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**Yong Tai secures RM100m Bank of China financing for Encore Melaka** 5 HOME BUSINESS

## Yong Tai secures RM100m Bank of China financing

RM90m will be for the construction of Encore Melaka

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KUALA LUMPUR: Yong Tai Bhd has secured RM100 million worth of financing from Bank of China for the construction of Encore Melaka — which will be the country's biggest theatre when it is completed this year.

Encore Melaka is part of the property developer's Impression City development in Kota Laksmamana, Melaka.

Yong Tai chief executive officer Datuk Wira Boo Kuang Loon said that out of the RM100 million loan, the bulk or RM90 million will go towards financing the construction of the theatre which costs between RM300 million to RM400 million.

The remaining RM10 million will be used for initial operational expenses such as the payment of local performers.

Yong Tai's subsidiary PTS Impression Sdn Bhd (PTSI) yesterday signed a facilities agreement with Bank of China for the part financing, along with several other agreements with various parties.

These included a heads of agreement signed between Yong Tai's unit, YTB Impression Sdn Bhd, and Kirin Financial Group Ltd, an arm of Hong Kong-listed Kirin Group Holdings Ltd, for an investment of not less than RM400 million for development projects within Impression City.

Boo said the financial investment would see Kirin raising the

sum from its investors to build other commercial services in Impression City, although the development projects would continue to be managed by Yong Tai.

On its financing from — Bank of China, Boo said most local banks remain hesitant to offer financial support to Yong Tai as they are unfamiliar with the nature of its multibillion-ringgit tourist-centric cultural development, seeing that Encore Melaka theatre is the first of its kind in Malaysia.

"Only Bank of China was confident enough to support the project because they have seen the success of the nine existing Impression series in China," he told a press conference following the signing of the agreements yesterday.

PTSI also signed sales agreements for more than RM100 million worth of tickets for its Encore Melaka performances in its Impression Series with six travel agents, namely Majestic Express Holidays Sdn Bhd, Apple Impression Holiday Sdn Bhd, Levingo Travel Sdn Bhd, Coachliner 707 Travel Tour & Tour Sdn Bhd, WTS Travel & Tours Pte Ltd and Shanghai Ctrip International Travel Service Co Ltd.

The offtake agreements are valid for a three-year period, with the availability of one million tickets representing some 70% of occupancy of Encore Melaka's yearly capacity, based on two shows a day.

"There is still a 30% upside in ticketing sales via online travel

agencies or our own online ticketing platform," Boo said.

Average ticket prices will range from RM120 to RM130, in hopes that it will be more affordable to tourists compared with an average price of RM180 for Impression shows in China.

YTB Impression also signed an ICT service agreement with Agile Motion Sdn Bhd, which will design, supply, deliver and install an integrated system of smart city services for Impression City, making it the first smart city in Melaka.

Impression Series-Encore Melaka is targeted to be launched by the second quarter of this year, said Yong Tai chairman Datuk Syed Norulzaman Syed Kamarulzaman.

Sitting on a 15-acre (6.1ha) site, the theatre is Malaysia's first with a 360-degree rotating auditorium with a capacity of some 2,000 seats.

The 138-acre Impression City mixed development has a gross development value of RM7 billion and an estimated implementation time of eight years. The development will include the iconic Impression Melaka theatre, hotels, serviced apartments, commercial complexes, office towers, DIY (do-it-yourself) experience centres, educational and wellness facilities, retail and shopping centres and a yacht club.

Yong Tai shares closed up one sen or 0.6% to a 15-year high of RM1.69 yesterday, giving it a market capitalisation of RM739.61 million.