



YONG TAI BERHAD
(Company No.: 311186-T)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Yong Tai Berhad ("YONGTAI" or the "Company") will be held at No. 3, Jalan Kapal, Kawasan Perindustrian Tongkang Pecah, 83010 Batu Pahat, Johor Darul Takzim on Thursday, 19 March 2015 at 2.30 p.m., for the purpose of considering and if thought fit, to pass the following resolutions:-

SPECIAL RESOLUTION 1

PROPOSED PAR VALUE REDUCTION OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL OF YONGTAI OF RM40,115,000 COMPRISING 40,115,000 ORDINARY SHARES OF RM1.00 EACH IN YONGTAI TO RM20,057,500 COMPRISING 40,115,000 ORDINARY SHARES OF RM0.50 EACH IN YONGTAI ("YONGTAI SHARES") VIA THE CANCELLATION OF RM0.50 FROM THE PAR VALUE OF EACH EXISTING ORDINARY SHARES OF RM1.00 EACH IN YONGTAI PURSUANT TO SECTION 64 THE COMPANIES ACT, 1965 ("PROPOSED PAR VALUE REDUCTION")

"THAT, subject to the confirmation of the High Court of Malaysia ("Court") pursuant to Section 64 of the Companies Act, 1965 and the passing of Special Resolution 2, Ordinary Resolutions 1, 2, 3 and 4, approval be and is hereby given to the Company to reduce its issued and paid-up share capital from RM40,115,000 comprising 40,115,000 ordinary shares of RM1.00 each in YONGTAI to RM20,057,500 comprising 40,115,000 YONGTAI Shares through the cancellation of RM0.50 from the existing par value of RM1.00 each shares;

AND THAT the credit arising from the Proposed Par Value Reduction be utilised to reduce the accumulated losses of the Company and the remaining balance (if any) will be credited as retained earnings of the Company which may be utilised in such manner as the Board of Directors of the Company ("Board") deems fit and as permitted by relevant and applicable laws;

AND THAT authority be and is hereby given to the Board to do all deeds, acts, and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to finalise, implement and give effect to the Proposed Par Value Reduction with full power to assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities/parties and/or the Court."

ORDINARY RESOLUTION 1

PROPOSED JOINT VENTURE VIA THE JOINT OPERATION AGREEMENT DATED 4 DECEMBER 2014 BETWEEN YTB APPLE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF YONGTAI AND APPLE 99 DEVELOPMENT SDN BHD FOR THE CONSTRUCTION AND DEVELOPMENT OF A MIXED DEVELOPMENT PROJECT COMPRISING INTER-ALIA A SIXTEEN (16)-STOREY HOTEL KNOWN AS "COURTYARD BY MARRIOTT", A THIRTY-TWO (32)-STOREY BLOCK OF SERVICE APARTMENTS AND AN EIGHT (8)-STOREY PODIUM ON A PIECE OF LAND HELD UNDER LOT NO. 2005 HELD UNDER MASTER TITLE NUMBER GRN 45957, KAWASAN BANDAR XXI, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA LOCATED AT JALAN TUN SRI LANANG, MALACCA ("PROPOSED JOINT VENTURE")

"THAT, subject to the passing of Special Resolutions 1 and 2 and Ordinary Resolutions 2, 3 and 4 approval be and is hereby given to YTB Apple Sdn Bhd to enter into the Joint Operation Agreement with Apple 99 Development Sdn Bhd for the construction and development of a mixed development project comprising inter-alia a sixteen (16)-storey hotel known as "Courtyard by Marriott" and a thirty-two (32)-storey block of service apartments (collectively known as "The Apple" or "Development Project") on a piece of land held under Lot No. 2005 held under Master Title number GRN 45957, Kawasan Bandar XXI, District of Melaka Tengah, State of Melaka located at Jalan Tun Sri Lanang, Malacca;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Joint Venture with full powers to assent any modifications, revaluation, variations, arrangement, conditions and/or amendments in relation to the Joint Operation Agreement as they may deem fit in the best interest of the Company and/or as may be required and/or imposed by the relevant authorities;

AND FURTHER THAT the Board be and is hereby authorised to take all steps as they may deem fit and expedient in order to implement, finalise, complete and do all acts, deeds and things as the Directors may deem fit or expedient in the best interest of the Company (including to execute, sign and deliver on behalf of the Company all such documents as may be necessary) so as to give full effect to the Proposed Joint Venture."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 80,230,000 NEW YONGTAI SHARES ("RIGHTS SHARES") TOGETHER WITH 40,115,000 NEW DETACHABLE WARRANTS ("WARRANTS") AT AN INDICATIVE ISSUE PRICE OF RM0.50 PER RIGHTS SHARE AFTER THE PROPOSED PAR VALUE REDUCTION ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) YONGTAI SHARE HELD TOGETHER WITH ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"THAT, subject to the passing of Special Resolutions 1 and 2 and Ordinary Resolutions 1, 3 and 4, the approval granted by Bursa Malaysia Securities Berhad ("Bursa Securities") and all other relevant authorities/parties (if applicable), approval be and is hereby given to the Directors of the Company for the following:-

- to provisionally allot and issue by way of a renounceable rights issue of 80,230,000 Rights Shares together with 40,115,000 Warrants on the basis of two (2) Rights Shares for every one (1) YONGTAI Shares held together with one (1) Warrant for every two (2) Rights Shares successfully subscribed, by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on the entitlement date to be determined later by the Board ("Entitlement Date") wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll to be executed by the Company as supplemented from time to time ("Deed Poll"), at any time during the "Exercise Period" as defined in the Deed Poll, for one (1) YONGTAI Share at an exercise price to be determined and fixed at a later date by the Board, but in any case, not lower than the par value of YONGTAI Shares of RM0.50 each;
- to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll;
- to allot and issue such number of YONGTAI Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants, and such YONGTAI Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing YONGTAI Shares provided that such YONGTAI Shares then issued, shall not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said YONGTAI Shares;
- to allot and issue such further Warrants and YONGTAI Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/or as may be required by the relevant authorities; and
- to do all such acts and things including but not limited to the application to Bursa Securities for the listing of and quotation for the YONGTAI Shares which may from time to time be allotted and issued upon exercise of the Warrants;

AND THAT the Board be and is hereby authorised to fix the final issue price of the Rights Shares and exercise price of the Warrants, which in any event, shall not be lower than the par value of YONGTAI Shares of RM0.50 each (after the Proposed Par Value Reduction);

AND THAT the Board be and is hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board in their absolute discretion;

AND THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlement of the Rights Shares and Warrants arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allocated for any reason whatsoever, in such manner as the Board may in their absolute discretion deem fit and in the best interest of the Company;

AND THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 25 February 2015, and the Directors be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

AND THAT the Rights Shares and new YONGTAI Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares of the Company then, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares or new YONGTAI Shares arising from exercise of the Warrants;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/or arrangement in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Right issue with Warrants."

ORDINARY RESOLUTION 3

PROPOSED SPECIAL ISSUE OF UP TO 40,000,000 NEW YONGTAI SHARES TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED ("PROPOSED SPECIAL ISSUE")

"THAT, subject to the passing of Special Resolution 1 and 2 and Ordinary Resolutions 1, 2 and 4, approval be and is hereby given for the Company to issue by way of special issue of up to 40,000,000 new YONGTAI Shares to independent third party investor(s) to be identified at a later date, representing up to approximately 24.9% of the enlarged issued and paid-up ordinary share capital of the Company after the Proposed Rights Issue with Warrants;

AND THAT the Board be and is authorised to fix the final issue price of the Special Issue Shares based at least five (5)-day volume weighted average price of YONGTAI Shares immediately preceding the price fixing date(s) or the theoretical ex-rights price (whichever is applicable) with a discount of not more than 10% (the actual quantum of which is to be determined by the Board) but in any event, shall not be lower than the par value of YONGTAI Shares of RM0.50 each after the Proposed Par Value Reduction;

AND THAT the proceeds of the Proposed Special Issue be utilised for the purposes as set out in the circular to shareholders of the Company dated 25 February 2015, and the Directors be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

AND THAT such Special Shares to be issued herein shall rank *pari passu* in all respects with the existing ordinary shares in issue, save and except that they 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 said shares;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things that are necessary to give full effect to the Proposed Special Issue with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions they consider necessary or as may be required to give full effect to and complete the Proposed Special Issue."

ORDINARY RESOLUTION 4

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM50,000,000 COMPRISING 50,000,000 ORDINARY SHARES OF RM1.00 EACH TO RM1,000,000,000 COMPRISING 2,000,000,000 YONGTAI SHARES ("PROPOSED IASC")

"THAT, subject to the passing of Special Resolutions 1 and 2 and Ordinary Resolutions 1, 2, and 3, the authorised share capital of the Company be and is hereby increased from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each in YONGTAI to RM1,000,000,000 comprising 2,000,000,000 ordinary shares of RM0.50 each in YONGTAI;

AND THAT the Board be and is hereby authorised to do all such acts and things that are necessary to give full effect to the Proposed Increase in Authorised Share Capital;

AND THAT, in consequence thereof, the Memorandum and Articles of Association of the Company and all other relevant documents be and are hereby amended accordingly."

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY TO FACILITATE THE PROPOSED IASC ("PROPOSED AMENDMENTS")

"THAT, subject to the passing of the Special Resolution 1 and Ordinary Resolutions 1, 2, 3 and 4, the Memorandum and Articles of Association of the Company be amended in the manner set out in the circular to shareholders dated 25 February 2015;

AND THAT the Board be and is hereby authorised to give effect to the aforesaid amendments to the Memorandum and Articles of Association of the Company."

By Order of the Board,

JAUHARI BIN HASSAN (LS 03681)
LIM SUAT BEN (f) (MAICSA 082022)
Company Secretaries

Kuala Lumpur
25 February 2015

Notes:-

- Depositors whose names appear in the Record of Depositors as at 12 March 2015 shall be regarded as members of the Company entitled to attend, speak and vote at the Extraordinary General Meeting.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
- A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his shareholdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Ground Floor, 8, Lorong Universiti B, Section 16, 46350 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.