

THIS CIRCULAR TO SHAREHOLDERS OF YKGI HOLDINGS BERHAD (“YKGI” OR THE “COMPANY”) (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in your reliance upon the whole or any part of the contents of this Circular.



YKGI HOLDINGS BERHAD
(Registration No. 197701001682 (032939-U))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES TO INCLUDE THE BUSINESS OF CONSTRUCTION AND PROPERTY DEVELOPMENT

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



UOB Kay Hian Securities (M) Sdn Bhd
(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“EGM”) of YKGI will be conducted entirely through live streaming from the broadcast venue at the online meeting platform via **TIIH Online** website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) (“**Online Meeting Platform**”) on Friday, 23 June 2023 at 3.00 p.m., or immediately following the conclusion or adjournment of the 46th Annual General Meeting (“AGM”) of our Company which will be conducted through the same Online Meeting Platform and on the same date at 2.00 p.m., whichever is later. The Notice of EGM together with the accompanying Form of Proxy are enclosed herein. Please refer to the Administrative Guide issued to all shareholders of our Company on the conduct of the EGM.

Members are to attend, speak (including posing questions to the Board of Directors of YKGI (“**Board**”) via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM via the remote participation and electronic voting facilities provided by Tricor via its **TIIH Online** website at <https://tiih.online>. If you are unable to participate remotely at the forthcoming EGM, you may appoint not more than 2 proxies to attend and vote remotely on your behalf. If you wish to do so, you must complete, sign and deposit the relevant enclosed Form of Proxy for the EGM in accordance with the instructions contained therein, at the office of the Share Registrar of our Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via **TIIH Online** website at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the EGM.

Last date and time for lodging the Form of Proxy : Wednesday, 21 June 2023, at 3.00 p.m.
Date and time of the EGM : Friday, 23 June 2023, at 3.00 p.m., or immediately following the conclusion or adjournment of the 46th AGM of our Company which will be conducted through the same Online Meeting Platform and on the same date at 2.00 p.m., whichever is later

This Circular is dated 7 June 2023

DEFINITIONS

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

“Act”	: Companies Act 2016
“ADSB”	: ASTEEL Development Sdn Bhd (Registration No. 201301032399 (1062228-D)), a wholly-owned subsidiary of ARSB
“AGiBS”	: AJIYA green integrated building system
“AGM”	: Annual general meeting
“ARSB”	: ASTEEL Resources Sdn Bhd (Registration No. 201401027116 (1103206-T)), an 80.36%-owned subsidiary of YKGI
“ASTEEL Group”	: ARSB and its subsidiaries, collectively
“Board”	: The Board of Directors of YKGI
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Circular”	: This circular to shareholders of YKGI dated 7 June 2023
“Construction Business”	: The business of construction
“COVID-19”	: Coronavirus disease
“Director(s)”	: The director(s) of YKGI and shall have the meaning given in Section 2(1) of the Act and Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting
“EPS”	: Earnings per Share
“Existing Business Operations”	: Collectively, Manufacturing of Coated Steel Products and Metal Roofing, Trading of Building Materials as well as installation of the roofing products
“FPE”	: Financial period ended/ending, as the case may be
“FYE”	: Financial year ended/ending, as the case may be
“GDP”	: Gross domestic product
“HDC”	: Housing Development Corporation, Sarawak
“IBS”	: Industrialised building system
“J-Qaf”	: Jawi, Al-Quran, Arab and Fardu Ain programme
“LAT”	: Loss after taxation
“LBT”	: Loss before taxation
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 26 May 2023, being the latest practicable date prior to the printing and despatch of this Circular

DEFINITIONS (CONT'D)

“Manufacturing of Coated Steel Products and Metal Roofing”	: Manufacturing and processing of coated steel products, metal roofing and related products (i.e. metal roofing systems, metal frame products, structural products, roof tile effect products, architectural products and light-weight channel products)
“NA”	: Net assets
“PAT”	: Profit after taxation
“PBT”	: Profit before taxation
“Project Management Committee”	: A proposed committee comprising Ts. Fong Fui Yee, Dennis Ng Tee Wui, Xavier Langit Anak Ujan and Vincent Foo Ah Guan, being key management personnel identified and appointed by the YKGI Group (which is to be set up) to co-ordinate, plan, oversee, manage, deal with and decide on all aspects of the Proposed Development
“Property Development Business”	: The business of property development
“Proposed Development”	: Proposed 4 phases of development, which indicatively comprise 382 units of affordable Sri Pertiwi single-storey terrace houses, 494 units of affordable Sri Pertiwi Apartment and 96 units of affordable Spektra Medium Apartment with related infrastructure and facilities on HDC’s land on Phases 3, 5 and part of Phase 4 of Lot 37-43 and 45-47 (New Lot 2488 - 3298) Block 7, Matang Land District, Sungai Tengah, Kuching, Sarawak
“Proposed Diversification”	: Proposed diversification of the Existing Business Operations of the Group to include the Construction Business and Property Development Business
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SK Daif”	: School buildings which are old and dilapidated
“Trading of Building Materials”	: Trading of steel and non-steel components which are mainly used in the construction industry (i.e. steel bar, steel mesh, window frames, structural steel products, glass, floor tiles, paint, cement board and other construction materials)
“Tricor” or the “Share Registrar”	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
“UOBKH” or the “Adviser”	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“USA”	: United States of America
“YKGI” or the “Company”	: YKGI Holdings Berhad (Registration No. 197701001682 (032939-U))
“YKGI Group” or the “Group”	: YKGI and its subsidiaries, collectively
“YKGI Share(s)” or “Share(s)”	: Ordinary share(s) in YKGI

DEFINITIONS (CONT'D)

All references to “we”, “us”, “our” and “ourselves” are to YKGI. All references to “you” in this Circular are to the shareholders of YKGI.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment 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 specified.

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

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that YKGI's plans and objectives will be achieved.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	v
LETTER TO THE SHAREHOLDERS OF YKGI IN RELATION TO THE PROPOSED DIVERSIFICATION	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED DIVERSIFICATION	2
3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED DIVERSIFICATION	19
4. RISK FACTORS OF THE PROPOSED DIVERSIFICATION	19
5. INDUSTRY OUTLOOK, OVERVIEW AND PROSPECTS	21
6. EFFECTS OF THE PROPOSED DIVERSIFICATION	25
7. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY OF THE PROPOSED DIVERSIFICATION	25
8. ESTIMATED TIMEFRAME FOR COMPLETION	25
9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	25
10. INTEREST OF DIRECTORS, CHIEF EXECUTIVES, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	26
11. EGM	26
12. DIRECTORS' STATEMENT AND RECOMMENDATION	26
13. FURTHER INFORMATION	26
APPENDIX	
I FURTHER INFORMATION	27
NOTICE OF EGM	ENCLOSED
ADMINISTRATIVE GUIDE	ENCLOSED
FORM OF PROXY	ENCLOSED

EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Diversification. The shareholders of YKGI are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Diversification before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
<p>Summary of the Proposed Diversification</p>	<p>Our Group's principal business operations are segmented into the following Existing Business Operations as at the LPD, comprising:-</p> <ul style="list-style-type: none"> (i) Manufacturing of Coated Steel Products and Metal Roofing, as well as installation of the roofing products; and (ii) Trading of Building Materials. <p>Our Group has also ventured into the Construction Business in 2019.</p> <p>While our Group remains focused on enhancing the performance of the Existing Business Operations by expanding our product offerings and expanding our market share, our Group has also been actively seeking other strategic opportunities and/or business ventures that could enhance shareholders' long-term return by providing new source of income streams as well as at the same time, reduce our reliance on the Existing Business Operations. In view thereof, our Group has undertaken efforts to expand and/or venture into the following business activities, which could eventually form the 3rd and 4th core business divisions of our Group:-</p> <ul style="list-style-type: none"> (a) Construction Business (existing business venture undertaken since 2019); and (b) Property Development Business (new business venture). <p>Our Board is also of the view that the Construction Business and Property Development Business are deemed to be a natural progression by our Group to further expand our product offering and services, and are synergistic to our Group's future growth given that our Group is involved in the Trading of Building Materials and installation of IBS products via our Existing Business Operations.</p> <p>Pursuant thereto, our Board proposes to seek the approval from you, the shareholders of YKGI, for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Listing Requirements which states that a listed issuer must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:-</p> <ul style="list-style-type: none"> a) the diversion of 25% or more of the NA of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or b) the contribution from such an operation of 25% or more of the net profits of the listed issuer. <p>Notwithstanding the Proposed Diversification, our Board intends to continue with the Existing Business Operations of our Group in the same manner and our Board will review our Group's business operations from time to time with the intention to further improve our Group's financial performance.</p>	<p>Section 2</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Rationale and justifications for the Proposed Diversification	<p>The Proposed Diversification is part of our Group's strategic plan to diversify into other viable businesses to enhance profitability of our Group in the long-term and to provide our shareholders with better returns.</p> <p>Our Group began to venture in the Construction Business in 2019 and the Property Development Business in 2023 (via the Proposed Development) with the aim to provide new source of income streams as well as at the same time, reduce our reliance on the Existing Business Operations.</p> <p>Further, our Board is also of the view that the Construction Business and Property Development Business are deemed to be a natural progression by our Group to further expand our product offering and services, and are synergistic to our Group's future growth given that our Group is involved in the Trading of Building Materials and installation of IBS products via our Existing Business Operations.</p> <p>Our Board envisages that both of the business ventures (namely the Construction Business and the Property Development Business) will bode well with the Existing Business Operations of our Group and will contribute positively to the earnings of our Group in the near future.</p> <p>Notwithstanding the Proposed Diversification, our Group is committed to continue improving the operational efficiencies and profitability of our Existing Business Operations.</p>	Section 3
Risk factors of the Proposed Diversification	<p>Pursuant to the Proposed Diversification, our Group will be exposed to risks inherent in the construction and property development industries which include, but not limited to, the following:-</p> <ul style="list-style-type: none"> (i) business diversification risk; (ii) project completion risk; (iii) risk of property overhang; (iv) competition from other construction players; (v) dependency on order book; and (vi) dependency on key management personnel. 	Section 4
Approvals required/obtained and conditionality of the Proposed Diversification	<p>The Proposed Diversification is subject to the following approvals:-</p> <ul style="list-style-type: none"> (i) the shareholders of our Company at our forthcoming EGM; and (ii) any other relevant authority, if required. <p>The Proposed Diversification is not conditional upon the formal agreement to be executed between ADSB and HDC. The Proposed Diversification is also not conditional upon any other proposals undertaken or to be undertaken by our Company.</p>	Section 7
Interest of Directors, chief executives, major shareholders and/or persons connected with them	<p>None of the Directors, chief executives and/or major shareholders of our Company, as well as persons connected with them, have any interest, whether direct or indirect, in the Proposed Diversification.</p>	Section 10



YKGI HOLDINGS BERHAD

(Registration No. 197701001682 (032939-U))
(Incorporated in Malaysia)

Registered Office

Lot 712, Block 7
Demak Laut Industrial Park
93050 Kuching, Sarawak
Malaysia

7 June 2023

Board of Directors

Liew Jee Min @ Chong Jee Min	<i>(Independent Non-Executive Chairman)</i>
Tan Sri Dato' Soh Thian Lai	<i>(Executive Deputy Chairman)</i>
Dato' Sri Victor Hii Lu Thian	<i>(Group Managing Director)</i>
Fong Yoo Kaw @ Fong Yee Kow	<i>(Senior Independent Non-Executive Director)</i>
Yan Ying Chieh	<i>(Independent Non-Executive Director)</i>
Christopher Hii Lu Ming	<i>(Non-Independent Non-Executive Director)</i>
Toshihiro Tachibana	<i>(Non-Independent Non-Executive Director)</i>
Datin Josephine Anak Hilary Dom @ Josephine John	<i>(Independent Non-Executive Director)</i>
Wong Siew Si	<i>(Independent Non-Executive Director)</i>
Khor Hun Nee	<i>(Independent Non-Executive Director)</i>
Koichiro Nakazawa	<i>(Alternate Director to Toshihiro Tachibana)</i>

To: The Shareholders of YKGI

Dear Sir/Madam,

PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 5 May 2023, UOBKH had, on behalf of our Board, announced that our Company intends to diversify the Existing Business Operations of the YKGI Group to include the following business activities:-

- (a) Construction Business (existing business venture undertaken since 2019):-

ADSB, an 80.36%-owned indirect subsidiary of our Group, had begun to venture into the Construction Business in 2019 by undertaking construction and renovation works in respect of the installation of IBS products for the customers of our Group. The management of our Group had since stepped up its efforts to grow this business segment, resulting in this segment contributing approximately 3.36% to the revenue of our Group for the FYE 31 December 2022 ("**FYE 2022**") (being the highest revenue contribution from the Construction Business since our Group's venture in 2019), as well as 0.21% to the LAT of our Group for the FYE 2022. Our Group is of the view that the profit contribution from the Construction Business will grow substantially from 2023 onwards and could potentially contribute 25% or more to the net profits of our Group in the near term (as evidenced by the financial results of our Construction Business for the 3-month FPE 31 March 2023 ("**3-month FPE 2023**") as disclosed in **Section 2** of this Circular) as our Company is optimistic on the potential construction order books that will be achieved and the profit realised from such order books.

Hence, the approval from our shareholders is sought to diversify the Existing Business Operations of our Group to include the Construction Business; and

(b) Property Development Business (new business venture):-

On 20 February 2023, YKGI announced that ADSB had accepted the terms and conditions offered by HDC for the Proposed Development.

A formal agreement for the said Proposed Development will be executed between ADSB and HDC, which is tentatively scheduled to be signed by the parties in the third quarter of 2023. The estimated combined total contract sum for the Proposed Development is approximately RM267.3 million. The commencement of works for the Proposed Development will be undertaken by our Group after the execution of the said formal agreement.

The management of our Group believes that upon completion of the Proposed Development (being our Group's first foray into the property development sector), our Group is able to leverage on the successful completion and property development track record, as well as the accumulation of sufficient experience by the property development team to enable our Group to embark on additional viable ventures relating to property development through organic and/or inorganic approaches.

In view of the above, our Board anticipates that, barring any unforeseen circumstances, both the Construction Business and Property Development Business will potentially contribute 25% or more to the net profits or NA of YKGI Group respectively and/or result in a diversion of more than 25% of the NA of YKGI Group respectively moving forward. Pursuant thereto, our Board proposes to seek the approval from the shareholders of YKGI for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Listing Requirements.

Further details on the Proposed Diversification are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DIVERSIFICATION AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED DIVERSIFICATION TO 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 CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DIVERSIFICATION.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

Our Group's principal business operations are segmented into the following Existing Business Operations as at the LPD, comprising:-

- (i) Manufacturing of Coated Steel Products and Metal Roofing, as well as installation of the roofing products; and
- (ii) Trading of Building Materials.

Our Group has also ventured into the Construction Business in 2019 as disclosed in **Section 1** of this Circular.

The key financial performance of our Group for the past 4 financial years up to the FYE 2022 and the unaudited 3-month FPE 2023 are as follows:-

Key financial performance	Audited FYE 31 December				Unaudited 3-month FPE 31 March
	2019*	2020*	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue ⁽¹⁾	216,506	184,075	243,686	276,698	65,271
PBT/LBT ⁽²⁾	(5,121)	(4,897)	11,498	(4,579)	476
PAT/LAT attributable to the owners of our Company ⁽³⁾	(7,566)	(5,791)	6,421	(5,914)	161

Notes:-

* For comparative purposes only, the figures stated include operations which have been discontinued.

(1) Summary of YKGI Group's revenue based on our existing business divisions for the past 4 financial years up to the FYE 2022 and the unaudited 3-month FPE 2023 are set out as follows:-

Business division	Audited FYE 31 December								Unaudited 3-month FPE 31 March	
	2019		2020		2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of Coated Steel Products and Metal Roofing	196,485	90.75	153,337	83.30	209,296	85.89	225,027	81.32	53,665	82.22
Trading of Building Materials	19,080	8.81	27,265	14.81	30,670	12.58	42,383	15.32	9,475	14.52
Construction Business	941	0.44	3,473	1.89	3,720	1.53	9,288	3.36	2,131	3.26
Total	216,506	100.00	184,075	100.00	243,686	100.00	276,698	100.00	65,271	100.00

(2) Summary of YKGI Group's PBT/LBT based on our existing business divisions for the past 4 financial years up to the FYE 2022 and the unaudited 3-month FPE 2023 are set out as follows:-

Business division	Audited FYE 31 December								Unaudited 3-month FPE 31 March	
	2019		2020		2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of Coated Steel Products and Metal Roofing	(4,476)	87.40	(3,112)	63.56	11,299	98.27	(3,374)	73.69	387	81.26
Trading of Building Materials	(644)	12.58	(1,692)	34.54	195	1.70	(1,194)	26.07	27	5.68
Construction Business	(1)	0.02	(93)	1.90	4	0.03	(11)	0.24	62	13.06
Total	(5,121)	100.00	(4,897)	100.00	11,498	100.00	(4,579)	100.00	476	100.00

- (3) Summary of YKGI Group's PAT/LAT attributable to the owners of our Company based on our existing business divisions for the past 4 financial years up to the FYE 2022 and the unaudited 3-month FPE 2023 are set out as follows:-

Business division	Audited FYE 31 December								Unaudited 3-month FPE 31 March	
	2019		2020		2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<i>Manufacturing of Coated Steel Products and Metal Roofing</i>	(6,634)	87.67	(3,598)	62.13	6,250	97.34	(4,482)	75.79	78	48.50
<i>Trading of Building Materials</i>	(931)	12.31	(2,078)	35.89	168	2.62	(1,419)	24.00	45	27.89
<i>Construction Business</i>	(1)	0.02	(115)	1.98	3	0.04	(13)	0.21	38	23.61
Total	(7,566)	100.00	(5,791)	100.00	6,421	100.00	(5,914)	100.00	161	100.00

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Commentary on historical financial performance

(i) FYE 31 December 2020 (“FYE 2020”) versus FYE 31 December 2019 (“FYE 2019”)

Our Group recorded a revenue of approximately RM184.08 million in the FYE 2020 as compared to a revenue of approximately RM216.51 million reported in the previous financial year.

The decrease of revenue of our Group by 15.0% from the FYE 2019 to the FYE 2020 was mainly due to the lower sales volume. The sales volume recorded during the financial year under review was lower by 14.3% due to the impact of the movement control order imposed by the Government in March 2020 arising from the COVID-19 pandemic. However, the adverse financial impact was partially mitigated by the higher average selling price of our steel products during the financial year, which was higher by 6.82% as compared to 2019. For Construction Business, our Group has recorded a revenue of approximately RM3.47 million in the FYE 2020 as compared to a revenue of approximately RM0.94 million reported in the previous financial year. The increase of the revenue contribution from the Construction Business of our Group by 269.1% from the FYE 2019 to the FYE 2020 was mainly due to our Group’s continued effort in promoting and marketing AGiBS products to government agencies for their projects. We have been fairly successful in our marketing efforts during the year, which is evidenced by the increase in number of government projects adopting our AGiBS products in the FYE 2020.

We incurred a lower LBT of approximately RM4.90 million in the FYE 2020 as compared to the LBT of RM5.12 million incurred in the FYE 2019. This was mainly due to lower losses incurred by the discontinued business segment (i.e. manufacturing and sale of coated and non-coated steel coils segment) and the disposal of the aforesaid discontinued business segment in April 2019. During the financial year, the Construction Business had registered a higher LBT of approximately RM0.09 million as compared to a LBT of approximately RM0.001 million for the FYE 2019.

(ii) FYE 31 December 2021 (“FYE 2021”) versus FYE 2020

Our Group recorded a revenue of approximately RM243.69 million in the FYE 2021 as compared to a revenue of approximately RM184.08 million reported in the previous financial year.

The increase of revenue of our Group by 32.3% from the FYE 2020 to the FYE 2021 was mainly due to higher sales volume and higher average unit selling price for steel products, which was due to the following:-

- (i) fiscal stimulus spending by major countries especially USA and China to revive their economies battered by the COVID-19;
- (ii) the tightening of steel supply contributed by the supply dynamics arising from production lockdowns, border closures, port congestion, and shipping vessel shortage across the globe; and
- (iii) the recovery stimulus outlay into ongoing infrastructure and mass transportation projects in Malaysia, which in turn, have supported the steel demand and prices.

For Construction Business, our Group recorded a higher revenue of approximately RM3.72 million in the FYE 2021 as compared to a revenue of approximately RM3.47 million reported in the previous financial year. The increase of the revenue contribution from the Construction Business of our Group by 7.1% from the FYE 2020 to the FYE 2021 was mainly due to higher number of construction projects undertaken in the FYE 2021 due to the gradual lifting of the COVID-19 movement control order.

Our Group registered a PBT of approximately RM11.50 million in the FYE 2021 as compared to a LBT of approximately RM4.90 million in the previous financial year. The turnaround in profits was mainly due to a higher gross margin achieved coupled with a higher sales revenue. Higher gross margin achieved during the financial year was mainly due to the macro factors experienced in the second half of 2021, in particular, increasing steel prices, lower steel supply arising (following the impact of the lockdown which affected the steel production), and the abolishment of the 13% export steel tax rebates announced by the Chinese Government in May 2021, all of which resulted in a better product margin. During the financial year, the Construction Business had registered a PBT of approximately RM0.004 million for the FYE 2021 as compared to a LBT of approximately RM0.09 million for the FYE 2020. The profits recorded was mainly due to the marginal higher gross profit margin achieved for certain construction projects undertaken during the financial year.

(iii) FYE 2022 versus FYE 2021

Our Group recorded a revenue of approximately RM276.70 million in the FYE 2022 as compared to a revenue of approximately RM 243.69 million reported in the previous financial year. The increase of revenue of our Group by 13.5% from the FYE 2021 to the FYE 2022 was mainly due to higher selling price of the roofing products and higher sales volume from projects undertaken during the financial year. For Construction Business, our Group recorded a higher revenue of approximately RM9.29 million in the FYE 2022 as compared to a revenue of approximately RM3.72 million reported in the previous financial year. The increase in revenue contribution from the Construction Business of our Group by 149.7% from the FYE 2021 to the FYE 2022 was mainly due to the improvement in market acceptance of our IBS products for IBS construction projects by the customers.

Our Group registered a LBT of approximately RM4.58 million in the FYE 2022 as compared to a PBT of approximately RM11.50 million in the previous financial year. The LBT incurred was mainly due to the depressed gross margin, which was a result of the sudden decline in steel prices in the FYE 2022 and the macro factors, in particular, rising interest rate and increasing labour cost after the increase of minimum wages. During the financial year, the Construction Business had registered a LBT of approximately RM0.01 million for the FYE 2022 as compared to a PBT of approximately RM0.004 million for the FYE 2021. The increase in losses was mainly due to higher operating expenses incurred during the financial year.

(iv) 3-month FPE 2023

Our Group recorded a higher revenue of approximately RM65.27 million for the 3-month FPE 2023, representing an increase of approximately 12.23% or RM7.11 million, as compared to a revenue of approximately RM58.16 million in the corresponding 3-month FPE 31 March 2022 ("**3-month FPE 2022**"). The increase in revenue was mainly due to the increase in the market demand on our Group's products and higher revenue from projects. For Construction Business, our Group has recorded a higher revenue of approximately RM2.13 million for the 3-month FPE 2023 as compared to a revenue of approximately RM0.98 million for the 3-month FPE 2022. The increase in revenue contribution from the Construction Business of our Group by 118.6% was mainly due to higher number of projects undertaken during the 3-month FPE 2023 as compared to the projects undertaken in the 3-month FPE 2022.

Our Group registered a PBT of approximately RM0.48 million for the 3-month FPE 2023 as compared to a LBT of approximately RM0.79 million for the 3-month FPE 2022. The turnaround in profits was mainly due to higher gross profit margin benefitted from the increase in selling price during the 3-month FPE 2023. The Construction Business had registered a PBT of approximately RM0.04 million for the 3-month FPE 2023 as compared to a LBT of approximately RM0.08 million for the 3-month FPE 2022. The improvement in profits was mainly due to a higher revenue generated during the 3-month FPE 2023.

While our Group remains focused on enhancing the performance of the Existing Business Operations by expanding our product offerings and expanding our market share, our Group has also been actively seeking other strategic opportunities and/or business ventures that could enhance shareholders' long-term return by providing new source of income streams as well as at the same time, reduce our reliance on the Existing Business Operations.

In view thereof, our Group has undertaken efforts to expand and/or venture into the following business activities, which could eventually form the 3rd and 4th core business divisions of our Group:-

(a) Construction Business (existing business venture undertaken since 2019)

The entry into the Construction Business (relating to the installation of IBS products) in 2019 was part of our Group's strategic plan to expand our product offering and undertake a new business venture which is complementary and synergistic to our Existing Business Operations as well as a natural progression by our Company. The revenue contribution from this segment to our Group has been increasing since 2019 in tandem with the sale of our Group's IBS products, with the latest revenue contribution from this segment of approximately 3.36% to the total revenue of our Group for the FYE 2022 (being the highest revenue contribution from the Construction Business since our Group's venture in 2019). As at the LPD, our Group has secured RM17.0 million of order book for our Construction Business and had also submitted tender applications as well as quotations for construction works amounting to approximately RM14.2 million in value. The details of the past and on-going construction projects undertaken by our Group since 2019 up to the LPD are set out in **Section 2.3** of this Circular; and

(b) Property Development Business (new business venture)

Our Group intends to make its debut into the Property Development Business through ADSB following its acceptance of the terms and conditions offered by HDC on 20 February 2023 in respect of the Proposed Development. The Proposed Development will be carried out in 4 phases and indicatively, entails development of 382 units of affordable Sri Pertiwi single-storey terrace houses, 494 units of affordable Sri Pertiwi Apartment and 96 units of affordable Spektra Medium Apartment with related infrastructure and facilities on HDC's land on Phases 3, 5 and part of Phase 4 of Lot 37-43 and 45-47 (New Lot 2488 - 3298) Block 7, Matang Land District, Sungai Tengah, Kuching, Sarawak. A formal agreement for the said Proposed Development will be executed between ADSB and HDC tentatively in the third quarter of 2023. Further information and details on the Proposed Development are set out in the announcement released by our Company on 20 February 2023. Summary details of the Proposed Development are set out in **Section 2.2.2** of this Circular.

In addition to the above, our Group also intends to embark on other viable property development ventures, which may be other than affordable housings (such as industrial, commercial and other mixed development that our Group deems suitable for the expansion of our property development footprint) in the future through organic approaches and/or strategic arrangements, including but not limited to, strategic businesses/investments, joint ventures, collaborative arrangements, business agreements, and/or mergers and acquisitions of suitable businesses/investments in the property development industry as and when such business opportunities arises. Our Company will make the necessary announcement(s) in accordance with the Listing Requirements and shareholders' approval will be sought, if required, together with the approval of the other relevant authorities at the material times. Prior to embarking on such ventures, our Board wishes to assure the shareholders of our Company that our Group will undertake the relevant feasibility studies to assess the risks and benefits on the viability of such organic approaches and/or strategic arrangements.

Our Board is of the view that both the Construction Business and Property Development Business are deemed to be a natural progression by our Group to further expand our product offering and services, and synergistic to our Group's future growth given that our Group is involved in the Trading of Building Materials and installation of IBS products via our Existing Business Operations.

Pursuant thereto, our Board proposes to seek the approval from you, the shareholders of YKGI, for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Listing Requirements, which states that a listed issuer must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:-

- a) the diversion of 25% or more of the NA of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or
- b) the contribution from such an operation of 25% or more of the net profits of the listed issuer.

The Proposed Diversification is hence sought in view that both segments (i.e. the Construction Business and the Property Development Business) are expected to result in the diversion of 25% or more of the NA or contribute 25% or more to the net profits of our Group, individually, in the near term given the following:-

(a) Construction Business:-

In view of the unaudited 3-month FPE 2023 financial results, the PAT of the Construction Business contributed approximately 23.61% of the PAT attributable to the owners of our Company. Our Board hence anticipates that our Group's Construction Business will likely contribute 25% or more to the net profits of our Group for the FYE 31 December 2023; and

(b) Property Development Business:-

Taking into consideration of the indicative gross development value of the Proposed Development of approximately RM267.3 million and the indicative gross total development and construction cost of the Proposed Development of approximately RM250.6 million as well as our Group's intention to embark on other viable property development ventures in the future, our Board anticipates that the Property Development Business may contribute 25% or more to the net profits of our Group, and/or result in a diversion of more than 25% of the NA of our Group from the year 2025 onwards.

Notwithstanding the Proposed Diversification, our Board intends to continue with the Existing Business Operations of our Group in the same manner and our Board will review our Group's business operations from time to time with the intention to further improve our Group's financial performance.

2.1 Key management personnel

At this juncture, our Group has identified and appointed Ts. Fong Fui Yee, Dennis Ng Tee Wui, Xavier Langit Anak Ujan and Vincent Foo Ah Guan as the key management personnel to lead and oversee our Group's Construction Business and Property Development Business moving forward. The key management personnel will be part of the Project Management Committee to be formed in respect of the Proposed Development, which will indicatively comprise of 4 representatives from ASTEEL Group.

Further details of the qualifications and experiences of the key management personnel are set out below:-

(i) Ts. Fong Fui Yee

Ts. Fong Fui Yee, a Malaysian aged 44, is the Director of Commercial of our Group and a director of ADSB. He holds a Master's Degree in Manufacturing from Coventry University, United Kingdom. Upon graduation, he began his career with YKGI in various departments including the production, sales, marketing and business development departments. His primary role is to oversee the commercial affairs of ASTEEL Group and is responsible for the business development of ASTEEL Group.

On 1 March 2023, he was assigned as the Project Lead in YKGI's Construction Business and Property Development Business where he is tasked to ensure that the projects are delivered in a timely manner and that the clients are satisfied with the outcome of the projects.

Ts. Fong Fui Yee has more than 5 years of experience in the construction sector and has been involved in IBS solution where he oversees the redevelopment of schools and residential projects. Set forth below are some of the recent key projects which he was involved in:-

Project/Location	Type of development	Roles undertaken	Project duration	Contract sum (RM' million)
Brunei Darussalam	Construction of double-storey house for the National Housing Scheme at Kampung Seria, Brunei Darussalam	Project leader	2008-2010	3.6
Brunei Darussalam	Construction of double-storey house for the National Housing Scheme at Kampung Meragang, Brunei Darussalam	Project leader	2008-2010	5.2
Miri, Sarawak	Construction of 2 classrooms, J-Qaf quarters, teachers' quarters, hostels and eateries for the Malaysian Ministry of Education. Under the Sarawak Stimulus Package (Package 10)	Project leader	2010-2011	3.0
Kuching, Sarawak	Construction of 2 classrooms, J-Qaf quarters, teachers' quarters, hostels and eateries for the Malaysian Ministry of Education under the Sarawak Stimulus Package (Package 4)	Project leader	2010-2011	2.8
Betong, Sarawak	Reconstruction and renovation of schools (Package 1)	Project leader	2019-2021	2.9
Matang, Kuching, Sarawak	Construction of residential development at Jalan Semariang, Petra Jaya	Project leader	2022-2024 (on-going)	8.0

(ii) Dennis Ng Tee Wui

Dennis Ng Tee Wui, a Malaysian aged 37, is the General Manager and a director of ADSB. He holds a Diploma in Civil Engineering from Politeknik Kuching, Sarawak, Malaysia and Bachelor Degree in Civil Engineering from Universiti Tun Hussein Onn, Malaysia. Upon graduation, he began his career as a Design Engineer with Yunco Building Systems Sdn Bhd in 2011 and has been focusing on the design and construction of lightweight steel trusses. He was later recruited into the Sarawak State Government to serve his scholarship bond with the Public Service Department. He had served the Sarawak State Government for 6 years as the Council's Engineer in the Miri City Council and was later redesignated to the Sarikei District Council to lead the engineering department before resigning from his post in 2018. He joined ASTEEL Group on 1 October 2018 as Senior Manager to oversee the engineering, design and project division. He possesses a variety of experience in architectural and building requirements, project management and project implementation. He also has in depth knowledge on cross architectural-engineering building solutions, integrated project design, functionality and present-ability of finished construction products.

On 1 January 2023, he was appointed as the General Manager of ADSB under YKGI's Construction Business and Property Development Business, where he is tasked to oversee the technical aspects of project design and costing, project procurements, project management as well as to oversee the construction works and the delivery of quality real estate products.

Dennis Ng Tee Wui has more than 12 years of experience in the construction and property development sector and has been involved in a variety of both public and private projects where he oversees the construction and completion of a few key projects as shown below:-

Project/ Location	Type of development	Roles undertaken	Project duration	Contract sum (RM'million)
Road and drainage project at various part of Miri City Council	Public infrastructures	Superintendent officer representative ⁽¹⁾	2012-2018	50.0
Rural transformation project	Public infrastructures	Superintendent officer representative ⁽¹⁾	2016-2018	15.0
Road maintenance and resurfacing project (MARRIS)	Public infrastructures	Superintendent officer representative ⁽¹⁾	2017-2018	5.0
HELP International School, Kuching, Sarawak	Construction of roof	Project manager ⁽²⁾	2018-2019	2.8
IBRACO NOVA72, Kuching, Sarawak	Construction of roof	Project manager ⁽²⁾	2019-2021	3.1
SK Daif Package 1 (SK Tuie / SK Tambak / SK Suri)/ Betong, Sarawak	Construction of IBS / roof	Project manager ⁽²⁾	2019-2021	2.9

Project/ Location	Type of development	Roles undertaken	Project duration	Contract sum (RM'million)
15 units of Spektra Plus single-storey terrace house at Jalan Matang Baru, Kuching, Sarawak	Building works	Project manager ⁽²⁾	2022	2.2
90 units of Housing Development Samariang Avenue, Kuching, Sarawak	Construction of IBS / roof	Project manager ⁽²⁾	2022-2023 (on-going)	8.0
Proposed corned beef factory at 17 th Mile, Serian, Sarawak	Design and build	Project manager ⁽²⁾	2022-2023 (on-going)	11.0

Notes:-

- (1) His responsibilities as a superintendent officer representative include overall supervision and direction of the projects (i.e. inspecting the construction works, testing and examining the materials or equipment to be used as well as the quality of the workmanship of the projects).
- (2) His responsibilities as a project manager include carrying out feasibility studies, reviewing project cost estimation, monitoring and coordinating the construction works carried out on site, the monitoring of construction progress, resources planning and quality inspection on the workmanship of the relevant projects.

(iii) Xavier Langit Anak Ujan

Xavier Langit Anak Ujan, a Malaysian, aged 27, is the Senior Executive Engineer of ADSB. He holds a Bachelor of Engineering with Honors (Civil Engineering) from Universiti Malaysia Sarawak, Malaysia (“UNIMAS”). Upon graduation, he began his career as a Design Engineer with ASTEEL Sdn Bhd and has been focusing on the design and construction of lightweight steel frame and trusses. He is experienced in the preparation of lightweight steel structures, mild steel structures. He is currently involved in the preparation of costing, shop drawings and construction drawings for the current on-going projects undertaken by ADSB.

Xavier Langit Anak Ujan has more than 4 years of experience in design and build of steel structures, IBS system and has been involved in both public and private projects where he plays a role in the implementation of the key projects as shown below:-

Project/ Location	Type of development	Roles undertaken	Project duration	Contract sum (RM' million)
SK Daif Package 1 (SK Tuie / SK Tambak / SK Suri)/ Betong, Sarawak	Construction of IBS / roof	Project engineer	2019-2021	2.9
SK Sayed Othman, Miri. Sarawak	Construction of IBS	Project engineer	2022-2023	0.5
IBRACO Townhouse 108 units, Kuching, Sarawak	Construction of roof	Project engineer	2022-2023	1.5

Project/ Location	Type of development	Roles undertaken	Project duration	Contract sum (RM' million)
90 units of Housing Development Samariang Avenue, Kuching, Sarawak	Construction of IBS / roof	Project engineer	2022-2023 (on-going)	8.0

(iv) Vincent Foo Ah Guan

Vincent Foo Ah Guan, a Malaysian, aged 64, is the special assistant to Dato' Sri Victor Hii Lu Thian, the Managing Director of YKGI, who specialises in project management. He started his career as a surveyor in 1979 where he was involved in a number of public and private projects. He holds a Senior Cambridge Certificate issued by the Ministry of Education, Malaysia. In 1998, he joined Hashim & NEH (Sarawak) Sdn Bhd as a clerk of works and was promoted to a construction manager in September 2007. Vincent Foo Ah Guan joined YKGI on 10 February 2014 and has been assisting the Managing Director to determine and recommend our products to the architects and consultants for their projects, promote and market our products to the architects and consultants, as well as following up with the consultants' project team on the potential sales.

Vincent Foo Ah Guan has more than 40 years of experience in construction and site management. Set forth below are some of the recent key projects which he was involved in:-

Project/ Location	Type of development	Roles undertaken	Project duration	Contract sum (RM' million)
Bintulu, Sarawak	Construction of Bintulu airport at Jalan Tatau-Bintulu, Sarawak	Surveyor & clerk of works	2001-2003	385.0
Miri, Sarawak	Upgrading of Miri Airport, Sarawak	Surveyor & clerk of works	2002-2004	220.0
Samarahan, Sarawak	Construction of the main hall of UNIMAS at Kota Samarahan, Sarawak	Construction manager	2007-2011	2.9
Muara Tebas, Kuching, Sarawak	Construction of Marine Police Base	Construction manager	2011-2013	100.0
Samarahan, Sarawak	Upgrading of Pre-University UNIMAS, Kota Samarahan, Sarawak	Project co-ordinator	2017	1.0
Jalan Batu Kawah, Kuching	Construction of a double-storey terrace house on Lot 13, Block 223, KNLD, Taman Highfield, Jalan Batu Kawah, Kuching, Sarawak (Amendment to an approved construction plan No. PMC/ES/B1 - 40/14)	Project co-ordinator	2021 - 2022	1.0

Moving forward, our Group intends to expand its pool of human resource pursuant to the Proposed Diversification as a means to increase our staff capacity and to ensure adequate staff resources are available to support our Construction Business and Property Development Business as well as any future property development-related projects and/or plans of our Group. As at the LPD, our Group has a team of more than 10 engineers and related personnel, which is led by Ts. Fong Fui Yee, to manage and grow the Construction Business.

Our Group intends to recruit up to 5 additional personnel for the Construction Business and Property Development Business with relevant experience in construction and/or property development as at this juncture to support Ts. Fong Fui Yee in overseeing the Proposed Development and the new business divisions. No management agreements have been signed between our Group and the key management personnel. Hence, in the event of the resignation of any of the key management personnel, our Group may appoint one of our existing Group's directors, Dato' Sri Victor Hii Lu Thian, to temporarily oversee our Group's Construction Business and Property Development Business. Our Group also believes that the additional personnel will be able to continue and sustain the operations of our Group's Construction Business and Property Development Business until the appointment of a suitable replacement for any of the key management personnel. Alternatively, our Group may also engage the services of external consultants to carry out and/or support the key functions until such time we are able to secure a suitable replacement.

Our Board is confident that the Proposed Development, being the maiden property development project of our Group, will enhance the property development team and our Group. It is the intention of our Group to fully focus its efforts, in managing the Proposed Development and to accumulate the experience gained from it as well as establishing the "YKGI" brand name and track record in the property development market. Premised on the successful implementation of the Proposed Development, our Group intends to embark on additional viable ventures relating to Construction Business and Property Development Business through organic and/or inorganic approaches.

Barring any unforeseen circumstances, our Board expects the Construction Business to continue contributing to the PAT of our Group and the Property Development Business to contribute to the PAT of our Group from 2025 onwards.

2.2 Information on the Proposed Development

2.2.1 Information on the relevant parties

(i) ADSB

ADSB is a private limited company deemed incorporated in Malaysia under the Act on 13 September 2013 under the name of ASTEEL (Bintulu) Sdn Bhd. On 18 September 2018, ADSB assumed its present name, ASTEEL Development Sdn Bhd. It is principally involved in the supply and installation of steel truss and roofing, construction and renovation works.

As at the LPD, ADSB has an issued and paid-up share capital of RM750,000 comprising 750,000 ordinary shares and the shareholding structure of ADSB is as follows:-

Name	Place of Incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
ARSB	Malaysia	750,000	100.00	-	-
Total		750,000	100.00	-	-

As at the LPD, the directors of ADSB are Dato' Sri Victor Hii Lu Thian, Tan Sri Dato' Soh Thian Lai, Aw Chiew Lan, Ts. Fong Fui Yee and Dennis Ng Tee Wui. None of the directors of ADSB hold shares in ADSB.

(ii) ARSB

ARSB is a private limited company deemed incorporated in Malaysia under the Act on 31 July 2014. It is principally involved in investment holding. Through its subsidiaries, ARSB is also involved in the manufacture and sale of coated steel products and downstream roofing products, trading of hardware and building materials in Sabah and Sarawak, East Malaysia.

As at the LPD, ARSB has an issued and paid-up share capital of RM14,000,000 comprising 14,000,000 ordinary shares and the shareholding structure of ARSB is as follows:-

Name	Place of Incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
YKGI	Malaysia	11,250,846	80.36	-	-
Yunco Enterprise Sdn Bhd	Malaysia	2,749,154	19.64	-	-
Total		14,000,000	100.00	-	-

As at the LPD, the directors of ARSB are Datuk Seri Dr. Hii Wi Sing, Dato' Sri Victor Hii Lu Tian, Tan Sri Dato' Soh Thian Lai and Datuk Ir Michael Hii Ee Sing. None of the directors of ARSB hold shares in ARSB.

(iii) HDC

Housing Development Corporation, formerly known as Sarawak Housing and Development Commission ("**SHDC**") was established in 1971 under the Housing and Development Ordinance 1971. SHDC, a state statutory body under the Ministry of Housing, started its operations on 1 November 1972.

With effect from 1 January 2003, SHDC changed its name to Housing Development Corporation and operates as a corporate body under the purview of the Ministry of Housing Sarawak.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2.2.2 Summary details of the Proposed Development

Project name	:	Sri Pertiwi Affordable Housing Programme Development							
Type of development	:	Residential and related facilities							
Location	:	Lot 37 – 43 and 45 – 47 (New Lot 2488 – 3298) Block 7, Matang Land District, Sungai Tengah, Kuching, Sarawak							
Proposed number of units ⁽¹⁾	:	Phase 1 -	494 units of affordable Sri Pertiwi Apartment and 109 units of affordable Sri Pertiwi single-storey terrace houses						
		Phase 2 -	66 units of affordable Sri Pertiwi single-storey terrace houses and 96 units of affordable Spektra Medium Apartment						
		Phase 3 -	160 units of affordable Sri Pertiwi single-storey terrace houses						
		Phase 4 -	47 units of affordable Sri Pertiwi single-storey terrace houses						
Total estimated gross development value (indicative) ⁽¹⁾	:	RM267.3 million							
Total estimated gross development and construction cost (indicative) ⁽¹⁾	:	RM250.6 million							
Expected commencement and completion date of development	:	ADSB shall plan, design, construct and complete the Sri Pertiwi single-storey terrace houses, Sri Pertiwi Apartment and Spektra Medium Apartment with related infrastructure and facilities within three (3) years from the date of formal approval of the Proposed Development by the Sarawak State Planning Authority							
Key approvals, permits and licenses to be obtained for the Proposed Development ⁽²⁾	:	<table border="1"> <thead> <tr> <th>Key approvals, permits and licenses</th> <th>Tentative Date</th> </tr> </thead> <tbody> <tr> <td>Developer License</td> <td>December 2023</td> </tr> <tr> <td>Planning approval from Sarawak State Planning Authority</td> <td>June 2024</td> </tr> </tbody> </table>	Key approvals, permits and licenses	Tentative Date	Developer License	December 2023	Planning approval from Sarawak State Planning Authority	June 2024	
Key approvals, permits and licenses	Tentative Date								
Developer License	December 2023								
Planning approval from Sarawak State Planning Authority	June 2024								

Notes:-

- (1) *Details of the Proposed Development are indicative as at this juncture as our Group will need to undertake further feasibility studies on the development land and proposed layout of the various types of the property units, and subject to the finalisation of the development plans as well as the development order to be obtained for the Proposed Development. As the Proposed Development has not been approved by the Sarawak State Planning Authority, the indicative gross development value and gross development and construction cost were determined based on the current indicative planning proposal by our management, taking into consideration the expected number of units to be developed, the average selling price of similar properties and the costs of building materials for the development (based on the prevailing market conditions).*
- (2) *It is pertinent to note that the list of the key approvals, permits and licenses set out in the table is not exhaustive as our Company is required to obtain other relevant approvals, which include, amongst others, advertisement and sales permits as well as occupancy permits for the property units.*

2.2.3 Liabilities to be assumed

Save for the obligations (including development costs of the Proposed Development) and liabilities arising from the formal agreement for the Proposed Development to be executed between ADSB and HDC, there are no other liabilities, contingent liabilities or guarantees to be assumed by our Group for the Proposed Development.

2.2.4 Estimated financial commitments

Save for the financial commitments required for the implementation and completion of the Proposed Development, our Group is not expected to incur any other additional financial commitment for the Proposed Development.

2.2.5 Source of funding

Our Group intends to fund the Proposed Development through a combination of internally generated funds and/or bank borrowings.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

2.3 Further information on the Construction Business

For information purposes, the details of the past and on-going construction projects undertaken by our Group since 2019 up to the LPD are set out as follows:-

No.	Project details	Project type	Year of Award	Total contract value (RM'000)	Commencement/ completion date
1	Redevelopment of schools at SK Daif Package 1 (SK Tambak, Betong, SK Tui, Betong, SK Suri, Betong, Sarawak) – Supply and installation of AGiBS wet wall system, lightweight steel roof truss system and ASTEEL metal roof system	Educational institution	2019	2,890	15 October 2019/ 30 January 2021
2	Redevelopment of school at SK Daif (Phase 1) (SK Bulan Jeragam, Semunjan, Sarawak) – Supply and installation of AGiBS wet wall system, lightweight steel roof truss system and ASTEEL metal roof system	Educational institution	2020	451	30 March 2021/ 30 March 2022
3	Redevelopment of school at SK Daif (Phase 1) (Sekolah Menengah Kebangsaan Balai Ringin, Serian, Sarawak) – Supply and installation of AGiBS wet wall system, lightweight steel roof truss system and ASTEEL metal roof system	Educational institution	2020	2,661	11 November 2021/ 30 April 2023
4	Redevelopment of schools at SK Daif Package 7 (SK Batu 36, SK Penghulu Imban, SK Sangan Iban, Sibul, Sarawak) – Supply and installation of AGiBS wet wall system, lightweight steel roof truss system and ASTEEL metal roof system	Educational institution	2021	3,100	27 October 2021/ 26 December 2022
5	Redevelopment of school at SK Daif (Phase 1) (SK Sg. Setiam, Bintulu, Sarawak) – Supply of AGiBS wet wall system, lightweight steel roof truss system and ASTEEL metal roof system	Educational institution	2021	863	12 November 2021/ 30 September 2022
6	Construction of Spektra Plus single-storey terrace houses on Lot 2261 (Plot 1 – Plot 15), Block 17, Salak Land District at Jalan Matang Baru, Kuching – Design, supply, delivery and installation of AGiBS lightweight wall frame, roof truss system, ASTEEL metal roof system, aluminium windows and door panels	Residential	2021	2,240	26 November 2021/ 31 October 2022

No.	Project details	Project type	Year of Award	Total contract value (RM'000)	Commencement/ completion date
7	Redevelopment of schools at SK Daif Package 2 (SK Kem Skrang, Lubok Antu, SK Batang Ai, Lubok Antu and SK Paku Central, Betong) in the state of Sarawak – Supply and installation of block barrack, roof structure, roof covering and accessories	Educational institution	2021	2,990	1 September 2022/ 31 December 2023 (Expected)
8	Construction of 6 units of new workers quarters at Pekaka Estate, Bintulu, Sarawak (IBS construction) – Design and supply of AGiBS, metal door frames and metal window frames	Industrial	2022	888	19 August 2022/ 31 December 2022
9	Construction of 90 units housing development on Lot 4013, Block 14, Salak Land District, Samariang, Sarawak – Installation of IBS system, lightweight brickwall and roofing work for 60 units of single-storey terrace houses, 2 units of single-storey semi-detached houses and 28 units of double-storey terrace houses	Residential	2021	8,000	25 June 2022/ 31 October 2023 (Expected)
10	Design and construction of a corned beef factory on Lot 1641, Block 5, Sentah-Segu Land District, Siburan, Kuching, Sarawak	Industrial	2022	9,925	12 May 2022/ 30 June 2023 (Expected)
11	Redevelopment of schools at SK Daif (Phase 1) (SK Sungai Tisang, Bintulu, Sarawak) – Supply and installation of AGiBS lightweight steel framing wet wall system and thick galvanised door and window frame	Educational institution	2022	1,062	19 February 2022/ 30 January 2023

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED DIVERSIFICATION

As at the LPD, our Company is principally involved in investment holding and through our subsidiaries, we are involved in the following core business activities:-

- (i) Manufacturing of Coated Steel Products and Metal Roofing, as well as installation of the roofing products; and
- (ii) Trading of Building Materials.

The Proposed Diversification, as stated in **Section 2** of this Circular, is part of our Group's strategic plan to diversify into other viable businesses to enhance profitability of our Group in the long-term and to provide our shareholders with better returns. Hence, our Group began to venture in the Construction Business in 2019 and the Property Development Business in 2023 (via the Proposed Development) with the aim to provide new source of income streams as well as at the same time, reduce our reliance on the Existing Business Operations.

Further, our Board is also of the view that the Construction Business and Property Development Business are deemed to be a natural progression by our Group to further expand our product offering and services, and are synergistic to our Group's future growth given that our Group is involved in the Trading of Building Materials and installation of IBS products via our Existing Business Operations.

It is also pertinent to note that the Proposed Development, being the maiden property development project for our Group, will serve as a key entry point and platform for our Group to venture into Property Development Business. By leveraging on the Proposed Development, our Group intends to embark on other viable property development ventures in the future through organic approaches and/or strategic arrangements, including but not limited to, strategic businesses/investments, joint ventures, collaborative arrangements, business agreements, and/or mergers and acquisitions of suitable businesses/investments in the property development industry as and when such business opportunities arise.

Our Board envisages that both of the business ventures (namely the Construction Business and the Property Development Business) will bode well with the Existing Business Operations of our Group and will contribute positively to the earnings of our Group in the near future.

Notwithstanding the Proposed Diversification, our Group is committed to continue improving the operational efficiencies and profitability of our Existing Business Operations. The management of our Group is positive that the Existing Business Operations are poised for further growth.

4. RISK FACTORS OF THE PROPOSED DIVERSIFICATION

Pursuant to the Proposed Diversification, our Group will be exposed to risks inherent in the construction and property development industries which include, but not limited to, the following:-

4.1 Business diversification risk

Pursuant to the Proposed Diversification, our Group's business will be subject to risks inherent in the construction industry and property development industry. These include, but are not limited to, changes in the supply and demand of properties, changes in the regulatory framework relating to construction and property development, increase in building materials or labour costs, downturns in the global, regional and/or national economies, changes in law and tax regulations, and changes in business and credit conditions. Notwithstanding that, our Group seeks to conduct a periodic review of our business and site operations and also adopt prudent financial management and efficient operating procedures to limit the impact of the aforementioned risks. However, there can be no assurance that our Group will be able to successfully mitigate the various risks inherent in the construction and property development industry, and if unable to do so, the business operation and financial performance of our Group may be adversely affected.

4.2 Project completion risk

Both Construction Business and Property Development Business are subject to pre-agreed timeline and are exposed to the risk that there may be delays in the completion of the development projects, which in turn will affect the financial viability of the projects. Such events include, amongst others, natural disasters, adverse weather conditions, delay in obtaining approvals/permits necessary for the development projects, shortage or unavailability of building materials and/or labour workforce and worksite safety hazards as well as other unforeseen circumstances. There is no assurance that such delay in the development projects will not increase the development costs, which in turn will materially affect the profitability of our Group. Our Group will mitigate such risks by conducting close monitoring or supervision on the progress of the construction and development projects as well as leveraging on our key management personnel's experience in both construction and property development industries to ensure meeting completion deadlines of the development projects.

4.3 Risk of property overhang

Our Group may face the risk of property overhang, commonly caused by oversupply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. There may be a possibility of property overhang at the time of completion of our development projects in the future, of which is inevitable. This will affect the sale of the properties that our Group may develop in the future and in turn affect our Group's financial performance. As such, our Group will closely monitor the developments in the property market as well as take careful management planning prior to finalisation and/or launches of any property development projects. Nevertheless, there can be no assurance that there will be any adverse impact on our Group's financial performance.

4.4 Competition from other construction players

The Malaysian construction industry is highly competitive especially since IBS has been introduced in Malaysia. Companies have been switching from the traditional construction method to slowly adapting the concept of IBS as IBS provides better productivity, quality and safety. In relation thereto, YKGI Group shall face competitions from various construction companies that may have longer operating track record and more resources in terms of capital, machinery and manpower as compared to our Group.

This would result in competition in various aspects including pricing, financial position and strength, ability to obtain adequate financing, reputation for safety, quality and track record for timely completion of project. Due to the competitive nature of the industry, our Group's financial performance may be affected by highly competitive pricing in the process of securing a construction contract. This may, in turn, lead to a lower profit margin and hence, lower profitability for our Group.

There can be no assurance that the aforesaid factors will not have any adverse impact on our Company's chances of securing construction contracts, which in turn may negatively impact our Group's Construction Business.

In this respect, our Group endeavors to focus on completing our projects in a timely and cost-efficient manner whilst delivering quality projects and at the same time leverage on the extensive experience and expertise of the key management personnel such as Ts. Fong Fui Yee and Dennis Ng Tee Wui to continue providing training periodically to workers on new IBS technology in order for our Group to establish our track record and reputation in the construction industry as well as distinguish ourselves from our competitors.

4.5 Dependency on order book

Our Group's revenue for the Construction Business is expected to be largely dependent on the sustainability and ability to replenish our order book. In this respect, construction contracts are normally awarded on a project-to-project basis. There is no assurance of continuity from one project to the next project.

Additionally, depending on the business and economic environment, customers may cancel or delay their projects, which in turn, could adversely affect our Group's revenue and future financial performance. In addition, there may also be variation orders by customers in relation to, inter-alia, the specification of the contract, contract sum and/or contract period, which may affect the profitability of the projects.

Nonetheless, our Group shall take all reasonable steps to build our track record and reputation in the construction sector and our Group shall progressively participate in the tendering of new construction contract to sustain and replenish our order book.

4.6 Dependency on key management personnel

Our Group is dependent on the operations and technical expertise of the Project Management Committee for the implementation of the Proposed Development. The loss of any key management personnel without suitable and timely replacement, or the inability to attract and retain other qualified personnel, may adversely affect our Group's ability to compete effectively in the construction industry and property development industry.

Recognising the importance of the key project management personnel, our Group will continuously adopt appropriate measures to attract and retain them by offering, amongst others, competitive remuneration packages and on-going training and development programmes. Our Group will strive to retain qualified experienced personnel who are essential to our Group's succession plan to ensure continuity and competency of the Project Management Committee.

5. INDUSTRY OUTLOOK, OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The global GDP growth in 2022 moderated to 3.4% reflecting the economic slowdown in advanced economies as well as emerging market and developing economies. Despite the softened global growth, Malaysia's economy recorded a strong growth of 8.7% in 2022, exceeding the initial projection of 6.5% - 7%, whereby real output value reached above the pre-pandemic level. The commendable performance was driven by domestic demand and improved labour market in line with the transition to endemic phase.

In 2023, global growth is expected to further soften at 2.9% on the back of persistent pressures such as inflation, tightening global financial conditions and economic deceleration among major economies. Meanwhile, Malaysia's economic growth is projected to moderate amid the signs of weakness in the global growth momentum. The growth will be mainly supported by steady domestic demand primarily private expenditure initiatives as well as initiatives under the Budget 2023 and development expenditure under the Twelfth Malaysia Plan, 2021 – 2025 ("**12MP**"). However, a slowdown in external demand is expected to moderate exports growth, particularly in the electrical and electronic products and major commodities. Overall, the nation's GDP is forecast to grow approximately 4.5% in 2023.

(Source: Economic & Fiscal Outlook and Federal Government Revenue Estimates 2023, Ministry of Finance Malaysia)

5.2 Overview and outlook of the construction industry

The construction sector rebounded by 5% in 2022, mainly attributed to the positive performance of non-residential buildings and specialised construction activities subsectors. The increasing demand for industrial buildings was supported by the improvement in private investment and robust domestic economic activities. The acceleration of infrastructure projects such as East Coast Rail Link (“**ECRL**”) and Rapid Transit System Link also support the sector's performance.

In addition, the development of residential property remains active which boded well with the implementation of measures under the Budget 2022, including a total Government guarantee of up to RM2 billion via Skim Jaminan Kredit Perumahan as well as housing projects for low-income group with an allocation of RM1.5 billion.

The construction sector is anticipated to increase by 6.1% in 2023 with all subsectors recording a better performance. The implementation of new projects such as upgrading the Klang Valley Double Track Phase 2 and acceleration of on-going infrastructure projects which include ECRL, Light Rail Transit Line 3 and fifth-generation cellular network (5G) rollout will spearhead the civil engineering subsector. In addition, the approved investment for projects in the manufacturing sector is anticipated to come on stream and subsequently create a greater demand for non-residential buildings. Activities in the residential buildings subsector are projected to grow steadily, supported by an increase in the supply of affordable houses in line with the 12MP strategy. In addition, continuous Malaysian Home Ownership Initiative incentive to encourage home ownership is expected to spur demand for residential buildings.

(Source: Economic & Fiscal Outlook and Federal Government Revenue Estimates 2023, Ministry of Finance Malaysia)

5.3 Overview and outlook of the property development industry in Malaysia

The property market recorded an increase in 2022 supported by a better performance in all sectors compared to the previous year. In 2022, total transactions volume and value increased by 29.5% and 23.6%, respectively to 389,107 transactions and RM179.07 billion (2021: 300,497 transactions; RM144.87 billion). Total transactions volume in 2022 is the highest volume recorded within the period of 10 years (2012: 427,520 transactions) whilst total transactions value is higher than the previous record high in 2014 (162.97 billion).

The property market continued to record growth in 2022, supported by the implementation of various Government initiatives and assistance, improving labour market conditions and higher tourist arrivals.

Several initiatives which outlined under Budget 2022 by the Government to a certain extent helped improve property market activities. These are:-

- (i) RM1.5 billion allocation for low-income groups housing projects i.e. rumah mesra rakyat and maintenance assistance programmes;
- (ii) lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysian citizens, permanent residents and other than companies; and
- (iii) guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing.

The property market recorded a total of 389,107 transactions worth RM179.07 billion for 2022. This indicated an increase of 29.5% in volume and 23.6% in value compared to 2021. Of the total transactions recorded in the review year, 20.7% (80,373) and 76.5% (297,700) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer. Primary market formed 13.8% (53,698 transactions) of the total transactions (purchase from developers) while secondary market took up the remaining 86.2% (335,409 transactions).

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial and industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.3%, 46.3%, 44.5%, 44.6% and 35.7% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded an increase of 22.6%, 16.7%, 24.8%, 50.5% and 16.6% respectively.

The residential sub-sector led the overall property market, with 62.5% contribution in volume. This was followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value, residential led with 52.6% share, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) and development land and others (7.4%).

The residential overhang situation improved as the numbers reduced compare to previous year. A total of 27,746 overhang units worth RM18.41 billion recorded in 2022, reduced by 24.7% and 19.2% in volume and value respectively against 2021 (36,863 units worth RM22.79 billion).

Condominium/apartment formed 61.9% (17,162 units) of the national total overhang, followed by terraced houses (20.3%; 5,636 units). By price range, those priced at RM500,001 to RM1.0 million formed 33.6% (9,323 units) of the total, higher than 30.2% in 2021. Price range between RM300,001 and RM500,000 came second, accounting for 29.3% (8,128 units). Meanwhile, houses in the affordable price range of below RM300,000 formed another 23.5% (6,509 units) of the total and followed by more than RM1.0 million price range formed 13.6% (3,786 units).

The Malaysian Government continue in providing affordable housing to the people through the Perumahan Penjawat Awam Malaysia (PPAM) scheme for government servants and Residensi Wilayah, an affordable strata home program to Federal Territory citizens with ceiling price of RM300,000 per unit.

(Source: Property Market Report 2022, Valuation and Property Services Department Malaysia)

5.4 Overview and outlook of the property development industry in Sarawak

The state's property market continues to strengthen in the review period indicated by the growth in the market activity. The market activity recorded 29,520 transactions worth RM9.23 billion, increased by 29.3% in volume and 20.6% in value as compared to 2021 (22,828 transactions worth RM7.65 billion). Residential sub-sector remained the leading sub-sector, dominating 42.9% of the volume transactions, followed by the agriculture (37.6%), development land and others (8.8%), commercial (8.6%) and industrial (2.0%) sub-sectors.

Market movements across all sub-sectors were on the uptrend. Residential, commercial, industrial, agriculture and development land and others sub-sectors increased by 16.9%, 26.9%, 18.8%, 54.9% and 12.7% respectively. Correspondingly, similar upward trend was depicted in term of value.

The residential sub-sector's market continued to improve in the review period. There were 12,664 transactions worth RM4.19 billion increased by 16.9% in volume and 19.4% in value as compared to 2021 (10,837 transactions worth RM3.51 billion). Terraced houses contributed 43.8% (5,542 units) of the total residential transactions.

Mixed trend was seen in residential overhang and unsold. The residential overhang and unsold under construction decreased whilst unsold not constructed increased in the review period.

The state' property market is expected to gradually improve and become stronger for the rest of 2023 supported by various on-going and proposed development projects. Transportation infrastructure projects remains as the catalyst contribute to the physical development, creating employment opportunities and socio-economic enhancement of the people towards achieving a developed state status by 2030. Furthermore, the handling over all Federal Government projects under RM50 million to decide by State Government will further boost the local property market.

The Sarawak state government has under the Housing Deposit Assistant Scheme (“**HDAS**”), to offer HDAS where first-time homeowners under the B40 and M40 categories can receive an assistance of up to RM10,000 for the payment of housing deposits. The HDAS scheme would be managed by Mutiara Mortgage & Credit Sdn Bhd (“**Mutiara**”), a wholly-owned subsidiary of the HDC. Mutiara will also be introducing the Rumah Spektra Mutiara Programme for those who wish to construct a house on their own land where the land ownership must be allocated by the Land and Survey Department under the Resettlement Scheme (SPS) and Village Expansion Scheme (SPK). The construction cost is estimated to be between RM90,000 and RM160,000 will be funded by Mutiara through the Mutiara Dream Home Financing Scheme (MDHFS). The house design will be based on a set standard design consisting of three bedrooms and two bathrooms with a minimum area of 750 square feet. The Sarawak state government has allocated RM40 million for the scheme in the Budget 2023.

(Source: Property Market Report 2022 - Sarawak, Valuation and Property Services Department Malaysia)

5.5 Prospects of YKGI Group

Our Group has embarked to revitalise our businesses since 2018 through its joint venture with Ajiya Berhad, whereby our Group (via the joint venture) is involved in the business of processing and trading of tempered and laminated tempered glass in the states of Sarawak and Sabah, as well as the provision of Green Industrialised Building Systems solution known as AGiBS to cater for affordable housing projects (which is in line with the Government’s aspiration of providing housing to all segments of the community). To bring our Group closer to its customers, our Group has set up retail outlets known as Envio Concept Stores (ECS) to supply building materials in various towns and cities, thus providing convenience to the customers of our Group.

Our Group’s management envisages that our Group will benefit from the following prospects:-

- (i) following the growth of 5% in Malaysia’s construction industry in 2022, the industry is expected to expand further, supported by the works under the 12MP and funding through the Budget 2023. Within the Budget 2023, RM920 million has been allocated for the refurbishment and/or redevelopment of dilapidated school buildings and educational facilities in Malaysia, while RM340 million has been allocated for the refurbishment and/or redevelopment of dilapidated clinics and hospitals;
- (ii) in January 2023, as part of the Masyarakat Madani policy, the Local Government Development Ministry intends to build 500,000 housing units by the end of 2025; and
- (iii) in Sarawak, the Government is looking into reviving the incomplete projects. Major projects in the pipeline such as Sarawak H2biscus Green Hydrogen & Ammonia Project, Shell Onshore Gas Plant for Rosmari Marjoram Project and Sarawak Petchem Methanol Project Phase 2 will spur the demand on housing within the region.

It is the intention of our Board to ensure the continuation and sustainability of the Construction Business moving forward. Our Group shall take all reasonable steps to build our track record and reputation in the construction sector and shall progressively participate in the tendering of new construction contracts to sustain and replenish our order books. As at the LPD, our Group has submitted tender applications as well as quotations for construction works amounting to approximately RM14.2 million in value.

Further, under the Proposed Diversification, our Group will be undertaking the Proposed Development as our maiden property development project. Moving forward, our Group intends to leverage on the successful completion of the Proposed Development and accumulate sufficient experiences to embark on additional viable ventures relating to construction and property development through organic and/or inorganic approaches.

Premised on the above, our Board believes that the Proposed Diversification will reduce the dependency on our Existing Business Operations and will potentially contribute positively to our Group’s future earnings.

(Source: Management of our Company)

6. EFFECTS OF THE PROPOSED DIVERSIFICATION

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Diversification will not have any effect on the share capital and the substantial shareholders' shareholdings of our Company as it does not involve any issuance of new YKGI Shares.

6.2 NA per Share and gearing

The Proposed Diversification is not expected to have any immediate material impact on the NA per Share and gearing of our Group for the FYE 31 December 2023 ("**FYE 2023**"). However, the impact on the future NA per Share and/or gearing of our Group will depend on the future profit contribution arising from our Group's Construction Business and Property Development Business as and when the profit is realised from future construction order books, property development-related projects, and/or plan of our Group.

6.3 Earnings and EPS

The Proposed Diversification is not expected to have any immediate material impact on the earnings and EPS of our Company for the FYE 2023. Nevertheless, the Proposed Development is expected to contribute positively to the future earnings of our Group as and when the future construction order books, property development-related projects, and/or plan of our Group come on stream.

7. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY OF THE PROPOSED DIVERSIFICATION

The Proposed Diversification is subject to the following approvals:-

- (i) the shareholders of our Company at our forthcoming EGM; and
- (ii) any other relevant authority, if required.

The Proposed Diversification is not conditional upon the formal agreement to be executed between ADSB and HDC. The Proposed Diversification is also not conditional upon any other proposals undertaken or to be undertaken by our Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Diversification will take immediate effect upon obtaining the approval from the shareholders of our Company at the forthcoming EGM.

9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Diversification, which is the subject matter of this Circular, our Board is not aware of any other outstanding corporate proposals, which have been announced but have not yet been completed as at the LPD.

10. INTEREST OF DIRECTORS, CHIEF EXECUTIVES, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, chief executives and/or major shareholders of our Company, as well as persons connected with them, have any interest, whether direct or indirect, in the Proposed Diversification.

11. EGM

The EGM of YKGI will be conducted entirely through live streaming from the broadcast venue at the online meeting platform via **TIIH Online** website at <https://tiih.online> provided by Tricor (“**Online Meeting Platform**”) on Friday, 23 June 2023 at 3.00 p.m., or immediately following the conclusion or adjournment of the 46th AGM of our Company which will be conducted through the same Online Meeting Platform and on the same date at 2.00 p.m., whichever is later. The Notice of EGM together with the accompanying Form of Proxy are enclosed herein. Please refer to the Administrative Guide issued to you on the conduct of the EGM.

Members are to attend, speak (including posing questions to our Board via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM via the remote participation and electronic voting facilities provided by Tricor via its **TIIH Online** website at <https://tiih.online>. If you are unable to participate remotely at our forthcoming EGM, you may appoint not more than 2 proxies to attend and vote remotely on your behalf. If you wish to do so, you must complete, sign and deposit the relevant enclosed Form of Proxy for the EGM in accordance with the instructions contained therein, at the Share Registrar of our Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via **TIIH Online** website at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the EGM.

12. DIRECTORS’ STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Diversification (including but not limited to the rationale, prospects and risk factors of the Proposed Diversification), is of the opinion that the Proposed Diversification is the best interest of our Company.

Accordingly, our Board recommends that you **vote in favour** for the resolution pertaining to the Proposed Diversification to be tabled at our forthcoming EGM.

13. FURTHER INFORMATION

You are advised to refer to the attached appendix set out in this Circular for further information.

Yours faithfully
For and on behalf of our Board
YKGI HOLDINGS BERHAD

DATO’ SRI VICTOR HII LU THIAN
Group Managing Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND DECLARATION OF CONFLICT OF INTERESTS

UOBKH, being the Adviser for the Proposed Diversification, 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 appear in this Circular.

UOBKH has given its written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to YKGI for the Proposed Diversification.

3. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of our Group. Our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

4. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, there are no material commitments incurred or known to be incurred by our Group for which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	RM
Capital expenditure:-	
<u>Property, plant and equipment</u>	
Contracted but not provided for	2,234,959

5. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profits or net asset position of our Group.

FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of YKGI at Lot 712, Block 7, Demak Laut Industrial Park, 93050 Kuching, Sarawak, Malaysia during the normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the time stipulated for the holding of the EGM:-

- i. our Constitution;
- ii. audited consolidated financial statements of our Group for the past 4 financial years up to the FYE 2022;
- iii. unaudited consolidated financial statements of our Group for the 3-month FPE 2023;
- iv. the letter of acceptance of HDC for the Proposed Development dated 7 February 2023; and
- v. the letter of consent and declaration of conflict of interests referred to in **Section 2** above.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--



YKGI HOLDINGS BERHAD

(Registration No. 197701001682 (032939-U))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of YKGI Holdings Berhad (“**YKGI**” or the “**Company**”) will be conducted entirely through live streaming from the broadcast venue at an online meeting platform via **TIIH Online** website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Online Meeting Platform**”) on Friday, 23 June 2023 at 3.00 p.m., or immediately following the conclusion or adjournment of the 46th Annual General Meeting (“**AGM**”) of the Company which will be conducted through the same Online Meeting Platform and on the same date at 2.00 p.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:-

ORDINARY RESOLUTION

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES (THE “GROUP”) TO INCLUDE THE BUSINESS OF CONSTRUCTION AND PROPERTY DEVELOPMENT (“PROPOSED DIVERSIFICATION”)

“**THAT** subject always to the relevant approvals being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to diversify the Group’s existing business operations to include the business of construction and property development;

AND THAT the Board be and is hereby authorised to act, for and on behalf of the Company, and to take all such steps and do all such acts, matters and things as the Board deems fit or may consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Diversification, with full powers to give all or any notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Diversification, and to assent to any condition, modification, variation and/or amendment relating to the Proposed Diversification as may be approved/required by the relevant regulatory authorities and/or as the Board deems fit.”

BY ORDER OF THE BOARD

DATUK IR MICHAEL HII EE SING (LS 0000872)

(SSM Practicing Certificate No. 201908003344)

VOON JAN MOI (MAICSA 7021367)

(SSM Practicing Certificate No. 202008001906)

Company Secretaries

Kuching, Sarawak

Date: 7 June 2023

Notes:-

1. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue of the EGM. Members will not be physically present at the Broadcast Venue on the day of the EGM;*
2. *Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM via the remote participation and electronic voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) via its **TIIH Online** website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide;*
3. *A proxy or attorney or a duly authorised representative may, but not need be a Member of the Company. There shall be no restriction as to the qualification of the proxy;*
4. *A Member of the Company who is entitled to attend and vote at the EGM via RPV may appoint not more than two (2) proxies to attend and vote instead of the Member at the EGM;*
5. *Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Depositories Act**”), which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;*
6. *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;*
7. *Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;*
8. *A proxy appointed to attend and vote at the EGM via RPV shall have the same rights as the Member to speak at the EGM;*
9. *To be valid, the duly completed Form of Proxy must be deposited at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via **TIIH Online** website at <https://tiih.online> not less than 48 hours before the time set for holding the EGM or any adjournment thereof;*
10. *A Member who has appointed a proxy or authorised representative to attend, participate, speak and vote at the EGM via RPV must request his/her proxy or authorised representative to register himself/herself for RPV at **TIIH Online** website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide;*
11. *A depositor whose name appears in the Record of Depositors as at 15 June 2023 shall be regarded as a Member of the Company entitled to attend the EGM via RPV or appoint a proxy to attend, speak and vote on his behalf; and*
12. *The EGM will be conducted entirely through live streaming from the broadcast venue at an online meeting platform via **TIIH Online** website at <https://tiih.online> provided by Tricor, Members are advised to refer to the Administrative Guide on the registration and voting process for the EGM.*



YKGI HOLDINGS BERHAD
(Registration No. 197701001682 (032939-U))
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING OF YKGI HOLDINGS BERHAD (“YKGI” OR THE “COMPANY”) (“EGM”)

- Date** : Friday, 23 June 2023
- Time** : 3.00 p.m. or immediately following the conclusion or adjournment of the 46th Annual General Meeting (“**AGM**”) of the Company which will be conducted through the same Online Meeting Platform and on the same date at 2:00 pm, whichever is later
- Broadcast Venue** : Tricor Business Centre, Manuka 2 & 3 Meeting Room,
Unit 29-01, Level 29, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the EGM in person at the Broadcast Venue on the day of the meeting.

Kindly check the Company’s website or announcements for the latest updates on the status of the EGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) via its **TIIH Online** website at <https://tiih.online>. Please refer to Procedure for RPV.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to participate at this EGM via RPV must request his/her proxy(ies) or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please refer to Procedure for RPV.

As the EGM is a fully virtual EGM, shareholders who are unable to participate in this EGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.

PROCEDURES FOR RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate the EGM remotely using the RPV are to follow the requirements and procedures as summarised below:-

	Procedure	Action
BEFORE THE EGM DAY		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none">Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance.Registration as a user will be approved within one working day and you will be notified via email.If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

	Procedure	Action
(b)	Submit your registration for RPV	<ul style="list-style-type: none"> Registration is open from Wednesday, 7 June 2023 until the day of EGM on Friday, 23 June 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate the EGM using the RPV. Login with your user ID and password and select the corporate event: “(REGISTRATION) YKGI HOLDINGS BERHAD EGM 2023” Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the EGM Record of Depositors dated 15 June 2023, the system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. <p><i>(Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate the EGM remotely).</i></p>
ON THE DAY OF THE EGM		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the EGM at any time from 2.00 p.m. i.e. 1 hour before the commencement of the EGM on Friday, 23 June 2023 at 3.00 p.m.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) YKGI HOLDINGS BERHAD EGM 2023” to engage in the proceedings of the EGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by you during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 3.00 p.m. on Friday, 23 June 2023 until a time when the Chairman announces the end of the session. Select the corporate event: “(REMOTE VOTING) YKGI HOLDINGS BERHAD EGM 2023” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolution that are tabled for voting. Confirm and submit your votes.
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the EGM, the live streaming will end.

Note to users of the RPV facilities:-

- Should your registration for RPV be approved we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

- Only members whose names appear on the Record of Depositors as at 15 June 2023 shall be eligible to attend, speak and vote at the EGM or appoint a proxy(ies) and/or the Chairman of the EGM to attend and vote on his/her behalf.
- In view that the EGM will be conducted on a virtual basis, a member can appoint the Chairman of the EGM as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the EGM yourself, please do not submit any Form of Proxy for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you.
- Accordingly, Forms of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney for the EGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 21 June 2023 at 3:00 pm:-**

(i) in hard copy:-

- a) by hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or
- b) by fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com; or

(ii) by electronic form:-

All shareholders can have the option to submit proxy forms electronically via **TIIH Online** and the steps to submit are summarised below:-

Procedure	Action
i. Steps for individual shareholders	
Register as a user with TIIH Online	<ul style="list-style-type: none"> • Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: “YKGI HOLDINGS BERHAD EGM 2023: Submission of Proxy Form”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(ies) appointment. • Print the Form of Proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a user with TIIH Online	<ul style="list-style-type: none"> ▪ Access TIIH Online at https://tiih.online. ▪ Under “e-Services”, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>

Procedure	Action
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> ▪ Login to TIIH Online at https://tiih.online. ▪ Select the corporate exercise name: “YKGI HOLDINGS BERHAD EGM 2023: Submission of Proxy Form”. ▪ Agree to the Terms & Conditions and Declaration. ▪ Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Submit the proxy appointment file. ▪ Login to TIIH Online, select corporate exercise name: “YKGI HOLDINGS BERHAD EGM 2023: Submission of Proxy Form”. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select “Submit” to complete your submission. ▪ Print the confirmation report of your submission for your record.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolution at any time from **3.00 p.m. on Friday, 23 June 2023** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online website at <https://tiih.online>.

Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolution are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the EGM via Tricor’s TIIH Online website at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than **Wednesday, 21 June 2023 at 3.00 p.m.**. The Board will endeavor to answer the questions received at the EGM.

DOOR GIFT/FOOD VOUCHER

There will be no door gifts or food vouchers for attending the EGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the EGM.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):-

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Contact persons : Mohamad Hifzul Azad / 03-2783 9284 / Email: Mohamad.Hifzul@my.tricorglobal.com

: Siti Zalina Osmin / 03-2783 9247 / Email: Siti.Zalina@my.tricorglobal.com

: Lim Lay Kiow / 03-2783 9232 / Email: Lay.Kiow.Lim@my.tricorglobal.com

FORM OF PROXY



YKGI HOLDINGS BERHAD

[Registration No. 197701001682 (032939-U)]
(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	

*I/We _____
(Full Name In Capital Letters)

of _____
(Full Address)

being a Member of YKGI HOLDINGS BERHAD, hereby appoint (Proxy 1) _____
(Full Name In Capital Letters)

(NRIC No.: _____) of _____
(Full Address)

And/or Proxy 2 (if any) _____ (NRIC No.: _____)
(Full Name In Capital Letters)

of _____
(Full Address)

or failing him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy, to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be conducted entirely through live streaming from the broadcast venue at Online Meeting Platform on a fully virtual basis via remote participation and electronic voting via online meeting platform at **TIIH Online** Website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on Friday, 23 June 2023 at 3.00 p.m., or immediately following the conclusion or adjournment of the 46th Annual General Meeting of the Company which will be conducted through the same Online Meeting Platform and on the same date at 2.00 p.m., whichever is later.

Please indicate with an "X" in the space provided below how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

		For	Against
ORDINARY RESOLUTION	Proposed Diversification		

*Strike out whichever not applicable.

The proportions of *my/our holdings to be represented by *my/our proxy are as follows:

First named proxy	
Second named proxy	

Dated this _____ day of _____ 2023

.....
Signature/common seal of shareholder(s)

Fold this flap for sealing

Notes:-

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue of the EGM. Members will not be physically present at the Broadcast Venue on the day of the EGM;
2. Members are to attend, speak (including posing questions to the board of directors via real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM via the remote participation and electronic voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its **TIIH Online** website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide;
3. A proxy or attorney or a duly authorised representative may, but not need be a Member of the Company. There shall be no restriction as to the qualification of the proxy;
4. A Member of the Company who is entitled to attend and vote at the EGM via RPV may appoint not more than two (2) proxies to attend and vote instead of the Member at the EGM;
5. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Depositories Act"), which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;
6. 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;
7. Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;
8. A proxy appointed to attend and vote at the EGM via RPV shall have the same rights as the Member to speak at the EGM;
9. To be valid, the duly completed Form of Proxy must be deposited at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via **TIIH Online** website at <https://tiih.online> not less than 48 hours before the time set for holding the EGM or any adjournment thereof;
10. A Member who has appointed a proxy or authorised representative to attend, participate, speak and vote at the EGM via RPV must request his/her proxy or authorised representative to register himself/herself for RPV at **TIIH Online** website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide;
11. A depositor whose name appears in the Record of Depositors as at 15 June 2023 shall be regarded as a Member of the Company entitled to attend the EGM via RPV or appoint a proxy to attend, speak and vote on his behalf; and
12. The EGM will be conducted entirely through live streaming from the broadcast venue on a fully virtual basis via online meeting platform at **TIIH Online** website at <https://tiih.online> provided by Tricor, Members are advised to refer to the Administrative Guide on the registration and voting process for the EGM.

Then fold here

AFFIX
STAMP

To: The Share Registrar of YKGI Holdings Berhad
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

1st fold here