**"). YTB is an investment holding company, whilst its subsidiaries are principally engaged in the property development, mining operation, project management and property investment.

The issued share capital of YTB is RM669,908,259 comprising 1,393,582,491 YTB Shares. The directors of YTB are Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman, Datuk Wira Boo Kuang Loon, Dato' Sri Lee Ee Hoe, Dato' Beh Hang Kong, Subramaniam A/L A.V. Sankar, Datuk Ng Bee Ken, Anthony Ang Meng Huat, Tang Po Yi and Chan Wai Kit.

The substantial shareholders of YTB and their respective shareholdings in YTB are as follows:-

<b>Name</b>	<b>Nationality/ Place of Incorporation</b>	<b>&lt;-----Direct-----&gt;</b>		<b>&lt;-----Indirect-----&gt;</b>	
		<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Full Winning Developments Limited	Virgin Islands, British	136,821,000	9.82	-	-
Datuk Wira Boo Kuang Loon	Malaysia	92,800,130	6.66	-	-

A summary of the audited financial information of YTB for the financial year ended ("FYE") 30 June 2019 to FYE 30 June 2021 and the unaudited financial information for the 6-month financial period ended ("FPE") 31 December 2021 are set out below:-

	<b>Audited FYE 30 June</b>			<b>Unaudited FPE</b>
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	100,396	42,606	114,290	22,036
Gross profit/(loss)	(5,489)	(22,050)	1,086	(3,193)
Profit/(Loss) before taxation	(92,536)	(37,875)	(2,671)	(88,555)
Profit/(Loss) after taxation	(79,319)	(43,202)	(8,308)	(89,809)
Share capital	375,503	517,437	665,539	665,557
NA attributable to shareholders	491,586	514,651	578,247	488,449
Outstanding shares (No '000)	534,208	957,796	1,348,464	1,348,487
NA per share (RM)	0.92	0.54	0.43	0.36
(Loss)/Earnings per share (Sen)	(15.93)	(5.17)	(0.72)	(6.66)

#### YTBD

YTBD is a private limited company incorporated in Malaysia on 10 May 2013 and having its place of business at A-07-01, Block A, Oasis Damansara, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Berhad. It is a wholly-owned subsidiary of YTB. Its principal activity is property development. Its directors are Datuk Wira Boo Kuang Loon and Datuk Tan Eng Eng.

#### YTBI

YTBI is a private limited company incorporated in Malaysia on 27 July 2015 and having its place of business at No. 3, Jalan KSB-Impression 8, Impression City @ Kota Syahbandar, 75200 Melaka. It is a wholly-owned subsidiary of YTB. Its principal activity is property development. Its directors are Datuk Wira Boo Kuang Loon and Datuk Tan Eng Eng.

## 2.2 Basis and justifications of arriving at the Settlement Share Issue Price

YTB intends to undertake the following corporate proposals:

- (i) proposed consolidation of every five (5) existing YTB Shares into one (1) YTB Share ("**Consolidated Share(s)**") held by the entitled shareholders of YTB on an entitlement date to be determined and announced later ("**Proposed Share Consolidation**"); and
- (ii) a proposed bonus issue of free warrants ("**Warrant(s)**") on the basis of 1 Warrant for every 4 Consolidated Shares held by the entitled shareholders of YTB on an entitlement date to be determined and announced later ("**Proposed Bonus Issue of Warrants**").

The Settlement Share Issue Price of RM0.5000 was determined after taking into consideration the following:

- (i) the theoretical adjusted 5-day volume weighted average market price ("**5D-WVAMP**") of YTB Shares based on the 5D-VWAMP of YTB Shares up to and including 13 May 2022 being the latest practicable date prior to the date of this announcement ("**LPD**") ("**Theoretical Adjusted 5D-VWAMP**") of RM0.5205 pursuant to the Proposed Share Consolidation; and
- (ii) discount of approximately 3.94% or RM0.0205 to the Theoretical Adjusted 5D-VWAMP of YTB Shares of RM0.5205.

The Theoretical Adjusted 5D-VWAMP of YTB Shares as at the LPD is calculated as follows:

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

## 2.3 Ranking of the Settlement Shares

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

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

## 2.4 Listing of and quotation for the Settlement Shares

An application will be made to Bursa Securities by YTB for the listing of and quotation for the Settlement Shares on the Main Market of Bursa Securities.

## **2.5 Assumption of liabilities**

Siab will not assume any liabilities pursuant to the Debt Settlement.

## **3. RATIONALE**

The Debt Settlement will allow Siab (M) to receive the Settlement Shares in lieu of payment for the outstanding trade receivables amount owing by the Debtors to Siab (M) earlier than the expected collection from the Debtors in view of the current soft market conditions due to the Covid-19 pandemic. Siab (M) will be able liquidate the Settlement Shares for the purpose of payment to suppliers and vendors for the Impression U-Thant Project and The Dawn Project. This will ease the cash flow and lower the gearing of Siab and its subsidiaries ("**Siab Group**" or "**Group**").

## **4. RISK FACTORS**

The Debt Settlement will not subject the Company to risks, in terms of liquidity, sufficiency on working capital or constrain the Company from pursuing other business opportunities as and when they may arise.

## **5. OUTLOOK AND PROSPECTS**

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

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

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

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

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

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

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

The property market performance recorded a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. A total of 300,497 transactions worth RM144.87 billion were recorded, showing an increase of 1.5% in volume and 21.7% in value compared to last year. The residential, commercial and industrial sub-sectors saw an increase in volume of transaction by 3.9%, 10.7% and 17.6% respectively, while agriculture and development land sub-sectors declined slightly by 7.5% and 7.4% respectively. Value of transactions recorded higher increase for residential, commercial, industrial and development land sub-sectors each at 16.7%, 43.1%, 32.9% and 33.2% whereas agriculture recorded decrease by 5.1%.

### Residential property

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

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

Demand continued to focus on terraced houses, formed around 43% of the total residential transactions, followed by vacant plots and high-rise units, each with nearly 15% market share. The affordable price range of RM300,000 and below accounted for 55.9% of the total, followed by RM300,001 to RM500,000 (24.6%), RM501,000 – RM1,000,000 (14.8%) and more than RM1,000,000 (4.8%).

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

Selangor recorded the highest number of new launches in the country, capturing nearly 22.4% (9,827 units) of the national total with sales performance at 54.0%. Johor recorded

the second highest number (5,513 units, 12.6% share) with sales performance at 49.2%. Perak came third (5,239 units, 11.9% share) with sales performance at 25.8%.

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

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

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

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

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

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

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

### Commercial property

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

Shop segment recorded 11,574 transactions worth RM9.6 billion, dominating 51.6% of the commercial property transactions volume and 34.3% of the total value. Market performance recorded an increase of 10.5% in volume and 12.7% in value against 2020.

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

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

Serviced apartment segment recorded 24,295 overhang units with a value of RM20.46 billion, up by 2.9% in volume but dropped 1.4% in value against 2020. Johor recorded the highest

volume in the country with 67.8% share (16,476 units) and 69.1% share in value (RM14.14 billion).

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

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

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

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

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

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

### Leisure

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

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

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

### Outlook

The property market is expected to regain its momentum in 2022 though the environment remained challenging. The 'Transition to Endemic' phase of Covid-19 starting April 1 2022 will

see the lifting of restrictions of business operating hours and reopening of country borders, which is expected to further improve domestic economic activities.

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

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

### **5.3 Prospects of YTB**

For FYE 30 June 2022, the YTB's strategy is to stay focus completing all of its on-going development projects. YTB had completed and delivered vacant possession of The Apple in December 2021. Amber Cove and Impression U-Thant are also on track to complete and deliver vacant possession by third and fourth quarter of year 2022. With total unbilled revenue of RM271.21 million as at LPD, YTB expects improvement in its earnings in FYE 2022.

Encore Melaka theatre reopened its door on 30 April 2022 as the country is transitioned to endemic phase and the country's borders are opened for all foreign visitors with further relaxation of Standard Operating Procedures. While the Group has previously focused on the Impression Series, the strategy has shifted towards a broader range of live entertainment, art and cultural shows using its state-of-the-art theatrical capabilities. Beyond positioning itself as the venue for events, Encore Melaka will serve as a one-stop solution for all event staging needs and even cater for outdoor activities and marketing and ticketing sales. As we continue to reopen our international border and ease the process to travel into Malaysia, this will drive the recovery of our theatre business.

Whereas for the new venture into vaccine distribution, the Group's strategic partner, Shenzhen Kangtai Biological Products Co., Ltd is in the midst of gathering the interim data from international clinical trial such as Philippines. At the meantime, the Group is exploring the distribution of other healthcare products in order to generate diversified revenue stream for the Group.

As for gold mining operation, the production will commence in phases. This will contribute positively to the Group's financial results for the FYE 30 June 2022.

## **6. EFFECTS OF THE DEBT SETTLEMENT**

The Debt Settlement will not have any effect on the share capital and shareholdings of substantial shareholders of the Company and is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Siab for the financial year ending 31 December 2022.

## **7. APPROVALS REQUIRED**

The Debt Settlement will be subjected to the approval from Bursa Securities for the listing of and quotation for the Settlement Shares to be issued pursuant to the Debt Settlement on the Main Market of Bursa Securities. However, the Debt Settlement is not subject to the approval from the Siab's shareholders.

The highest percentage ratio applicable to the Debt Settlement pursuant to paragraph 10.02(g) of the ACE Market Listing Requirements of Bursa Securities is 15.75% based on the



latest audited consolidated financial statements of Siab for the financial year ended 31 December 2021.

**8. INTER-CONDITIONALITY**

The Debt Settlement is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company, if any.

**9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the directors, major shareholders of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Debt Settlement.

**10. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Debt Settlement including but not limited to the capital structure of the Company, rationale and effects of the Debt Settlement, is of the opinion that the Debt Settlement is fair and reasonable and is in the best interests of the Company.

**11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring unforeseen circumstances, the application to Bursa Securities in relation to the Debt Settlement shall be made within 1 month from the date of this announcement and the Debt Settlement are expected to be completed by the third quarter of 2022.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Debt Settlement Agreement will be available for inspection at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, during normal business days for a period of three months from the date of this announcement.

This announcement is dated 17 May 2022.

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**Appendix I – SALIENT TERMS FOR DEBT SETTLEMENT AGREEMENT**

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The salient terms for Debt Settlement Agreement are summarised as follows:

<b>Agreement</b>	: The parties of the Debt Settlement Agreement agree for the settlement of the Settlement Amount as set out in the Settlement Agreement, via the issuance of such number of Settlement Shares as set out in this announcement in accordance with the terms and subject to the conditions as stated in the Debt Settlement Agreement.
<b>Conditions Precedent</b>	: The Debt Settlement Agreement shall be conditional upon the following being obtained and/or fulfilled within six (6) months from the date of the Debt Settlement Agreement or such extended period as the parties to the Debt Settlement Agreement may mutually agree in writing:-  (a) the approval of the Board of Directors of YTB in respect of the Debt Settlement and the execution of the Debt Settlement Agreements upon the terms and conditions contained therein;  (b) YTB shall have procured the approval of its shareholders at a EGM for (i) the Proposed Share Consolidation; and (ii) the allotment and the issue, of the relevant Settlement Shares. In the event such approval(s) is obtained subject to any conditions and/or amendments, such conditions and/or amendment being reasonably acceptable to the Creditor, and to the extent that any such conditions are required to be fulfilled on or before the completion of the Debt Settlement, they are fulfilled. In addition, such approval(s) shall not be amended, withdrawn, revoked, rescinded or cancelled on and before the date for the issuance of the relevant Settlement Shares;  (c) YTB shall have procured all necessary approvals and/or consents of the Bursa Securities or any other regulatory authorities for the Proposed Share Consolidation, the allotment and issue of all the relevant Settlement Shares, the listing of and quotation for all the relevant Settlement Shares on the Main Market of the Bursa Securities and such other relevant approvals in relation thereto and in connection therewith for the transactions contemplated under the relevant Debt Settlement Agreement and such approvals shall not be amended, withdrawn, revoked, rescinded or cancelled and, where approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendment being acceptable to the Creditor, and to the extent that any such conditions are required to be fulfilled on or before the date for the issuance of the relevant Settlement Shares, they are fulfilled;

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

## Appendix I – SALIENT TERMS FOR DEBT SETTLEMENT AGREEMENT

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

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**Appendix I – SALIENT TERMS FOR DEBT SETTLEMENT AGREEMENT**

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	(c) YTB shall be entitled to deem that the abovementioned nominees have been granted with power of attorney by the Creditor to undertake any dealing involving the relevant Settlement Shares and YTB shall not be required to monitor any dealing by the nominees of the relevant Settlement Shares.
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