

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP

4.1 HISTORY AND BACKGROUND

YTL e-Solutions was incorporated in Malaysia under the Companies Act, 1965 on 14 March 1992 as a private limited company under the name of YTL Power Sdn Bhd. It changed its name to YTL Electro-Dynamic Sdn Bhd on 20 May 1993. On 5 May 2000, it changed its name to YTL e-Solutions Sdn Bhd and was converted to a public company on 21 March 2001 and thereupon changed its name to YTL e-Solutions Berhad. YTL e-Solutions commenced its business in August 2000.

Presently, the authorised share capital of YTL e-Solutions is RM1,000,000,000.00 comprising 1,000,000,000 ordinary shares of RM1.00 each. Its issued and paid-up share capital is RM100,000,000.00 comprising 100,000,000 ordinary shares of RM1.00 each, credited as fully paid-up.

The principal activities of YTL e-Solutions are investment holding, provision of incubation services including developing and incubating technology companies, Internet contents of all descriptions and non-Internet related businesses, provision of consultancy and advisory services in relation to the business of electronic commerce or internet commerce solutions.

Presently, YTL e-Solutions has two subsidiaries, Extiva and PNA, which form part of its incubation programme. The principal activities of Extiva and PNA are set out in Section 4.2.

For a more detailed commentary on the Group's business, please refer to Section 4.4.

4.2 SUBSIDIARIES

Extiva

Extiva, which is a participant in YTL e-Solutions' incubation programme, was incorporated in Malaysia on 14 April 1998 pursuant to the Companies Act, 1965 under the name of Metro Prestige Sdn Bhd. It is a 70% owned subsidiary of YTL e-Solutions Berhad. It subsequently changed its name to Extiva Communications Sdn Bhd on 6 March 2000.

The principal activity of Extiva is developing and marketing VoIP telephony and other advanced network media appliances for the service provider and enterprise telephony markets. Extiva commenced its business on 12 July 2000. On 23 July 2001, CMC issued an "ASP- Individual Licence" to Extiva. It has no subsidiary or associated company.

Presently, the authorised share capital of Extiva is RM500,000.00 comprising 500,000 ordinary shares at RM1.00 each. The issued and paid-up share capital is RM180,000.00 comprising 180,000 ordinary shares of RM1.00 each, credited as fully paid-up. The changes in the issued and paid-up share capital since its incorporation are provided below:-

Date of allotment	No of ordinary shares allotted	Par value RM	Consideration	Cumulative Issued and paid-up share capital RM
14.04.1998	2	1.00	Cash	2
23.06.2000	50,000	1.00	Cash	50,002
17.02.2001	129,998	1.00	Cash	180,000

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

PNA

PNA was incorporated in Malaysia under the Companies Act, 1965 on 30 October 2000 as a private limited company under the name of Digital Parade Sdn Bhd and subsequently changed its name to PropertyNetAsia (Malaysia) Sdn Bhd on 8 June 2001. PNA commenced operations in January 2001.

The principal activity of PNA is to own, develop and operate the property portal known as PropertyNetAsia.com.my and provision of related services. It has no subsidiary or associated company.

Presently, the authorised share capital of PNA is RM5,000,000.00 comprising of 5,000,000 ordinary shares at RM1.00 each and has an issued and paid-up share capital of RM2,500,000.00 comprising of 2,500,000 ordinary shares of RM1.00 each, credited as fully paid-up. The changes in the issued and paid-up share capital since its incorporation are provided below:-

Date of allotment	No of ordinary shares allotted	Par value RM	Consideration	Cumulative Issued and paid-up share capital RM
30.10.2000	2	1.00	Cash	2
19.09.2001	299,998	1.00	Cash	300,000
31.12.2001	2,200,000	1.00	Capitalisation of development expenditure	2,500,000

4.3 SHARE CAPITAL

Presently, the authorised share capital of YTL e-Solutions is RM1,000,000,000.00 comprising 1,000,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of YTL e-Solutions is RM100,000,000.00 comprising 100,000,000 ordinary shares of RM1.00 each. Upon completion of the New Issue, the issued and paid-up share capital of YTL e-Solutions will be increased to RM135,000,000.00 comprising 135,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of YTL e-Solutions since its incorporation are as set out below:-

Date of allotment	No of ordinary shares allotted	Par Value RM	Consideration	Cumulative Issued and paid up share capital RM
14.03.1992	2	1.00	Cash	2
9.05.2000	49,999,998	1.00	Cash	50,000,000
11.08.2000	50,000,000	1.00	Cash	100,000,000

There are no outstanding warrants, options, convertibles or uncalled capital.

4.4 BUSINESS OVERVIEW

YTL e-Solutions' mission is to earn high returns, incubating and investing in high growth, knowledge intensive companies, that leverage on new technologies – and then to enhance the value of these investments using the internal and external resources available to YTL e-Solutions.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

Underscoring this mission, is its belief that IT, the Internet, communications and other related technologies are here to stay over the longer term, and offer excellent investment opportunities, particularly now that valuations have corrected since the bursting of the technology bubble.

YTL e-Solutions believes that there will be many opportunities available to it in the future. The potential of IT, as a means of conducting business more efficiently is still largely untapped in Asia. Internet penetration is still quite low, and investment in critical new infrastructure (like broadband and wireless Internet) is still relatively poor.

YTL e-Solutions believes that these technologies will not disappear quickly, they will be improved, they will be made more consumer friendly and they will become cheaper. And as these new technologies become cheaper, usage or penetration will grow significantly – creating lucrative new investment opportunities.

Asking prices for technology companies have also fallen significantly, with the bursting of the technology bubble on Nasdaq. This development provides YTL e-Solutions with a window of opportunity and will enable it to acquire businesses exposed to these key new technologies more cheaply.

YTL e-Solutions' ICC is the Company's in-house knowledge resource centre which comprises information systems integration specialists, IT project management and consultancy specialists, network administration specialists, database administration and integration specialists, web application development specialists, host-based applications specialists, digital transmission and communications specialists, multimedia and graphics specialists, IT training and resource development specialists, system maintenance and support specialists. YTL e-Solutions provides technical as well as non-technical support, e.g. legal, company secretarial, administration and financial management to its incubatees.

The ICC also provides a conducive environment for the development and testing of new technologies.

The ICC began by designing the integrated backbone connectivity infrastructure required by YTL e-Solutions (the Integrated Services Access Node or "ISAN" infrastructure). The ISAN Infrastructure that was implemented and installed by YTL e-Solutions, is a secure, single, scaleable e-business platform that is dimensioned to handle 100,000 concurrent user sessions.

Overall, YTL e-Solutions offers its incubatees support in the following areas:

- Technical and operational support and advice;
- High grade office space, office furniture and office automation;
- High speed connectivity/hosting infrastructure;
- Legal and company secretarial support;
- Finance, accounting and taxation support;
- Research and development support;
- Technology procurement advice and support;
- On-going financial monitoring and management consultancy;
- Marketing and public relations support;
- Business model re-design and refinement advice; and
- Corporate finance advice.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

4.4.1 Investment Objective

YTL e-Solutions' primary objective is to realise high returns through long-term capital appreciation, via equity or equity-related investments or a combination of both.

The Company will focus on incubating and investing in high growth, knowledge-intensive companies that leverage on new technologies. These sectors include, but are not limited to, Internet and e-Commerce technologies and applications, cutting-edge hardware and software solutions, data warehouse infrastructure, web infrastructure, content management and delivery solutions, communications and networking solutions, enabling technologies (e.g. Internet appliances, security solutions, biometric technologies, smart card and encryption technologies etc.), digital technologies and services, IT technologies and services, multi-media technologies and services, wireless and broadband related technologies, and other evolving technologies in the future.

Where possible, YTL e-Solutions intends to integrate its incubatees into a collaborative network that leverages on their related or complementary resources and contacts. Thus, the degree to which a company may contribute to YTL e-Solutions' network and benefit from its network and operational resources will be considered.

YTL e-Solutions will work closely with these businesses, and help them grow faster with its ability to sell products and services, and by leveraging on the "YTL" brand name, its customer base and its extensive network of relationships.

YTL e-Solutions is a provider of value added capital or "smart capital". It benefits from the wide experience, financial acumen, entrepreneurialism and business relationships of its existing senior management team and other management expertise within the Group.

4.4.2 Investment Parameters

YTL e-Solutions seeks to achieve long-term capital appreciation and anticipates the time horizon of its investments to be between 3 to 7 years.

YTL e-Solutions is a "multi-stage" investor. It has the flexibility of investing seed or early stage capital, expansion stage (i.e. first / second / third round), late and pre-IPO, or publicly listed securities (but only through privately negotiated transactions which are off-market direct purchases or divestments).

YTL e-Solutions intends for at least 50% of its investments to be early stage financing for technology companies.

At present, it is generally expected that YTL e-Solutions will invest equity capital of between RM5,000,000.00 to RM10,000,000.00 over the life of an incubatee. For seed capital and very early stage cases, initial investments however can be as low as RM100,000.00.

Generally, YTL e-Solutions will, where deemed appropriate through its investment decision-making process, frequently participate in follow-on financings of the companies in which it has invested in, and where possible and desired, increase its shareholding positions.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

4.4.3 Investment Selection Criteria / Guidelines

YTL e-Solutions will seek to minimize risk by creating a diversified investment portfolio. The Company will target investments that exhibit many (but not necessarily all) of the following characteristics:

- Within the targeted technology sectors;
- Realistic business plan;
- Talented and committed management team capable of implementing the business plan, with which an effective working relationship can be developed;
- High growth business model;
- Competitive advantages / barriers to entry;
- Preferred geographic / country focus;
- Proprietary technology;
- Investments where it will be able to obtain significant position in the company and exert influence over the management and strategic direction of the company;
- Strong value-added proposition by YTL e-Solutions;
- Synergy with other companies in YTL e-Solutions portfolio; and
- YTL e-Solutions' investment is not required to provide a total "exit" for any existing shareholders of the investee company.

4.4.4 Investment Strategy

YTL e-Solutions intends to deliver higher returns and create greater shareholder value in the long term from all of the key stages in the investment process:

(i) Sourcing Deals

YTL e-Solutions employs a "top down" investment approach, in that it is a proactive strategy that seeks investment opportunities before they become "mainstream", thereby increasing the likelihood of attractive valuations. As part of this process, YTL e-Solutions will continue to leverage on its large pool of existing and diverse resources, from its institutional shareholders, directors and knowledge workers, for proactive idea generation and to identify prospects.

YTL e-Solutions can also exploit its and YTL Group's informal network of international advisors comprising IT entrepreneurs, venture capitalists, strategic technology advisors and investment banks. This is complemented by other network relationships with organisations around the world.

(ii) Due Diligence

In addition or as an alternative to engaging external advisors, YTL e-Solutions has the option of accessing the resources within the YTL Group to conduct "in-house" due diligence, be it legal, financial or technical. These resources make a due diligence process more cost effective and expeditious.

(iii) Structuring / Execution

YTL e-Solutions has a competitive advantage in the acquisition process by using its "in-house" resources or accessing the resources of the YTL Group, to expedite the acquisition process.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

(iv) **Incubation / building companies**

To manage post-investment risk in an investment, YTL e-Solutions will have active, ongoing "hands-on" involvement with all its incubatees. The Company's resources in the ICC also provides technical support to its incubatees.

YTL e-Solutions has a team with a blend of international investment experience and substantial local operating experience in Malaysia. This is complemented by an "in-house" technical team comprising information systems integration specialists, IT project management and consultancy specialists, network administration specialists, database administration and integration specialists, web application development specialists, host-based applications specialists, digital transmission and communications specialists, multimedia and graphics specialists, IT training and resource development specialists, system maintenance and support specialists, and with easy access to legal, company secretarial, administration, financial and operations management support. The technology based personnel in the ICC, are in a position to assist in the assessment of the technological capabilities and needs of the companies YTL e-Solutions may invest in, and upon investment, provide further assistance on the technology strategies of the companies, as well as solving problems relating to their existing information technology solutions.

In short, YTL e-Solutions provides the infrastructure and support to accelerate the development of the business and the implementation of the business plan.

4.4.5 Investment and Incubation Process

YTL e-Solutions has developed an investment process that seeks to ensure that the objective of its investments, namely to realise high returns through long-term capital appreciation, is met. In a typical deal, it is expected that the time required from initial evaluation to actual funding of an incubatee is approximately 10 weeks.

Generally, the investment process involves the following steps:-

(i) **Initial evaluation**

This is where a preliminary analysis is made on the attractiveness of a proposal received or identified and to decide whether or not to proceed with negotiations on the deal. This is based on a thorough evaluation of the technology and the extent to which YTL e-Solutions can add value to the incubatee. If the decision is made to proceed after assessing the merits of the proposal, a file is opened in the central repository.

(ii) **Negotiations**

With the decision to proceed, negotiations will be conducted to agree on the terms of the investment between YTL e-Solutions and the proposed investee company.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

(iii) Draft preliminary proposal for evaluation

This is the stage where a draft preliminary proposal containing the merits and terms of the investment, including information on valuation and structuring of the deal, are submitted to the evaluation team. The evaluation team will rate the deal on the various investment parameters adopted by YTL e-Solutions and will decide whether or not the proposed investment should be considered by the investment committee, if at all.

(iv) Investment committee

The investment committee consists of Tan Sri Dato' Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Michael Yeoh Sock Siong, Dato' Mark Yeoh Seok Kah and Amarjit Singh Chhina, who will, in addition to considering the report of the evaluation team, deliberate on and approve/reject the proposed investment. If the investment committee approves the proposed investment, a comprehensive term sheet or a memorandum of agreement would be expected to be executed in anticipation of a final agreement detailing the terms and conditions of the investment to be made subject to the results of a due diligence process to be conducted being satisfactory to the investment committee.

(v) Due diligence

Upon approval of the investment committee to proceed with the proposed investment, YTL e-Solutions will commit its resources to engage external advisors or utilise the resources available to it from the YTL Group, to conduct an extensive due diligence exercise to further evaluate the investment to be made.

(vi) Legal documentation

Subject to the results of the due diligence exercise being satisfactory to the investment committee, the relevant agreements to document the proposed investment will be drafted and executed.

(vii) Funding

With the necessary approvals in place, YTL e-Solutions will provide the agreed funding for the investment in the incubatee.

(viii) Monitoring/Consulting/Support

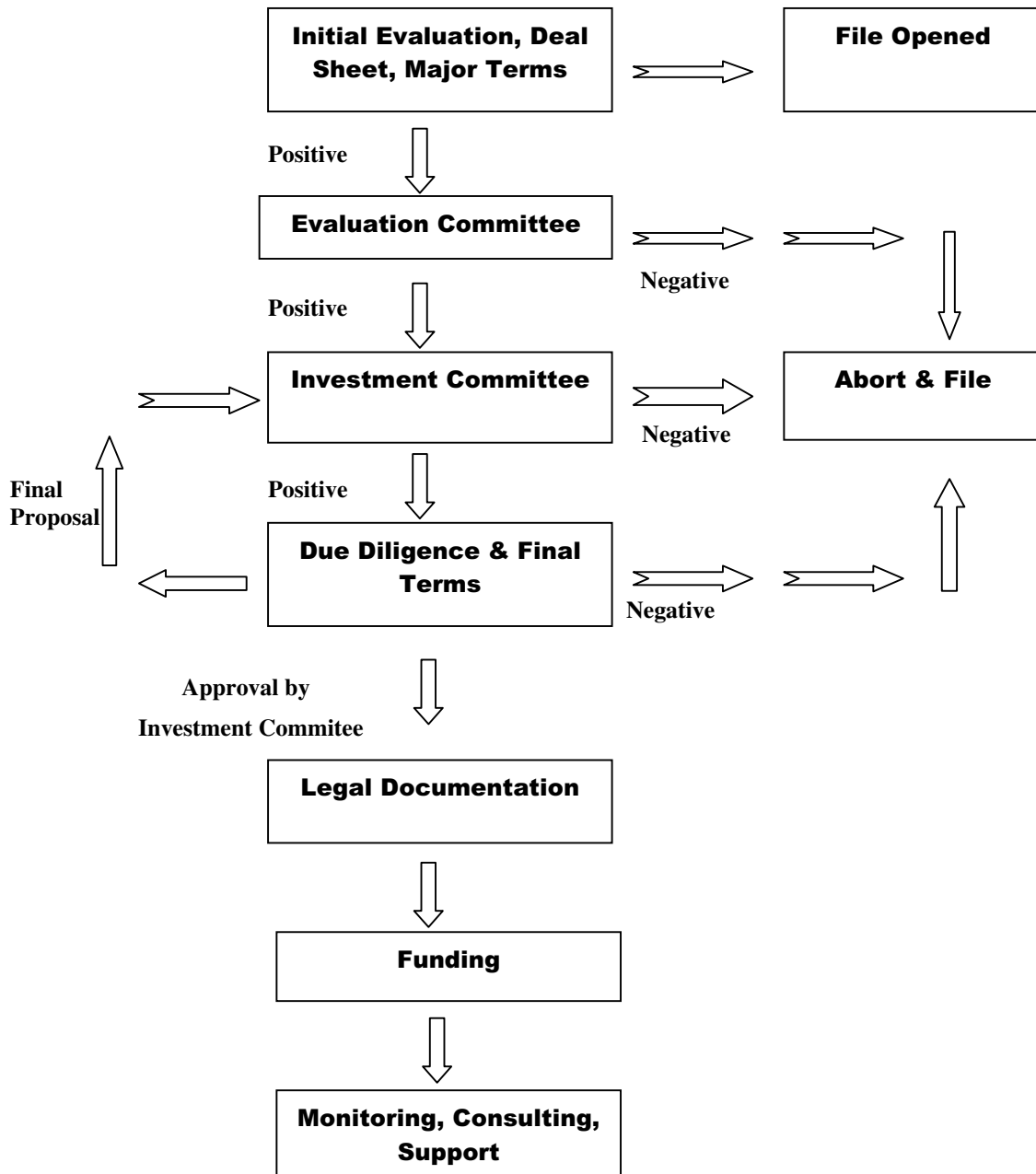
YTL e-Solutions will seek to participate actively in the management of the investee company or incubatee and will seek to monitor its performance through regular interaction with the incubatee to provide the necessary support to develop the said companies by providing the necessary support of the ICC, including but not limited to, lending of its hardware and software applications specialists, network administrators and communications experts as well as non-IT related support which include secretarial, financial and legal assistance and advise.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

(ix) Exit Strategies

As successful exits are just as important in successful investing as making good acquisitions, YTL e-Solutions will constantly evaluate all the possible exit opportunities available, in order to maximise the value of its investment in the incubatee. These may be via a variety of methods, from partial disposals, full disposals, reverse take-overs, leveraged buy-outs, as well as listing on a recognised securities exchange through an IPO.

The above processes can be summarised as follows:-



4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

4.4.6 Detailed Processes involved in adding value to incubatees, assisting them to scale and accelerate time to market

The processes involved in adding value to an investee company begin from the very outset. Parts of the investment evaluation criteria are dedicated to finding out where and how much value YTL e-Solutions can add through existing in-house resources and synergies. This is a critical input when it comes to determining the acquisition price / valuation of the investment.

It must be stressed that no company is the same, therefore the potential for value-adding will vary considerably from company to company, depending on, amongst others, the maturity of the company. Clearly, the potential for delivering the most value is in "start-ups". These companies may not have incurred any "start-up" costs, and therefore can be immediate beneficiaries of the resources within YTL e-Solutions which can be shared / delivered immediately, enabling the company to conserve cash and focus on implementing the more commercially and technologically critical aspects of its business plan, without having to worry about time consuming administrative matters. However, the value add offered by YTL e-Solutions is tangible, and from the experience to date with Extiva, has dramatically accelerated the company's "time to market" and its subsequent growth. For the period from November 2001 to February 2002, the average monthly sales of Extiva was approximately RM1 million.

The key value-adding activities of YTL e-Solutions are:

Funding

YTL e-Solutions is a "multi-stage" investor. It has the flexibility of investing early stage or seed capital, expansion stage (i.e. first / second / third round), late and pre-IPO, or publicly listed securities (but only through privately negotiated transactions). However, YTL e-Solutions intends to maintain at least 50% of its total investments in early stage companies involved in technology based applications.

Presently, it is expected that YTL e-Solutions will invest equity capital of between RM5 million to RM10 million over the life of a portfolio company. For seed capital and early stage cases, initial investments can be as low as RM100,000. Generally, YTL e-Solutions will, where deemed appropriate through its investment and incubation decision-making process, frequently participate in follow-on financing of the companies it has invested in and, where possible and desired, increase its ownership positions.

YTL e-Solutions will ensure that its participation through adequate funding will be able to assist and support its incubatees from its initial stages through to its developmental stages. This is important, as it frees up valuable management time, allowing the management team to concentrate on the operations and growing the company, removing the distraction of ensuring that it has adequate working capital and sources of finance to fund growth.

Office space

Even the most elementary office space, essential renovations and basic office furniture results in a relatively large initial cash outflow (3 months advance deposits etc.) for most newly incorporated businesses. Unfortunately, this is an "unproductive" expense that practically all businesses have to "invest" in.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

YTL e-Solutions' operations are situated in the Annex Office Block of Lot 10 Shopping Complex, Jalan Bukit Bintang, Kuala Lumpur. These offices, conveniently located in the heart of the "golden triangle", are fully renovated and furnished to a high standard, with all the essential utility infrastructure in place and available for the companies it is incubating.

Office automation and support

YTL e-Solutions offers incubatees shared premises that are fully automated with photocopiers, printers, telephones, high speed internet, faxing facilities, and VoIP connectivity, for low cost telephony services. There is also a shared reception complete with receptionist and meeting room facilities. All of these facilities are regarded as "essentials" for any company with aspirations of growing into a serious profitable corporate entity over the long term, but can be a heavy financial burden on a new business.

All of the above essentials are offered at no expense, ensuring that the incubatees have little "up-front" cash burden, and thereafter can operate competitively, with very low monthly overheads.

Research & Development

YTL e-Solutions' ICC, with its integrated backbone connectivity infrastructure and its knowledge workers - comprising hardware specialists, software applications specialists, systems integrators, web developers, network administrators, communications experts and database specialists - is a valuable resource available to assist, advise, provide R&D support and to help incubatees succeed in implementing their business plans. These specialists are also available to advise on the hardware and software solutions available in the market place (both in Asia and beyond) and the pricing of these solutions, ensuring that inexperienced incubatees do not make expensive technology related mistakes.

Connectivity and Network Infrastructure

The ICC's Data Centre which houses the entire Integrated Services Access Node ("ISAN") backbone infrastructure, is built to conform to full MSC requirements, ensuring quality and comprehensive infrastructure facilities for its incubatees.

Company Secretarial Services

Company secretarial services can be a costly administrative burden for many small companies, and is therefore an important support service provided by YTL e-Solutions.

Full Finance and Accounts back-up and support

YTL e-Solutions will ensure that all accounts and taxation issues of its incubatees are complied with, are up to date and filed in a timely manner. The existing finance and accounts resource within YTL e-Solutions which is shared by the incubatees, ensures that these services as well as the drawing up of monthly management accounts, are delivered in the most cost competitive manner possible - a significant financial benefit to the incubatees.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

Administration and Human Resource Management and Support

Given the available human resource infrastructure within the parent, YTL Corporation, this is one of the few support services offered by YTL e-Solutions to incubatees via YTL Corporation's Headquarters.

Marketing

Full access, where appropriate, to corporate contacts, suppliers and access to YTL Corporation's existing customer base. Marketing advice, use of in-house corporate communications and public relations teams, and use of printers and other suppliers at favourable terms, enabling incubatees to benefit from special terms and pricing available to the YTL Group.

Hardware procurement

With the expertise and technical knowledge inherent within YTL e-Solutions, incubatees can utilise the extensive procurement arrangements in place within the organisation and benefit from the availability of group purchasing incentives and discounts, as a result of the purchasing power of the YTL e-Solutions Group.

Leveraging on the goodwill of the "YTL" brand

Incubatees can leverage on YTL e-Solutions' parent's strong brand name and reputation, providing confidence to potential customers and suppliers. Furthermore, the management's network of relationships, which includes leading corporations, also opens up many marketing and business opportunities for the incubatees, which otherwise would be out of reach.

Business model refinement

YTL e-Solutions is equipped with the technical and business experience and know-how to assist its incubatees refine, re-model and implement their business model through its key investment committee support.

Legal Services

Legal services provided by YTL e-Solutions are a critical and valuable value-added service. YTL e-Solutions can provide expertise in the above functional areas to aid incubatees with legal documentation, the drafting and evaluation of contracts, joint venture agreements, memorandum of understanding and other legal documentation, as well as interpreting government legislation. Assistance is also provided in the drafting of submissions for obtaining regulatory approvals, license applications etc.

Monitoring and on-going business advice

YTL e-Solutions will seek to participate actively in the management of the investee company or incubatee and will seek to monitor its performance through regular interaction with the incubatee to provide the necessary support of the ICC including, but not limited to, lending of its hardware and software applications specialists, network administrators and communications experts as well as non-IT related support which include secretarial, financial and legal assistance and advice.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

Assistance in financial management, implementing financial controls and offering financial management advice.

By being part of the YTL Group of companies, YTL e-Solutions can provide access to skilled managers and expertise in the above functional areas. This is a very critical area, and a lack of adequate focus on this area is often credited for the failure of many young companies and "start-ups". Many IT companies are set up by young, enthusiastic IT savvy individuals that may lack business / entrepreneurial experience. YTL e-Solutions can prevent very basic, but nevertheless, common mistakes often responsible for the downfall for many small businesses, by helping companies implement better financial management and stricter controls.

The post-investment monitoring process is not only a method of keeping constant track of YTL e-Solutions' investments. It also provides an "early-warning" system of potential problems in the future (e.g. strong revenues but deteriorating cash flow), and enables preventative and remedial action to be taken before it is too late. These "on-tap" management consultancy services are a key value-add provided by YTL e-Solutions to its incubatees, and one which Extiva found to be particularly valuable.

Advice on future investment (viability and ensuring expected returns are adequate in relation to the risks entailed)

YTL e-Solutions has developed an investment process that seeks to ensure that the objective of its investments, namely to realise high returns through long-term capital appreciation, is met, and this will benefit the incubatees when it comes to advising them on their planned investments. The technical expertise available within YTL e-Solutions' ICC can help the investee with any technical research and due diligence which may be necessary in connection with any acquisition or investment to be undertaken.

YTL e-Solutions can also exploit its informal network of international advisors composed of IT entrepreneurs, venture capitalists, strategic technology advisors and investment banks. In addition to being a source of investment ideas, many of these individuals may be actively involved in building value with specific portfolio companies, as board members or consultants in the technical due diligence process, as well as sources of potential deal flow.

Partnerships

YTL e-Solutions uses its extensive corporate contacts and significant negotiating skills to maximize opportunities by offering strategic alliances and partnerships to incubatees in developing its products and services. A good example is the partnership between Extiva and Maxis in the VoIP area.

Future fund-raising and corporate finance advice

With its experienced senior management team, YTL e-Solutions is ideally placed to advise on all fund-raising and corporate finance related matters.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

Conducive environment for testing

YTL e-Solutions' integrated network infrastructure, technological capabilities, customer base and market experience enable it to offer a conducive test bed for its incubatees to develop, test and "soft" launch its products. The diversity of YTL e-Solutions' parent company's business operations ensures that there is always adequate knowledge and market intelligence to ensure that there is an adequate and realistic environment for product testing, and ultimately gauging the level of demand for a particular product.

4.4.7 Existing Investments

A brief description of some of the existing investments is as follows:-

(i) Extiva

Extiva, develops and markets VoIP telephony and other advanced network media appliances for the service provider and enterprise telephony markets. VoIP telephony is a collection of technologies that emulates and extends today's circuit-switched telecommunications services or the PSTN to operate on packet-switched data networks (Internet & Intranet) based on IP. Extiva provides total VoIP telecommunications solutions, from hardware, software and consultation services called "ExtiNet".

Extiva's hardware and software development plans are to focus on the following:-

- 1) Utilising PABX for "seamless" centralized VoIP telephony services. Many other VoIP systems cannot be integrated with existing telephony systems, and require "pin" numbers to be keyed in to handsets, to allow entry into the VoIP gateway. Extiva has already developed solutions to partially integrate VoIP into PABX systems, but will continue to develop this, to allow integration into more complex PABX systems. This will give it a further significant competitive edge;
- 2) Customised billing solutions to enable more detailed micro billing information, which can later also be sold externally;
- 3) Development of low cost, reliable wireless LAN and wireless WAN with the largest bandwidth possible; and
- 4) Other wireless solutions: Bluetooth handsets, wireless LAN access points, Bluetooth modems, wireless ADSL routers etc. and Software drivers to enable customization.

ExtiNet

ExtiNet is a global VoIP communications service which provides clients with a complete, managed solution to offer Internet communications services. It is short for "Extiva Network", and it includes all of its gateways, leased lines, back end systems (database servers, application servers, billing system) and its connectivity to telecommunication companies. Created by Extiva, Extinet is a platform which uses the latest innovative Internet telephony technology to create the following telephone call process:-

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

A call goes over the local PSTN network to the nearest gateway server, which digitises the analog voice signal, compresses it into IP packets, and moves it onto the Internet for transport to a gateway at the receiving end. The gateway takes the standard telephone signal, digitises it (if it is not already digital), significantly compresses it, packetises it for the Internet using IP, and routes it to a destination over the Internet. The gateway reverses the operation for packets coming in from the network and going out of the phone. Both operations (coming from and going to the phone network) take place at the same time, allowing a full-duplex (two-way) conversation. The efficiency gains realised by packetising the audio allow the gateway operators to offer service at a rate that is less expensive than that offered by traditional carriers.

It provides immediate access to a global network of countries, saving customers time and cost in negotiating and managing agreements with numerous ITSP. It offers telephone-to-telephone voice and fax services and a range of value-added applications to grow a portfolio of IP services, and it acts as an intermediary for the financial settlement of Internet telephony traffic.

(ii) PNA

Pursuant to a conditional joint-venture agreement executed on 10 November 2000 between Grierson Pte. Ltd. ("Grierson") and YTL e-Solutions, the parties thereto then agreed to subscribe for shares in a company, namely Digital Parade, now known as PropertyNetAsia (Malaysia) Sdn Bhd, in which YTL e-Solutions holds 60% equity interest and the other 40% is held by Grierson.

PNA develops a Malaysian property portal known as www.PropertyNetAsia.com.my.

Users of www.PropertyNetAsia.com requiring sales information on the Malaysian property market will be linked directly to www.PropertyNetAsia.com.my, thereby bringing traffic to the web site. Likewise users of www.PropertyNetAsia.com.my requiring information on the Singapore property market, or other regional markets, will be linked directly to www.PropertyNetAsia.com.

Each website will be complementing each other in terms of shared macro and regional information and research material. Together, both websites seek to provide information on the Pan-Asian property market in conjunction with other future country sites. The Malaysian site will be providing information on the property market in Malaysia, which will not be available on the regional site. Visitors to the regional site who seek such information will be directed and diverted into the Malaysian site.

PNA seeks to be a one-stop comprehensive vertical portal catering to real-estate users in Malaysia and will adopt a B2B and B2C model catering to real estate users with focused contents and online facilities.

As a property portal, revenues of www.PropertyNetAsia.com will be from advertising, listing service subscriptions paid by property developers who wish to launch on-line via the portal and transaction charges for sales conducted through the portal.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

Background of Grierson

Grierson is a company incorporated in Singapore on 10 April 2000 with Panpac Media.com Ltd. ("Panpac") and YTL e-Solutions as shareholders holding 85% and 15% respectively of the share capital of Grierson. Grierson will operate the property portal known as www.PropertyNetAsia.com in various parts of the Asia Pacific region. Grierson Pte Ltd commenced operation on 8 May 2000.

4.4.8 Technology

The integrated backbone connectivity infrastructure provided by YTL e-Solutions is supported by the following technology:-

- Sun Microsystems Ultra Enterprise 10 and Enterprise 450 servers;
- Dell and Intel servers;
- Cisco 3600 series Routers;
- 3 Com Remote Access Server;
- WAP Gateway;
- Payment Gateway;
- Network connected to two Internet Service Providers using dedicated leased lines from two telecommunications companies; and
- Oracle 8I Enterprise Database management software.

4.4.9 Intellectual Property Rights

YTL e-Solutions has acquired exclusive rights to use the domain name, extiva.com.my and the property portal concept under the domain name of www.PropertyNetAsia.com.

The software applications currently being developed by YTL e-Solutions have intellectual property residing in them but these will not be registered until the full completion of development of these applications.

4.4.10 Applications Development

As a mean of maximising resources within the ICC, in addition to its investments and incubation activities, YTL e-Solutions also has applications development and consultancy projects undertaken by the ICC which helps to raise the Company's profile and enhance its technical credibility. The projects currently being developed are:-

YTL Community Portal

YTL e-Solutions has an on-going formal arrangement with YTL Corporation wherein YTL e-Solutions was granted the right to design, develop and maintain a lifestyle portal for YTL Group's consumer related businesses.

The YTL Community Portal seeks to enhance and complement YTL Group's consumer related businesses by developing an online customer community to complement its existing consumer "brick and mortar" businesses. Apart from being a website which promotes and advertises YTL Group's consumer related businesses, it seeks to be a fully integrated platform to manage and maximize the value of its large customer base.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

In consideration of YTL Corporation granting YTL e-Solutions access to the information in relation to its consumer related businesses, and YTL e-Solutions being entitled to all advertising revenues and any other revenues from external parties (i.e. non-YTL Group companies), YTL e-Solutions shall maintain the YTL Community Portal (which includes up-dating the information in the portal, posting of news and advertising promotions for YTL Group's consumer related businesses), for a monthly aggregate fee of RM20,000.00 from a member or members within the YTL Group. Revenues from external parties are expected to include revenues generated from future advertising, e-shopping revenues for subscriptions, designing and hosting web pages on the site for these external parties as well as transaction fees from e-commerce, e-shopping and e-reservations.

Integrated Construction Information System ("ICIS")

Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("SPYTL" - a wholly-owned subsidiary of YTL Corporation) has over the years, built up an in-house information management system. SPYTL has commissioned YTL e-Solutions to upgrade the system and streamline it with current technologies. As a result of an in-depth study into SPYTL's requirements, YTL e-Solutions has conceived and is in the initial processes of developing the ICIS, a web enabled total contracting and construction business and financial management software package for SPYTL.

The software applications being developed for ICIS will support a wide range of operational needs and business processes pertaining to SPYTL's construction projects, including the whole process budget control, letters of acceptance, purchase and delivery of materials, payments of subcontractor, accounting processes, account payable processes, the cheque issuance process and wages.

The software applications/solutions to be adopted will be a multi-tier client / server architecture, which will form the fundamental framework for application scalability, manageability and deployment, as well as future software expansion. The software being developed is for the internal use of SPYTL but is expected to be commercialised later. For external sales, the software will have to be heavily customised and revenues are expected to be from the sale of the software and consultancy fees. The software will be copyrighted in favour of YTL e-Solutions when fully completed.

The ICIS solution is a comprehensive one, involving network components, server side components and client side components to enable wide access to the applications by SPYTL's headquarters, SPYTL's numerous project sites offices and YTL e-Solutions' office. YTL e-Solutions shall provide all necessary support for the development of the ICIS, which include supplying and commissioning all of the relevant hardware and software systems, providing training and conducting the necessary studies and tests. The ICIS project shall be carried out in three (3) phases for a total contract price of RM3.5 million.

Other Web Design and Hosting Projects

YTL e-Solutions has also been engaged to undertake web site development, design and hosting for external corporations and organizations such as tenants, retailers and restaurants within "Lot10", "StarHill" and the "Bintang Walk" area, or other entities.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

4.4.11 Roll-out Dates

The YTL Community Portal, which is part of the ICC's development projects, was launched on 30 June 2001. In addition, www.PropertyNetAsia.com, which forms part of the proposed incubatee projects, was launched on 30 July 2001.

The expected roll-out date for the complete commissioning of ICIS is 30 May 2003.

4.4.12 Modes of Marketing

YTL e-Solutions will continue to leverage on its large pool of existing and diverse relationships, for pro-active idea generation and to identify prospects.

YTL e-Solutions will source its investments through its and YTL Group's informal network of international advisors comprising of IT entrepreneurs, venture capitalists, strategic technology advisors and investment banks and other network relationships with corporations around the world.

With regards to its applications development products, to-date YTL e-Solutions has conducted most of its marketing efforts by undertaking research into potential customers, and using senior management initiatives and direct marketing. Therefore a dedicated sales and marketing team will only be deployed when the development of the Company's key applications products are closer to fruition. The Company's strategy is to focus potential new customers on the technology features and benefits of its products and their price competitiveness.

4.4.13 Competition and Market Position

YTL e-Solutions has a number of real and perceived competitors. However, most of these competitors fall into three distinct camps – they are either technology-centric, real estate centric or investment-centric.

YTL e-Solutions' key competitive advantage is that it is technology-centric, real estate centric and investment-centric. It fulfils the role of an entrepreneur, a venture capitalist, an investment advisor and through its ICC, a technology consultant with infrastructure and a provider of critical support services . YTL e-Solutions has a number of competitive business features namely:-

- Compared to the traditional model of incubators and venture capitalist, YTL e-Solutions' ICC together with the support tapped from the YTL Group, is able to provide an extensive range of services and support, inclusive of financial support; and
- By virtue of it being a one-stop service/financial centre, YTL e-Solutions believes that substantial operational expenses can be reduced and time saved by having all services and support readily provided for "in-house", and it is this cost effectiveness and efficiency of YTL e-Solutions, that gives it a competitive edge.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

YTL e-Solutions' comparative positions vis-à-vis its key competitors are summarized below :-

(i) **Venture Capital and Private Equity Funds**

Venture Capital or Private Equity funds are professionally managed funds that invest in private enterprises and provide financial advisory services. Traditionally, these funds invest only after the "seed" round of financing, or when the company is more developed; in other words, they tend to invest in companies rather than concepts. YTL e-Solutions seeks to be more flexible, and is able to fund across the whole spectrum of equity financing, from "seed" to pre-IPO, and in certain cases, even in listed securities.

(ii) **Technology Incubators.**

Typically, these are incubators set up by technology companies (mostly computer hardware manufacturers) as a possible platform to market and sell their hardware, or to aid software companies developing solutions using their operating systems / platforms. The downside to these incubators is not only are they usually technology-centric, but there could be a potential conflict of interest when it comes to them giving technology advice to their incubatees. As YTL e-Solutions is not exclusively tied to any hardware or software vendors, it is able to offer more independent and impartial advice and support.

(iii) **Science Parks and Technology Park Incubators**

These tend to be real estate and infrastructure based initiatives only, with formal links to either a university or quasi Government bodies. The support offered by these incubators tends to be limited to physical facilities, rather than the more comprehensive support offered by YTL e-Solutions together with its business and management expertise.

(iv) **"Angel" Investors**

Typically, these are individual investors and advisors, who invest in start-ups with their spare capital. Such individuals may be constrained by the level of capital and in the range of value-added services that they can provide.

4.4.14 R & D

YTL e-Solutions' R & D activities are focused on system integration which involves a package of total IT solutions consisting of a combination of IT Services and/or IT products tailored to specific requirements and will be almost entirely driven by the requirements of its incubatees. The exception to this will be the ICIS Project, which will require extensive programming and integration with SPYTL's existing internal processes and IT platforms, to enable a wholly integrated solution capable of managing a wide range of functions, including tenders, design, invoicing, inventory control and monitoring, quantity surveying, and management accounting and information monitoring systems. All of these existing systems and processes will need to be "integrated", both physically and through programming, to enable each one to be able to transfer data and information to the other, for analysis, presentation and delivery to users. YTL e-Solutions is also developing www.PropertyNetAsia.com which involves the development and design of a one stop comprehensive vertical portal catering to real estate buyers in Malaysia and will adopt a B2B and B2C model catering to real estate users with focused content and online facilities.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

Through Extiva, YTL e-Solutions' other R&D activities will concentrate on the following:-

- i) Utilising PABX for "seamless" centralized VoIP telephony services. Many other VoIP systems cannot be integrated with existing telephony systems, and require "pin" numbers to be keyed in to handsets, to allow entry into the VoIP gateway. YTL e-Solutions has already developed solutions to partially integrate VoIP into PABX systems, but will continue to develop this to allow integration into more complex PABX systems. This will give it a further significant competitive edge;
- ii) Customised billing solutions to enable more detailed micro billing information, which can later also be sold externally;
- iii) Development of low cost, reliable wireless LAN and wireless WAN with the largest bandwidth possible; and
- iv) Developing other cost-effective wireless solutions: e.g. Bluetooth handsets, wireless LAN access points, Bluetooth modems, wireless ADSL routers and Software drivers to enable customization.

The R&D team of YTL e-Solutions Group currently has 16 members. A brief profile of the R&D team members is as follows:-

YTL e-Solutions

Name	Age	Position	Experience / Achievements
Kok Kee Chon	30	Chief Technology Officer	BSc (Computer Information Systems). Senior System Engineer : 8 years experience.
Tan Foo Chong	35	Senior Technology Officer	BSc (IT). Application Developer and Microsoft Certified Solutions Developer : 11 years experience.
Seow Kong Guan	32	Senior System Technology Officer	BSc (Computer Science and Mathematics). Hardware, systems, networking and database implementer : 7 years experience.
Ng Choon Seang	31	Applications Manager	BSc (Computer Information Systems). Application Specialist : 8 years experience.
Chong Fui Yuen @ Moses Chong	28	Applications Specialist	BSc (IT). Application Specialist and Senior Database Administrator: 4.5 years experience.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

Name	Age	Position	Experience / Achievements
Low Kar Yee	23	Database Administrator	BSc (Computer Science / IT). Database Administrator : 1 year experience.
Leong Tak Seng	28	Senior System Engineer	BSc (Computer Science). System Engineer : 4.5 years experience.
Leong Wei Ling	22	Software Engineer	BA (Business, Finance & IT) Software Engineer : 1 year experience.
Sheikh Abdul Kamal Sheikh Abdul Kadir	26	Senior Web & Multimedia Designer	Diploma in Computer Graphic Design. Web & Multimedia Designer: 4 years experience.
Looi Ming Kok	25	Senior Web Developer	BSc (Computer Science). Web Developer : 2 years experience.
Goh Chee Seng	26	Software Engineer	BSc (Advertising Media). Web, Multimedia & 3-dimension Designer and Microsoft Certified Solutions Developer: 1 year experience.
Alan Loke Hon Lam	23	Web Developer	Diploma in Computer Science & IT. E-Commerce Specialist : 3 years experience.
Siow Yih Yong	27	Web Developer	BSc Electrical Engineering. Web Programmer : 2 years experience.
Christopher Dai Wye Min	22	Web Developer	Advanced Diploma in Computer Graphic Design. Multimedia Web Designer : 6 months experience.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

Extiva

Name	Age	Position	Experience / Achievements
Khor Meng Kuang	30	Director of Engineering of Extiva	BSc (Computer Science). Digital Transmission System Networks Engineer : 6 years experience.
Chow Li Sze	25	Project Engineer of Extiva	Bachelor of Engineering (Telecommunication Engineering): 6 months experience.

The various skillsets, technical knowledge and experiences of the R&D team further strengthen the core competencies of YTL e-Solutions/ICC which are software applications development and integration, database system integration and administration, multimedia and web development, and digital transmission/communications specialists.

As the Company only commenced business in August 2000, it has a limited operating history. Therefore, save for its investment in Extiva and PNA, establishing its Data Centre, the launch of YTL Community Portal and establishing the ICC, the Company has no other significant key R&D achievements.

4.4.15 Operating Locations

YTL e-Solutions Group's operations, principal place of business, marketing and distribution are situated in the Annex Office Block of Lot 10 Shopping Complex, Jalan Sultan Ismail, Kuala Lumpur. The office measures 4,988 square feet in area, and has been fully renovated.

All of YTL e-Solutions' assets, both tangible and intangible, are located in this office. All of the Company's human resources are currently deployed in this location. There is ample floor space available nearby to cater for future expansion.

4.4.16 Licensing and Trade Names

Extiva was granted a licence by CMC on 23 July 2001 pursuant to Sections 30 and 126 of the Communications and Multimedia Act, 1998 to provide any application services in Malaysia with effect from 2 July 2001 until 31 March 2005 ("ASP- Individual Licence").

For the key terms of ASP- Individual Licence, please refer to Section 11.2

There are no other patents, trademarks, technical assistance agreements, franchises or brand names apart from those described above.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

4.4.17 Past Expansion and Acquisition of Business Activities

Save and except for its subscription of the shares described below, there are no other acquisition made by YTL e-Solutions:-

- (a) 126,000 ordinary shares of RM1.00 each which is equivalent to seventy percent (70%) of the issued and paid-up share capital of Extiva for a total subscription price of Ringgit Malaysia One Hundred and Twenty Six Thousand (RM126,000.00) only;
- (b) 150,000 ordinary shares of S\$1.00 each which is equivalent to 15% of the issued and paid-up share capital of Grierson and for a total subscription price of S\$150,000.00 only. (Equivalent to Ringgit Malaysia Three Hundred Thirty One Thousand and Two Hundred only (RM331,200.00) only);and
- (c) 1,500,000 ordinary shares of RM1.00 each which is equivalent to sixty percent (60%) of the issued and paid-up share capital of PNA for a total subscription price of Ringgit Malaysia One Million and Five Hundred Thousand (RM1,500,000.00) only.

4.4.18 Exceptional factors affecting the business

Save for the risk factors highlighted in Section 3 of this Prospectus, the Group does not foresee any exceptional factors which may affect its business.

4.4.19 Information on Employees

As at 31 March 2002, the YTL e-Solutions Group has a total of 32 employees. The average number of years service of the employees of YTL e-Solutions Group is approximately one (1) year. The allocation of staff is as below:-

Department	Number of Employees
General Manager	1
Technical	27
Others	1
Finance & Administration	3

Given the specialist nature of the expertise of YTL e-Solutions' employees, it is not possible to design a universal training programme to be undertaken by all employees. The training programme therefore encompasses a list of certified training courses which employees may select, designed to complement and fill in gaps in their existing skill set. These courses, which are funded by the Group, are designed to diversify the IT skillset within the Group, thereby increasing the value of its human capital, and enables a certain degree of "multi-tasking". This strategy not only helps to keep overall headcount levels down, but also lowers the Group's operational risks of being dependent on a few key specialists. The courses, which are added to from time to time (according to demand) make up the following certificates: Microsoft Certified Systems Engineer ("MCSE"), Microsoft Certified Systems Developer ("MCSD"), Microsoft Outlook User Specialist Programme ("MOUS"), Oracle Applications Developer 2000, Cisco Certified Network Administrator ("CCNA"), Linux, Sun Solaris I / II and Lotus Notes R5.

The employees of YTL e-Solutions Group are not members of or involved in any union.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

4.4.20 Key Achievements/Milestones of the Group

As the Company only commenced business in August 2000, it has a limited operating history. Therefore, save for its investment in Extiva (which develops and markets VoIP services and solutions) and PNA (which develops and operates www.PropertyNetAsia.com) as well as establishing the ICC, the Company has no other significant key achievements.

4.5 MAJOR CUSTOMERS

As at 31 December 2001, YTL e-Solutions has a total of 27 clients. Of these, 26 are corporate clients from a wide cross section of industries, while 1 is individual. Most of the YTL e-Solutions' clients are from the YTL Group and over 99% of YTL e-Solutions' revenues are derived from its corporate clients.

As at 31 December 2001, Extiva has approximately 1,000 clients (the majority of which are located in the Klang Valley). Of these, approximately 88% are corporate clients from a wide cross section of industries, while approximately 12% are individuals. Approximately 3% of Extiva's clients are from the YTL Group. Over 95% of Extiva's revenues are derived from its corporate clients. Extiva's marketing effort is focused on corporate clients, and so over time the percentage of corporate clients, and the revenue derived therefrom, is expected to grow.

There is no customer who contributed to PNA's turnover as it has not generated any income for the financial year ended 30 June 2001 and six (6) months period ended 31 December 2001

The major customers of the YTL e-Solutions Group for the financial year ended 30 June 2001 and six (6) months period ended 31 December 2001 are as follows :-

Customers	Company	% of the total revenue of the company
Financial year ended 30 June 2001		
YTL Land Sdn Bhd	YTL e-Solutions	30%-40%
Buildcon Concrete Sdn Bhd	YTL e-Solutions	10%-20%
YTL Hotel & Properties Sdn Bhd	YTL e-Solutions	10%-20%
Starhill Hotel Sdn Bhd	Extiva	10%-20%
Barrow Technology Ltd.	Extiva	10%-20%
<i>Note:- The only customer who contributed more than 10% to YTL e-Solutions Group' turnover for the financial year ended 30 June 2001 was YTL Land Sdn Bhd.</i>		
Six (6) months period ended 31 December 2001		
Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	YTL e-Solutions	20%-30%
YTL Land Sdn Bhd	YTL e-Solutions	30%-40%
<i>Note:- None of the customer contributed more than 10% to YTL e-Solutions Group's and Extiva's turnover for the six (6) month ended 31 December 2001.</i>		

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

The length of YTL e-Solutions Group's relationship with all the customers mentioned above is approximately one and a half years.

To mitigate any dependency on these major customers, YTL e-Solutions Group is actively marketing its products and diversifying its customer base.

Applications Development

Presently, the majority of the applications development work done by YTL e-Solutions are for members of the YTL Group.

4.6 MAJOR SUPPLIERS

The major supplier for the ICC's integrated backbone connectivity infrastructure is Siemens Malaysia Sdn Bhd. As YTL e-Solutions is predominantly an investment and incubator company, its business is not dependent on any major supplier of equipment.

The major suppliers of the YTL e-Solutions Group for the financial year ended 30 June 2001 and six (6) months period ended 31 December 2001 are as follows :-

Suppliers	Company	% of the total purchases of the company
Financial year ended 30 June 2001		
Astar Marketing Sdn Bhd	YTL e-Solutions	10%-20%
Gateway Malaysia Sdn Bhd	YTL e-Solutions	10%-20%
SIS Distribution (M) Sdn Bhd	YTL e-Solutions	10%-20%
Maxis Collections Sdn Bhd	Extiva	60%-70%
Maxis International Sdn Bhd	Extiva	10%-20%
Clarent Corporation	Extiva	10%-20%
<i>Note:- The suppliers who contributed more than 10% of YTL e-Solutions Group's purchases for the financial year ended 30 June 2001 were Maxis Collections Sdn Bhd and SIS Distribution (M) Sdn Bhd.</i>		
Six (6) months ended 31 December 2001		
Astar Marketing Sdn Bhd	YTL e-Solutions	10%-20%
Dell Asia Pacific Sdn Bhd	YTL e-Solutions	10%-20%
Maxis International Sdn Bhd	Extiva	60%-70%
Maxis Collections Sdn Bhd	Extiva	20%-30%
<i>Note:- The suppliers who contributed more than 10% of YTL e-Solutions Group's purchases for the six (6) months ended 31 December 2001 were Maxis International Sdn Bhd and Maxis Collections Sdn Bhd.</i>		

PNA has no major supplier for the financial year ended 30 June 2001 and six (6) months period ended 31 December 2001.

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (Cont'd)

The length of relationship of all the YTL e-Solutions Group's supplier is approximately one and a half years.

YTL e-Solutions Group procures technology and related IT products. This includes the procurement of technical expertise, experience, industry insights, financial acumen, business relationships of its existing staff and senior management team, and other management expertise and entrepreneurialism from within the YTL Group.

4.7 FUTURE PLANS, STRATEGIES, QUALITY CONTROL PROCEDURES AND PROSPECTS

In line with the business objectives of YTL e-Solutions, the Group will continue to conduct strategic reviews for its existing investments and search for potential new investments for incubation. It will also explore methods, including upgrading its existing skills and expertise, to continually respond to the rapidly changing technology industry.

Among the strategies it proposes to implement are:-

(i) **Improvement of existing services**

Presently, the YTL e-Solutions Group offers a whole range of services, both financial and technical, that it is able to offer to its prospective incubatees and investee companies. To ensure steady and positive growth in its operations, the YTL e-Solutions Group will seek to enhance the use of its services to cater to the dynamic investment and incubation environment.

In this regard, Extiva plans to achieve maximum adaptation of the VoIP services for its customers by designing a network configuration which seamlessly integrates with existing services. This fully automated solution seeks to provide its customers with the highest level of automation possible while mitigating or eliminating the need for additional investment by the client.

(ii) **R&D**

The Group will continue its R&D activities towards making its services attractive and competitive, domestically and internationally, to its prospective incubatees and clients of its incubatees.

Future R&D activities will be driven entirely by the needs of YTL e-Solutions' incubatees and will include the development and systems integration for ICIS and www.PropertyNetAsia.com. YTL e-Solutions is helping Extiva develop its own hardware and software solutions for VoIP solutions and a billing system. Other R&D goals within Extiva include, but are not limited, to the following:-

- 1) Utilising PABX for "seamless" centralized VoIP telephony services. Many other VoIP systems cannot be integrated with existing telephony systems, and require "pin" numbers to be keyed in to handsets, to allow entry into the VoIP gateway. YTL e-Solutions has already developed solutions to partially integrate VoIP into PABX systems, but will continue to develop this, to allow integration into more complex PABX systems. This will give it a further significant competitive edge;
- 2) Customised billing solutions to enable more detailed micro billing information, which can later be sold externally;

4. BUSINESS INFORMATION ON THE YTL E-SOLUTIONS GROUP (*Cont'd*)

- 3) Development of low cost, reliable wireless LAN and wireless WAN with the largest bandwidth possible; and
- 4) Other wireless solutions: Bluetooth handsets, wireless LAN access points, Bluetooth modems, wireless ADSL routers and software drivers to enable customization.

(iii) Maintaining Brand Recognition

To ensure that the YTL e-Solutions Group will continue to have a steady flow of incubation and project enquiries, YTL e-Solutions is committed to developing, when possible, brand status by way of focused or highly targeted advertising or promotional activities, aimed at technopreneurs, technology start ups and other venture capital companies (for co-investment opportunities). It is also committed to delivering on the message by focusing on service and product quality. This will be augmented by a continuous programme of one-on-one meetings and presentations to potential new relationships.

(iv) Anchor Relationships

The Company plans to cultivate long term relationships with its network of contacts to maintain a high level of deal flow from anchor relationships by maintaining a high level of service and care to ensure that the Company is provided with a steady and predictable level of deal flow.

Over the longer term it may be necessary to implement an account management scheme, whereby a dedicated member of the investment team will be responsible in co-ordinating and managing all of YTL e-Solutions communication and interaction with its network of contacts. This will ensure that the level of service and attention to detail is sufficient to retain these key contacts in the long term.

YTL e-Solutions quality control procedures are explained in Section 4.4.5, which embodies the criteria for investment and incubatee selection. Other measures incorporated include the diversification of network failure risk by subscribing to two telecommunications companies instead of only one, the high level of physical and applications security in the Company's premises, as well as a high standard of fire detection and prevention measures in place.

YTL e-Solutions is a provider of value-added capital or "smart capital". It benefits from the unique experience, industry insight, financial acumen, and entrepreneurialism and business relationships of its existing senior management team and that within the YTL Group.

The Company has an established set of investment policies, guidelines and consistent procedures that it follows when evaluating investment opportunities, in particular a rigorous approach to investment valuations and due diligence.

YTL e-Solutions is confident of its prospects and believes that it is ideally placed to source investments. The parent company's strong brand name, excellent reputation and track record in Malaysia (and Asia) provide it with many investment opportunities. Furthermore, YTL e-Solutions will capitalise on its management team's connections with various leading corporations, business leaders, investment banks and other international advisors to generate a steady stream of potential new technology related deal flow.

Further information on the future plans and strategies of the Company is set out in Section 7 of this Prospectus.

5. INDUSTRY OVERVIEW

5.1 OVERVIEW OF THE GLOBAL ECONOMY

The global economic slowdown that began in late 2000 began more severe than anticipated in 2001. Falling confidence amidst disruption in activity after September 11, especially in the U.S., had adversely affected world growth, which was also reflected in declining global trade. World growth halved to 2.4% in 2001, while world trade growth decelerated from a double-digit growth to only 1% in 2001.

The weakness in the euro area was not caused only by lower external demand, but also the unexpectedly higher inflation arising from the lagged effects of higher oil prices which constrained policy flexibility. In the regional economies, besides the severability of the U.S. slowdown, the deeper and prolonged downturn in the electronics sector had caused growth to slow down more significantly than earlier expectations. Growth in East Asia slowed down to 3.7% in 2001. Malaysia achieved a marginal growth of 0.4% and for Taiwan and Singapore, growth turned negative. To a large extent, the slowdown in all regional economies was contained by stronger fiscal stimulus and easier monetary conditions. Only the People's Republic of China continued to expand at a strong pace of 7.3%, sustained by fiscal spending and strong private investment, mainly in the form of foreign direct investment.

Prompt policy response across the globe during the course of 2001 and immediately after September 11 contained the economic slowdown. In particular, co-ordinated monetary easing and additional fiscal measures by the major industrial countries aided confidence and were effective in sustaining consumer spending.

Concomitant with the weaker global economy, labour market conditions deteriorated in many countries as companies reduced their labour force as part of their corporate consolidation process. However, in Europe, the average unemployment rate declined during the year despite announcements of large layoffs by manufacturing companies. The improvement was due to easing of labour market rigidities in the euro area with the introduction of more flexible working conditions and the continued strength in the services sector in the U.K.. Meanwhile inflationary pressures were contained during the year against a backdrop of a sharp fall in energy prices, weakening global demand and abating wage pressures.

Prospects

Going forward, the outlook for the global economy has improved, supported by positive developments in the U.S.. There has also been improvement in other parts of the world. Sentiment indicators in Europe have shown a marked improvement, while in the region there have been further signs of stabilisation in economic activity, mainly a slower pace of decline in exports. Prospects are for the U.S. to lead recovery, thus supporting an upturn in the other regions, including the euro area and East Asia. However, Japan is expected to experience another year of contraction.

The world economy is expected to recover gradually in line with the slow and modest recovery in the U.S.. Thus, world growth is expected to pick up slightly to 2.6%, while world trade is forecast to expand between 2% and 2.5%, in tandem with a gradual upturn in the electronics sector. Real output growth in the major industrial countries as a group is expected to stabilise at 1.1%, while growth in the developing countries is projected to pick up slightly to 4.5%. Growth in the East Asian economies is envisaged to be slightly higher at 4.6%-4.8%, as impetus to growth is expected to emanate from stronger export demand in the second half of 2002.

(Source: Bank Negara Malaysia, Annual Report 2001)

5. INDUSTRY OVERVIEW (*Cont'd*)

5.2 OVERVIEW OF THE MALAYSIAN ECONOMY

The Malaysian economy remained resilient in 2001 with a real Gross Domestic Product ("GDP") expanding by 0.4% in 2001. While the global economic slowdown in 2001 was more severe than earlier expectations, Malaysia avoided economic contraction and growth for the year remained in the positive territory.

Given the openness of the Malaysian economy, the negative effects of the U.S. economic slowdown and global electronics downturn was felt as early as March 2001. These were manifested in declining manufacturing production and negative export growth. Through policies on several fronts, consumption has remained resilient despite lower export earnings. While national savings remained high at 34.9% of Gross National Product (GNP), total domestic consumption accounted for more than half of GDP. The resilience in private consumption together with the strong growth in public sector expenditure mitigated the impact of the external sector on the domestic economy and the contraction in domestic private investment, following the consolidation by the corporate sector.

On the supply side, weaker growth in the export-oriented manufacturing industries was mitigated by positive growth in all other sectors, especially the services sector, domestic demand-oriented industries in the manufacturing sector and the construction sector. Overall, the effectiveness of policy measures and the diversified economic structure of the Malaysian economy moderated the impact of the decline faced by the export oriented industries.

Consequently, the unemployment rate was contained below 4%. Retrenchment was mainly in industries affected by the downturn in the global electronics cycle. More flexible labour market practices also helped to moderate the number of retrenchments. Inflationary pressures remained muted with prices, as measured by the Consumer Price Index ("CPI"), increasing moderately by 1.4% (2000:1.6%). The moderation in inflation was due mainly to the prevalence of excess capacity in several sectors of the economy, the moderate appreciation of the ringgit vis-à-vis non-U.S. dollar currencies, as well as lower imported inflation.

The external position remained robust in 2001. The global economic slowdown affected export performance, but imports of goods and services for export production also declined. Hence, the current account remained in surplus, estimated at about 8.9% of GNP. In the financial account, the flows have been relatively stable. Long-term flows continued to dominate. Inward direct foreign investment flows were increasingly channelled to the services sector. These inflows were smaller in average dollar size and low in import content but have brought technology and other expertise that contribute towards raising productivity in Malaysia. Outward investments by Malaysian companies were smaller on a net basis, as Malaysian companies affected by the global slowdown repatriated proceeds of their disinvestment abroad in the second half-year.

Prospects

The Malaysian economy is recovering in 2002 following a strengthening of external demand. Past trends show that there is a brief lag between the recovery in the major economies and recovery in Malaysian exports. As such, the timing and magnitude of the recovery would have a significant impact on the Malaysian economy. The growth projection for 2002 is based on stronger growth in private consumption, a modest recovery in private investment, sustained public sector expenditure and a moderate growth in exports. If the positive trend in the latest indicators for the U.S. economy is sustained, the bias to the growth projection would be on the upside. On the domestic front, aggressive policy measures to enhance the role of the services sector, particularly in the education, tourism and information, communication and technology sub-sectors, would benefit these sectors, which in turn could improve further the GDP growth.

(Source: Bank Negara Malaysia, Annual Report 2001)

5. INDUSTRY OVERVIEW (*Cont'd*)

The Government will continue to address the issue of income imbalance, particularly among and within ethnic groups, income groups, economic sectors, regions and states. With the expected high economic growth during the Eight Malaysia Plan period, the middle-income group is expected to increase in size and share of income. As part of a major long-term income distribution objective, the nation will create a bigger and more prosperous middle-income group in addition to increasing income of the lower income group.

(Source : *The Eighth Malaysia Plan 2001-2005*)

5.3 VENTURE CAPITAL INDUSTRY

Venture capital is funds provided by professionals who invest alongside management in young, rapidly growing companies that have a potential to develop into significant economic contributors. Venture capital is an important source of equity for start-up companies.

Venture capitalists generally finance new and rapidly growing companies; purchase equity securities; assist in the development of new products or services; add value to company through active participation and take higher risks with the expectation of higher rewards with a long-term investment horizon.

For decades, venture capitalists have nurtured the growth of America's and Europe's high technology and entrepreneurial communities resulting in significant job creation, economic growth and international competitiveness. Companies such as Apple Computer Inc.; Compaq Computer Corporation; Sun Microsystems Inc.; Intel Corporation and Microsoft Corporation are famous examples of companies that received venture capital early in their development.

Venture capitalists may be generalist or specialist investors depending on their investment strategy. The type of funding can be broadly classified as follows:

(i) Seed Funding

Seed venture capitalists invest at a conceptual stage where there might be no real product or company organised yet. The financing for this stage are normally meant for R&D and pre-commencement expenditure.

(ii) Early Stage Funding

Early stage venture capitalists provide capital to start-up companies in their early stages of development. The financing for this stage are normally meant for product development and marketing.

(iii) Expansion Funding

Expansion venture capitalists provide financing to help companies grow beyond critical mass to become more successful. The financing for this stage are normally meant for setting up additional production facilities and market expansion.

(iv) Later Stage Funding

Later stage venture capitalists provide financing to help companies grow to a critical mass to attract public financing through stock offering and subsequent listing of the investees.

5. INDUSTRY OVERVIEW (Cont'd)

Depending on the investment focus and strategy of the venture firm, it will normally seek to exit the investment in the portfolio company within three to five years of the initial investment. While an IPO may be the most desirable type of exit for the venture capitalist and owners of the company, most successful exits of venture occur through a merger or acquisition of the company by either the original founders or by another company. Again, the expertise of the venture capital in successfully exiting its investment will dictate the success of the exit for themselves and the owner of the company.

Some of the major players of the venture capital industry, particularly in the U.S., include Internet Capital Group Inc., Softbank Corporation, Internet Venture Group Inc. and CMGI Inc..

In addition to equity participation in investee companies, a venture capitalist may provide corporate finance, business strategy, customer relation, media communication, legal consultation, accounting, taxation, corporate secretary, technological due diligence, market research, investor relation and other broad based value-added support to the investee companies, thus moving it into the realm of an incubator.

An incubator company may provide narrow-based facilities and location share services to investee companies. The facilities and location-share services may include conference room, copy machine, fax machine, speaker phone, overhead projector, mail room, library, receptionist and storage room.

Malaysia Venture Capital Industry

Venture capital first began in Malaysia in 1984 with the establishment of Malaysian Ventures Berhad with a fund size of RM13.8 million. Development of the venture capital industry was initially slow. Only in 1989, was the second fund set up. In 1991, eight venture capital companies ("VCCs") were in operation with a combined fund size of RM183 million. In 1999, the number of VCCs increased to thirty with total funds mobilised amounting to RM1.5 billion.

Financial institutions have always played a leading role in venture capital financing, either through setting up of a subsidiary company or participating in equity of VCCs. Apart from the financial institutions, corporations represent other institutional investors who are active in the industry. In 1995, Malaysian Venture Capital Association was set up with the main purpose to promote and develop the venture capital industry.

5. INDUSTRY OVERVIEW (*Cont'd*)

On 19th April 2001, Malaysia Venture Capital Management ("MAVCAP") was incorporated by the Government of Malaysia and was allocated RM500 million by the Minister of Finance Inc for investment in, nurturing and growing the technology sector and the investing and growing of the venture capital market in Malaysia. It is a new and bold Government-initiated and private-sector managed move to continue to bolster and spearhead the country's charge towards a complete knowledge-based economy before 2020.

The major players in the Malaysian venture capital industry include Malaysian Ventures Berhad, Commerce Asset Ventures Sdn Bhd, MSC Ventures Capital Berhad, Mayban Ventures Sdn Bhd and Malaysian Technology Development Corporation. Some of the other current incubators in Malaysia include the Technology Park Malaysia, MTDC Technology Incubation Centre, MSC Central Incubator, JIC.Net Sdn Bhd, Alam Technokrat Sdn Bhd, Sirim Incubator and OptixLab Sdn Bhd.

5.4 THE VOIP TELECOMMUNICATION INDUSTRY

Traditionally, the transmission of telecommunications has been conducted through circuit-switched networks. With the advent of the Internet, data communication traffic has increased at a significant pace. The circuit-switched networks were initially designed to handle voice communications but had faced significant capacity constraints.

The circuit-switched networks is expected to continuously experience dramatic growth in traffic due to:

- (i) the evolving e-business activities;
- (ii) the availability of large bandwidth at decreasing prices;
- (iii) the communication needs arising from commercial organisations that expand globally; and
- (iv) the introduction of multimedia that employs new technology on voice, video and data communication services and application.

Packet-based networks, including VoIP were initially designed for transmitting digital information. They transmit voice, video and data information in the form of small digital packages called packets. Packet switching enables more efficient utilisation of available bandwidth than circuit-switching by allowing more calls to travel through a packet network at the same time. Packet networks are built on open architecture, which promote competition by allowing different communication service providers to build products and applications that can interoperate with one another. Packet technologies which are based on open standards, enable quicker embracement of newer services in a more economical way.

As the VoIP industry had just been recently introduced, proprietary solutions developed by individual vendors lead to integration problems and lost communication. For smoother implementation of real-time VoIP communication networks, industry standards and protocols were developed to promote interoperability of real-time communications over packet networks.

As packet networks provide effective and cost-saving for real-time voice, video and data communications, they are expected to grow dramatically.

5. INDUSTRY OVERVIEW (Cont'd)

5.5 THE SYSTEMS CONSULTING INDUSTRY

The systems consulting industry has been traditionally viewed as providers of computer software. They provide companies with stand-alone software to automate manual functions such as administration, human resources management, financial reporting, manufacture planning, procurement and marketing. At a later stage, the software consulting industry evolved into providers of integrated systems to consolidate the various functional application software into a coherent intra-company platform.

With the advent of the Internet and various third party web destinations, the integration of the client's computer system with outsider procurement web destinations and collaborative e-business exchanges became essential. In certain industries, like the banking industry, the core operational activity has had to move online in order to remain competitive. Therefore, the emergence of the internet had resulted in a strong demand for the software consulting industry.

5.6 E-BUSINESS INDUSTRY

5.6.1 Stages of E-business Industry

E-business initially started from Electronic Data Interchange or EDI. EDI represents the first stage of e-business, where the businesses are conducted through a buyer proprietary network which is designed to process large volume of highly structured data. Such technologically rigid EDI systems are very expensive to maintain and improve. Therefore, EDI systems are not suitable for more fragmented industries or dynamic marketplaces. However, EDI systems justify their existence till today as they provide major efficiency in reducing communication errors, streamlining processing times and compilation of important business intelligence but at high costs.

With the introduction of Internet technology in early 1990s, basic e-business was initiated in the form of supplier marketing web pages. Such company specific web pages normally display catalogue content and publish marketing information to customers. Transaction cost became insignificantly low with the leverage on internet technology. However, market transparency was still very low as a centralised market between all suppliers and all buyers was not formed then.

With the setting up of various third-party web destinations that bring together trading partners into a common community, the community e-business started to emerge by providing basic Internet trading functions such as buyer sourcing, supplier discovery, order matching, price transparency and transaction execution. The price setting mechanism at this stage of e-business included catalogue order, auction mechanism and bid/ask quotation.

The latest phase of e-businesses is in the form of collaborative e-business where it builds on from community e-business by adding a broader range of business interactions and enables the whole chain of business activities to move online. The additional business functions may include buyer and supplier profile validation; comparison shopping; integration of buyer's Enterprise Resource Planning and supplier's inventory availability systems; regulatory filings and approvals; logistic scheduling and tracking; trade financing and factoring services; and wireless internet access.

5.6.2 General Trends That Have A Positive Impact On E-business Development

The following mega trends and developments in the global telecommunications industry provide a conducive environment for e-business to emerge:-

5. INDUSTRY OVERVIEW (*Cont'd*)

(i) Increasing Internet access from wireless application

The penetration rate of mobile phones will continue to grow stronger throughout the global village. The driving forces that have been supporting such growth are the availability of newer wireless Internet access technology, the increasing speed in wireless Internet access time and the rising number of wireless content providers.

(ii) Higher growth in PC penetration

Although the PC penetration rates in advanced countries had started to stabilise, such rates are expected to grow stronger in Asian and emerging economies for the foreseeable five to ten years. However, PC penetration rates will be unevenly higher within the surrounding areas of Asian cities where telecommunication reach and literacy rates are higher.

(iii) Liberalisation of telecommunication markets

Global liberalisation and the deregulation of telecommunication markets have introduced stiffer competition, accelerated newer technology implementation and generally lowered operating costs in the Asian telecommunication landscape.

(iv) Government initiative in promoting knowledge-based economy

The knowledge-based economy concept has been widely accepted as a key promoter of future economic growth by most governments in industrial and export-based economies. Governments from various continents have been providing various financial assistance and undertaking regulatory adjustments to embrace the knowledge-based economy.

(v) Going online is becoming indispensable

Technological developments have brought about major changes in communications, trade and industry, entertainment and recreation, giving rise to the convergence of the telecommunications, broadcasting and IT industries. Advances in information and communication technology, particularly with the advent of the Internet have enabled transactions and processes previously handled manually to move online. In short, going online is becoming indispensable.

5.6.3 General Trends That Have A Negative Impact On E-business Development

The foreseeable challenges that the e-business industry will be facing are as follows:-

(i) The unavailability of sufficient and talented knowledge-based human resources. As Internet and e-business evolve at a more significant pace, the existing pool of talented manpower is insufficient to cater for the developments in the internet and e-business.

(ii) The absence of common technological architecture and infrastructure had significantly affected the integration and consolidation of e-business into a more coherent atmosphere.

5. INDUSTRY OVERVIEW (*Cont'd*)

- (iii) The lack of confidence in the capital markets. Since the significant reduction of stock prices in technology shares and a number of technology related IPOs at NASDAQ, the venture capital industry has been more cautious on the investment in e-businesses. The weakening of investors' appetite for the technology sector not only directly limit access to finance but also indirectly hinders e-business development in terms of retaining and rewarding talented knowledge-based staff through employees share option schemes.

5.6.4 Growth Of The Internet

The rapid growth of the Internet is a product of interrelated growth of the following:-

- (i) penetration rate of personal computer, modem and mobile phone;
- (ii) development of the world wide web which enables widely located computer networks to be interconnected;
- (iii) development of user friendly navigational tools to surf the internet;
- (iv) better quality and value-added content and application software;
- (v) cheaper communication infrastructure that enables effective transmission of voice, video and data;
- (vi) communication satellites that enable less developed countries to by-pass to a newer generation of communication infrastructure;
- (vii) media convergence technology that enables cross-medium casting of information content to televisions, personal computers, mobile phones, fax machines and information kiosks;
- (viii) e-business that adds value to the traditional "brick and mortar" business; and
- (ix) worldwide deregulation in the telecommunication industry.

The Internet has the following important value-added attributes that enable global knowledge-based economies to prosper:-

- (i) Community discovery

This enables millions of people world-wide to create their respective communities that share similar interests.
- (ii) Enabling business to be conducted any time any place

Computer systems and internet access enable some businesses to be conducted any time any place at the consumer's preference.
- (iii) Effective real time interactive and multimedia communication

Communication of complex ideas and messages can be made easy with presentations using voice, video and data. The recipients of information can reconfirm their understanding by participating in interactive two-way communication.

5. INDUSTRY OVERVIEW (*Cont'd*)

5.7 GOVERNMENT INCENTIVES FOR THE E-BUSINESS INDUSTRY

Malaysia has offered a 10 point Bill of Guarantees. A vital commitment given by the Government to MSC status companies is to provide a comprehensive and realistic regulatory framework of cyberlaws and intellectual property laws to facilitate and assist the development of a truly IT and multimedia environment.

5.7.1 The Multimedia Super Corridor ("MSC")

The MSC was initiated by the Malaysian Government to facilitate the implementation of the use of IT in the living and business environments, and was set to be the vehicle to leapfrog Malaysia into the Information Age and to spearhead the country's Vision 2020.

The MSC physically encompassed an area of 15 kilometres wide by 50 kilometres long, flanked by the Kuala Lumpur City Centre on its North, itself an intelligent precinct down to south to the site of the region's largest international airport, the Kuala Lumpur International Airport. Two of the world's Smart Cities are currently being developed in the Corridor, Putrajaya and Cyberjaya. Putrajaya is set to become the high-tech intelligent government and administrative capital of Malaysia, where the concept of electronic government will be introduced while Cyberjaya, a world class intelligent city, is developed to become the role model for other IT and multimedia development zones in the country.

With the government providing a world class physical and information structure within the MSC, the private sector, especially world class multimedia companies, are encouraged to locate their operations in the MSC to undertake development and manufacturing as well as introducing high value-added IT services.

5.7.2 The 10 point Bill of Guarantees

- (i) Provide competitive financial incentives including no income tax or an investment tax allowance for up to ten years and no duties on the import of multimedia equipment;
- (ii) Tender key MSC infrastructure contracts to leading companies willing to use MSC as their regional hub;
- (iii) Allow freedom of sourcing capital globally for MSC infrastructure and freedom of borrowing funds;
- (iv) Allow unrestricted employment of knowledge workers and unrestricted movement of these workers in and out of the country;
- (v) Provide globally competitive telecoms tariffs;
- (vi) Provide a high-powered implementation agency to act as an effective one-stop super-shop (i.e. the MDC);
- (vii) Ensure freedom of ownership of companies;
- (viii) Provide world-class physical and information infrastructure;
- (ix) Ensure no censorship of Internet; and
- (x) The MSC will become a regional leader in intellectual property protection and cyberlaws.

5. INDUSTRY OVERVIEW (Cont'd)

5.7.3 The Relevant Laws Enacted to Promote Development of E-business Industry

In fulfilling the above-mentioned commitment, the Government has enacted the following laws:-

- (i) The Digital Signature Act, 1997;
- (ii) The Copyright (Amendment) Act, 1997;
- (iii) The Computer Crimes Act, 1997;
- (iv) The Telemedicine Act, 1997;
- (v) The Communication and Multimedia Act, 1998 ("CMA"); and
- (vi) The Malaysian Communications and Multimedia Commission Act, 1998.

5.7.4 The 10 National Policy Objectives for the Communications and Multimedia Sector

The CMA is based on the basic principles of transparency and clarity, more competition and less regulation, flexibility, bias towards generic rules, regulatory forbearance, emphasis on process rather than content, administrative and sector transparency, and industry self-regulation. CMA is also the declaration of the Government's 10 national policy objectives for the communications and multimedia sector, as enshrined in Section 3(2) of the CMA. They are as follows:-

- (i) to establish Malaysia as a major global centre and hub for communication and multimedia information and content services;
- (ii) to promote a civil society where information-based services will provide the basis of continuing enhancements to quality of work and life;
- (iii) to grow and nurture local information resources and cultural representation that facilitate the national identity and global diversity;
- (iv) to regulate for the long-term benefit of the end user;
- (v) to promote a high level of consumer confidence in service delivery from the industry;
- (vi) to ensure an equitable provision of affordable services over ubiquitous national infrastructure;
- (vii) to create a robust applications environment for end-users;
- (viii) to facilitate the efficient allocation of resources such as skilled labour, capital, knowledge and national assets;
- (ix) to promote the development of capabilities and skills within Malaysia's convergence industries; and
- (x) to ensure information security and network reliability and integrity.

5. INDUSTRY OVERVIEW *(Cont'd)*

5.8 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS OF THE GROUP

YTL e-Solutions and Extiva commenced operations on August 2000 and July 2000 respectively. To date, the Group's revenue has consisted mainly of sales of computer hardware, software, peripherals, income from traffic charges of VoIP telephony services and sales of gateways.

Although its financial history is limited, the Group has witnessed an increase in contributions from Extiva. For the financial year ended 30 June 2001, the first year of its operation, Extiva achieved a return on original investment of 140%. For the six (6) months period ended 31 December 2001, Extiva achieved a return on original investment of approximately 577%.

Extiva develops and markets VoIP telephony systems, which provide telephony services to users at a much lower cost as compared to conventional telephony services through circuit-switched networks. The VoIP telephony market in Malaysia is still at its infancy stage, thus Extiva has potential to grow further in the future. The expected increase in communication needs with the reduction in costs of providing such services should augur well for the demand for Extiva's services.

The further development of the Group hinges on it having an adequate pool of knowledge workers with the right skill set, and developing and adopting new technologies. These are vital if the Group is to remain competitive.

YTL e-Solutions believes that the technology sector offers highly attractive investment opportunities in the medium to longer term, especially since corporate asset values in the technology sector have substantially fallen with the decline of the NASDAQ index over the last 12 months. More investment opportunities at reasonable price levels are expected as a result of this decline. However, a very prolonged depression in price levels and sentiment towards technology stocks could potentially limit the exit options available to YTL e-Solutions for realising its investments.

YTL e-Solutions will need to keep ahead of the changing technologies to ensure adequate and satisfactory service is provided to its customer base and for its incubatees to remain viable and competitive.

The importance and continued development of IT, the Internet, communications and other related technologies should enable YTL e-Solutions to continue to grow, provided that it is able to harness and develop these technologies together with its incubatees into commercially viable products and services over the longer term.

6. FINANCIAL INFORMATION

6.1 CONSOLIDATED PROFIT AND LOSS

The financial information of the Group based on the audited financial statements of the Group and of the Company for the past five (5) financial years ended 30 June 2001 and the six (6) months period ended 31 December 2001 is set out below: -

	Note	FYE 30.06.1997	FYE 30.06.1998	FYE 30.06.1999	FYE 30.06.2000	FYE 30.06.2001	6 months period ended 31.12.2001
		RM	RM	RM	RM	RM	RM
Turnover		-	-	-	-	4,373,179	5,995,653
EBIDTA		-	-	-	98,507	2,413,647	2,630,241
Depreciation and development expenditure		-	-	-	(22,584)	(461,800)	(437,170)
Interest Expenses		-	-	-	-	-	-
Share of Result in Associated Company		-	-	-	-	-	-
PBT		-	-	-	75,923	1,951,847	2,193,071
Taxation		-	-	-	(48,000)	(578,000)	(725,464)
PAT		-	-	-	27,923	1,373,847	1,467,607
Minority Interests		-	-	-	-	(75,486)	(272,000)
Profit After Taxation and Minority Interest		-	-	-	27,923	1,298,361	1,195,607
Weighted Average Number of Ordinary Shares of RM1.00 each in Issue	(a)	2	2	2	7,103,827	94,246,575	100,000,000
Gross EPS (Sen)	(b)	-	-	-	1.07	2.07	2.19
Net EPS (Sen)	(b)	-	-	-	0.39	1.38	1.20
Gross Dividend Rate (%)		-	-	-	-	-	-

Notes:-

- * *The results for the financial year ended 30 June 2001 and the six (6) months period ended 31 December 2001 were in respect of the consolidated results of YTL e-Solutions and its subsidiaries.*
- * *There were no extraordinary items or exceptional items in respect of all financial years/period under review*
- (a) *The weighted average number of ordinary shares in issue for the respective financial years/period has been adjusted to take into account the allotment made during the years/period under review.*
- (b) *The gross EPS and net EPS have been calculated by dividing the PBT and PAT and minority interests respectively for the years/period by the weighted average number of ordinary shares for the respective years/period.*

6. FINANCIAL INFORMATION (Cont'd)

6.2 CONSOLIDATED CASH FLOW STATEMENTS

The audited cash flow statement of the Group for the financial year ended 30 June 2001 and the six (6) months period ended 31 December 2001 are as follows: -

	FYE	6 months period ended
	30.06.2001	31.12.2001
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
PBT	1,951,847	2,193,071
Adjustments for:-		
Depreciation	461,800	324,539
Development expenditure	-	112,631
Bad debts written-off	5,899	52
Preliminary expenses written-off	2,000	-
Pre-operating expenses written-off	11,350	-
Property, plant & equipment written-off	-	976
Interest income	(3,056,470)	(1,497,473)
Operating (loss)/profit before working capital changes	(623,574)	1,133,796
Debtors	(1,176,700)	(1,275,848)
Creditors	2,092,291	2,212,382
Related companies	(965,562)	(98,594)
Holding company	(457,239)	(26,687)
Director's account	-	16,361
Cash (used in)/generated from operations	(1,130,784)	1,961,410
Taxation paid	-	(336,799)
Interest received	3,056,470	1,408,981
Net cash from operating activities	1,925,686	3,033,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries (net of cash acquired) - Note 1	893	-
Development expenditure paid	(1,028,599)	(99,988)
Purchase of unquoted investment	(331,200)	-
Purchase of property, plant & equipment	(2,230,828)	(741,130)
Net cash used in investing activities	(3,589,734)	(841,118)

6. FINANCIAL INFORMATION (Cont'd)

	FYE 30.06.2001 RM	6 months period ended 31.12.2001 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares to minority interests in a subsidiary	3,998	62,171
Proceeds from issue of shares	25,000,000	-
Net cash from financing activities	<u>25,003,998</u>	<u>62,171</u>
Net changes in cash and cash equivalents	23,339,950	2,254,645
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	75,289,849	98,629,799
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>98,629,799</u></u>	<u><u>100,884,444</u></u>
Cash and cash equivalents comprise:-		
Fixed deposits	98,334,031	100,321,591
Cash & bank balances	295,768	562,853
	<u>98,629,799</u>	<u>100,884,444</u>

Note:

1. Summary of net assets of subsidiaries acquired during the financial year ended 30 June 2001:-

	RM
Property, plant & equipment	4,317
Other debtors, deposits & prepayments	38,773
Cash & bank balances	893
Other creditors and accruals	(7,330)
Deferred expenditure	13,350
Less : Minority interest	<u>(50,003)</u>
Net assets acquired	-
Cash and cash equivalents in subsidiaries acquired	<u>(893)</u>
Net cash acquired	<u><u>893</u></u>

6. FINANCIAL INFORMATION (*Cont'd*)

6.3 KEY FINANCIAL AND OPERATING RATIOS

The key financial ratios are prepared based on the financial data presented in Sections 6.1 and 6.2 of this prospectus.

	FYE	FYE	FYE	FYE	FYE	6 months period ended
	30.06.1997	30.06.1998	30.06.1999	30.06.2000	30.06.2001	31.12.2001
	RM	RM	RM	RM	RM	RM
Paid-up capital						
- ordinary shares of RM1.00 each	2	2	2	50,000,000	100,000,000	100,000,000
Weighted average number of ordinary shares of RM1.00 each in issue	2	2	2	7,103,827	94,246,575	100,000,000
Shareholders' fund	2	2	2	50,027,923	101,326,284	102,521,891
(Net Liabilities)/NTA	(69,966)	(71,210)	(71,825)	49,897,157	100,166,919	100,487,230
(Net Liabilities)/NTA per share	(34,983)	(35,605)	(35,913)	1	1	1
Turnover	-	-	-	-	4,373,179	5,995,653
PBT	-	-	-	75,923	1,951,847	2,193,071
Profit After Taxation and Minority interest	-	-	-	27,923	1,298,361	1,195,607
Gross EPS (Sen) based on weighted average number of ordinary shares of RM1.00 each in issue	-	-	-	1.07	2.07	2.19
Net EPS (Sen) based on weighted average number of ordinary shares of RM1.00 each in issue	-	-	-	0.39	1.38	1.20
Effective tax rate (%)	-	-	-	63.22	29.61	33.08
Gross profit margin (%)	-	-	-	-	25.98	39.37
Pre-tax profit margin (%)	-	-	-	-	44.63	36.58
Current ratio (times)	-	-	-	2.94	39.31	20.47
Total borrowings (all interest-bearing debts) (RM)	-	-	-	-	-	-
Gearing (all interest-bearing debts over shareholders' funds) (times)	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-

6. FINANCIAL INFORMATION (Cont'd)

	FYE 30.06.1997	FYE 30.06.1998	FYE 30.06.1999	FYE 30.06.2000	FYE 30.06.2001	6 months period ended 31.12.2001
	RM	RM	RM	RM	RM	RM
Interest coverage	-	-	-	-	-	-
Gross dividend ratio	-	-	-	-	-	-

Notes:-

- (a) YTL e-Solutions was incorporated on 14 March 1992 and commenced operations in August 2000.
- (b) There were no extraordinary items or exceptional items in respect of all the financial years/period under review.

6.4 ANALYSIS AND COMMENTARY ON FINANCIAL INFORMATION

The following analysis and commentary on financial information should be read in conjunction with the financial data presented in sections 6.1, 6.2 and 6.3 of this prospectus.

1. Segmental Data

The analysis of turnover and PBT by company is as follows:-

	FYE 30.6.2000	FYE 30.06.2001	6 months period ended 31.12.2001
	RM	RM	RM
<u>Turnover</u>			
YTL e-Solutions	-	1,898,699	1,776,598
Extiva	-	2,474,480	4,219,055
PNA	-	-	-
	<u>-</u>	<u>4,373,179</u>	<u>5,995,653</u>
<u>PBT</u>			
YTL e-Solutions	75,923	1,655,135	764,614
Extiva	-	368,623	1,435,792
PNA	-	(71,911)	(7,335)
	<u>75,923</u>	<u>1,951,847</u>	<u>2,193,071</u>

6. FINANCIAL INFORMATION (Cont'd)

2. Turnover

YTL e-Solutions and Extiva have been inactive since their incorporation to the year 2000.

YTL e-Solutions commenced its operations in August 2000 and the revenue for the financial year ended 30 June 2001 and six (6) months period ended 31 December 2001 comprises mainly sales of computer hardware, software and peripherals. The Company had on 23 March 2001 amended the objects clause in its Memorandum and Articles of Association to be that of investment holding, provision of incubation services including developing and incubating technology companies, Internet contents of all descriptions and non-Internet related businesses, provision of consultancy and advisory services in relation to the business of electronic commerce or internet commerce solutions. Going forward, YTL e-Solutions expects the main revenue contributors to be its incubatees and any divestments of its investments.

Extiva commenced its operations in July 2000 and the revenue represents income from traffic charges of VoIP telephony services and sales of gateways.

PNA commenced its operations in January 2001 and has not generated any income for the financial year ended 30 June 2001 and six (6) months period ended 31 December 2001.

Turnover of the Group for the six (6) months period ended 31 December 2001 is mainly contributed by Extiva and YTL e-Solutions.

3. PBT

PBT for the financial year ended 30 June 2001 increased substantially mainly due to higher interest income earned during the year, which amounted to RM3,056,470 compared to RM289,750 in the year 2000. Interest income for the six (6) months ended 31 December 2001 amounted to RM1,497,473.

4. Taxation

The provision for taxation of the Company for the financial year ended 30 June 2000 was mainly provided in respect of interest income.

The provision for taxation of the Group for the year ended 30 June 2001 reflects an effective tax rate higher than the statutory tax rate due mainly to certain expenses which are not allowable for tax purposes.

The effective tax rate is higher than the statutory tax rate for the six (6) months ended 31 December 2001 due to certain income and expenses which are treated differently for tax purposes.

6. FINANCIAL INFORMATION (Cont'd)

5. Liquidity

	Group FYE 30.06.2001 RM	Group 6 months period ended 31.12.2001 RM
Net cash from operating activities	1,925,686	3,033,592
Net cash used in investing activities	(3,589,734)	(841,118)
Net cash from financing activities	25,003,998	62,171
Net changes in cash and cash equivalents	23,339,950	2,254,645
Cash and cash equivalents brought forward	75,289,849	98,629,799
Cash and cash equivalents carried forward	98,629,799	100,884,444

Net cash from operating activities**Financial year ended 30 June 2001**

The cash inflow was mainly due to interest received amounted to RM3,056,470.

Financial period ended 31 December 2001

The cash inflow was mainly from the contribution by Extiva and interest received.

Net cash used in investing activities**Financial year ended 30 June 2001**

The cash outflow due mainly to the purchase of property, plant & equipment mainly comprises computer hardware and software, office equipment and motor vehicles which amounted to RM2,230,828 and investment in unquoted shares which amounted to RM331,200.

The Group also incurred development expenditure of RM1,028,599 in respect of the development of YTL Community Portal and PNA.com.

Financial period ended 31 December 2001

The cash outflow due mainly to development expenditure paid amounted to RM99,988 and the purchase of property, plant & equipment mainly comprises computer infrastructure and equipment and telecommunication equipment which amounted to RM741,130.

Net cash from financing activities**Financial year ended 30 June 2001**

The cash inflow was mainly due to proceeds from issuance of ordinary shares during the financial year. The Company issued 50,000,000 ordinary shares of RM1.00 each out of which RM25,000,000 was satisfied by way of capitalisation of advances from its holding company.

Financial period ended 31 December 2001

The cash inflow was mainly due to proceeds from issuance of ordinary shares to the minority shareholders of PNA.

6. FINANCIAL INFORMATION (Cont'd)

6.5 FUTURE CAPITAL EXPENDITURE AND EXPANSION

The gross proceeds from the New Issue amounting to RM38,500,000.00 will accrue entirely to the Group and will be utilised as follows:-

	RM'000
Investment and incubation activities	32,000
Capital expenditure	3,000
Estimated listing expenses	2,450
Working capital	<u>1,050</u>
	<u><u>38,500</u></u>

6.6 WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES

Presently, the Group does not have any borrowings nor contingent liabilities. The Directors of the Company are of the opinion that the Company has sufficient working capital to meet the needs and foreseeable requirements of the Group.

7. SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN

YTL e-Solutions believes that the success of the MSC and the development of a K-economy hinges on Malaysia developing and adopting new technologies and having a large pool of knowledge workers with the right skill set. The development of new technologies is in turn dependent to a large extent, on the availability of "risk capital" from venture capital funds. Without access to such capital, the Internet age would have advanced at a much slower pace.

YTL e-Solutions understands that the availability of funds drives innovation at a faster pace. Faster innovation, in turn should drive productivity growth higher, lower inflation and accelerate investment. YTL e-Solutions therefore intends to incubate and invest in businesses exploiting new evolving technologies and software applications for their use and adoption in Malaysia.

Nevertheless, YTL e-Solutions is mindful that success is more than a function of just capital. Therefore, one compelling investment selection criteria of YTL e-Solutions is that the technology and product being developed by a prospective incubatee must be viable over the longer-term.

YTL e-Solutions' expertise lies with its ICC (which comprises of information systems integration specialists, IT project management and consultancy specialists, network administration specialists, database administration and integration specialists, web application development specialists, host-based applications specialists, digital transmission and communications specialists, multimedia and graphics specialists, IT training and resource development specialists, system maintenance and support specialists) as well as its non-IT related expertise in the form of investment and business analysts. It also has access to extensive entrepreneurial experience and being part of the YTL Group with its investment track record, it is in a good position to advise, nurture and grow new companies and new technologies, so that real benefits are derived and tangible shareholder value is created over the longer term.

YTL e-Solutions therefore strives to be more than just a quasi-venture capitalist, it will be a provider of "smart capital" – i.e. financial capital, as well as "real world" knowledge capital to eliminate many of the risks associated with new technology investments, be they technical, financial or operational.

YTL e-Solutions intends to help new entrepreneurs avoid common management pit-falls, allowing them to focus on the areas where they will create the most value. The enterprise will also benefit from the association with the "YTL" brand name, which will create opportunities from business networks and could possibly make it easier to attract and retain staff, and generally speed up the development of the company.

The technology sectors being targeted by YTL e-Solutions include, but are not limited to, Internet and e-Commerce applications and technologies, cutting edge hardware solutions, data warehouse infrastructure, content management and delivery solutions, communications and networking solutions (including wireless and broadband related technologies), enabling technologies (including web enabling technologies, Internet appliances and related solutions), digital broadcast and multimedia technologies and services, smart card related and encryption technologies, biometric technologies and any other new and evolving technologies.

YTL e-Solutions goals for the next five years are as follows:-

A. Investment & Incubation

- To establish itself as a premium one-stop incubator-investor providing its incubatees quality services and support.
- To invest in high growth, knowledge-intensive sectors that leverage on new technologies and build a stable of portfolio incubatees and investments with high yield/returns both locally and internationally.

7. SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN (Cont'd)

- To source and form strategic alliances both locally and overseas using public quoted equity through its formal and informal network of international advisors comprising of IT entrepreneurs, venture capitalists, strategic technology advisors and investment banks. YTL e-Solutions may utilise its shares or other equity related instruments that are listed on a stock exchange as currency or consideration for entering into possible tie-ups with other parties.
- To invest in and nurture companies with new evolving technologies and software applications for use and adoption in Malaysia.
- To develop brand status by way of focused or highly targeted advertising or promotional activities, aimed at technopreneurs, technology start ups and other venture capital companies (for co-investment opportunities).
- To cultivate long term relationships with its network of contacts to maintain a high level of deal flow from anchor relationships by maintaining a high level of service and care to ensure that the Company will be provided with a steady and predictable flow of prospects and business.
- To implement an account management scheme, whereby a dedicated member of the investment team will be responsible for co-ordinating and managing all of YTL e-Solutions communication and interaction with its network of contacts. This will ensure that the level of service and attention to detail is sufficient to retain these key contacts in the long term.

Extiva

- To continue with the R & D of communications technology.
- To achieve maximum adaptation of VoIP services for its customers by designing a network configuration which will seamlessly integrate with existing services and thus offering Extiva's customers the highest level of automation possible while mitigating or eliminating the need for additional investment by the client.
- To actively market its services and increase its customers base.

PNA

- To promote its investments and products which include developing www.PropertyNetAsia.com into a premier property portal to serve the needs of the real estate industry in the Asia Pacific region in general and Malaysia in particular and attract visitors to the portal to generate income from property transaction and project launches.
- To build and maintain a fully comprehensive, real estate research database on the Malaysian property market.
- To attract real estate listings from property developers and real estate agents in Malaysia and derive revenue from subscription and transaction charges for real estate transactions conducted through the portal.

7. SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN (Cont'd)

B. ICC

- To establish training programmes to enhance the skills and capabilities of its current knowledge capital.
- To expand and equip its knowledge capital, through prudent recruitment of qualified and experienced personnel to provide better support and services to its incubatees.
- To:-
 - (i) carry out research, study and keep itself up-dated with the latest software applications;
 - (ii) develop new software applications;
 - (iii) participate in knowledge and technology transfer with international software development companies; and
 - (iv) carry out "in-house" testing of new software applications and products.
- To, if necessary, expand its physical office and upgrade its connectivity infrastructure, to cater for increased numbers of incubatees.

C. Applications Development

- To complete its current applications development projects.
- To establish a competent and efficient sales and marketing team to market the completed solutions, applications and products to external clients, as a means of generating further revenues.
- To develop the brand status of YTL e-Solutions' products, by way of focused or highly targeted advertising or promotional activities, aimed at engineers, product specialists, industry specialists and purchasing staff, by participating in industry specific exhibitions and fair.
- To enhance the Company's reputation as a provider of excellent customer service, product quality and a rigorous after sales support service.
- To cultivate long term anchor clients, assuming this can be achieved, in time to implement a client account management or an account executive scheme, whereby a dedicated member of the marketing team will be responsible in co-ordinating and managing all of YTL e-Solutions communication and interaction with the client. This will ensure that the level of customer service and attention to detail is sufficient to retain these key customers in the long term.

D. Web Design / Hosting / Maintenance

- To increase its client base to fully utilise its capacity.

7. **SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN (Cont'd)**

E. Progressive Independence from YTL Corporation

YTL e-Solutions intends to progressively implement its plan of action for independence from YTL Corporation through the achievement of its specific developmental milestones. These milestones are dependent upon the number of investments or incubatees it will acquire in future.

Stage One: Zero (0) to five (5) investments or incubatees

This is the stage YTL e-Solutions is currently at, with two investments or incubatees currently under its incubation programme.

At this juncture, the involvement of YTL Corporation in providing support services to YTL e-Solutions and its incubatees is significant. This support and provision of services comprises:-

- (i) legal and company secretarial support;
- (ii) finance, accounting and taxation support;
- (iii) management consultancy support and financial monitoring;
- (iv) marketing and public relations support;
- (v) business model re-design and refinement advice; and
- (vi) corporate finance advice.

Once YTL e-Solutions has acquired more than five investments or incubatees, it will proceed to the next stage of its implementation plan.

Stage Two: Six (6) to eight (8) investments or incubatees

At this stage, the dependence to YTL Corporation becomes moderate. YTL e-Solutions will establish separate functionality units within its organisation to service and support its incubatees. These functionality units will be at their infancy and will function in concert with the support and services functions extended by YTL Corporation. The functionality units to be established are similar to those described in Stage One above. YTL e-Solutions will undertake to recruit key employees to establish and oversee its functionality units with a view of expansion upon the achievement of its next developmental milestone.

Stage Three: Nine (9) to twelve (12) investments or incubatees

Upon acquisition of its ninth incubatees, YTL e-Solutions will seek to establish an expansion of the responsibilities of its separate functionality units through further recruitment of employees and necessary resources to cater for the growing demands and responsibilities in providing the support and services to its incubatees.

YTL Corporation, at this juncture will provide a low level of support and involvement to YTL e-Solutions. However, it will continue to play a complementary role to YTL e-Solutions and its incubatees.

7. SUMMARY OF THE FIVE (5) YEAR BUSINESS PLAN (Cont'd)

Stage Four: Thirteen (13) to fourteen (14) investments or incubatees

As YTL e-Solutions expands, and its incubatees under its incubation programme grows to thirteen, the involvement of YTL Corporation will become insignificant. YTL e-Solutions will refer to YTL Corporation for advice and limited support only where necessary. The separate functionality and support that was once fully provided by YTL Corporation will now function effectively and independently within YTL e-Solutions. Its functions will be integral to the overall operational effectiveness of YTL e-Solutions. The establishment of separate individual cost centres and resource centre will improve the effectiveness of these separate functionality units in servicing and supporting YTL e-Solutions and its incubatees.

Stage Five: Above fifteen investments or incubatees

YTL e-Solutions upon acquisition of its fifteenth incubatees onwards, will strive to be fully independent and autonomous from YTL Corporation. YTL Corporation will no longer play any role in providing any services or support to YTL e-Solutions. YTL e-Solutions will, by the achievement of this milestone, be capable of fully providing support and value added services to its incubatees on its own.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL

8.1 INFORMATION ON PROMOTERS AND MAJOR SHAREHOLDERS

The promoters of YTL e-Solutions are as follows: -

1. YTL Corporation
2. Tan Sri Dato' Francis Yeoh Sock Ping

The promoters and major shareholders and their shareholdings in YTL e-Solutions are as follows: -

	Nationality/ Place of Incorporation (Designation)	<-----Before the New Issue-----> No. of ordinary shares of RM1.00 each held				<-----After the New Issue-----> No. of ordinary shares of RM1.00 each held			
		Direct	%	Indirect	%	Direct	%	Indirect	%
		'000		'000		'000		'000	
YTL Corporation	Malaysia	100,000	100.00	-	-	100,000	74.07	-	-
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	Malaysia	-	-	#100,000	100.00	-	-	#100,000	74.07
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Tan Sri Dato' Francis Yeoh Sock Ping (Executive Chairman and Managing Director)	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Dato' Yeoh Seok Kian	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Yeoh Soo Min	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Dato' Yeoh Seok Hong (Executive Director)	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Dato' Michael Yeoh Sock Siang (Executive Director)	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Yeoh Soo Keng	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07
Dato' Mark Yeoh Seok Kah (Executive Director)	Malaysian	-	-	*100,000	100.00	-	-	*100,000	74.07

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Note:-

By virtue of its substantial shareholdings in YTL Corporation.

* By virtue of their substantial shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd which is a substantial shareholder of YTL Corporation.

Details of YTL Corporation are as follows:

- (i) YTL Corporation was incorporated on 9 November 1982 under the Companies Act, 1965 as a private limited company.
- (ii) The authorised share capital of YTL Corporation is RM1,500,000,000.00 comprising 3,000,000,000.00 ordinary shares of RM0.50 each, of which 1,474,586,223 have been issued and fully paid up as at 17 May 2002.
- (iii) The principal activities of the YTL Corporation are those of an investment holding and management company.

The details of the directors of YTL Corporation as at 17 May 2002 are as follows:-

	Designation	Nationality	Number of shares held			
			Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	Executive Chairman	Malaysian	5,064,351	0.35	¹ 684,961,797	47.21
Tan Sri Dato' Francis Yeoh Sock Ping	Managing Director	Malaysian	9,269,482	0.64	² 683,005,375	47.07
Dato' Yeoh Seok Kian	Deputy Managing Director	Malaysian	3,183,760	0.22	³ 682,616,072	47.04
Dato' (Dr) Yahya bin Ismail	Director	Malaysian	409,416	0.03	⁴ 112,515	0.01
Mej. Jen. (B) Dato' Haron bin Mohd. Taib	Director	Malaysian	-	-	-	-
Yeoh Soo Min	Director	Malaysian	3,671,696	0.25	⁵ 682,305,105	47.02
Dato' Yeoh Seok Hong	Director	Malaysian	3,153,460	0.22	⁶ 684,454,610	47.17
Dato' Michael Yeoh Sock Siong	Director	Malaysian	2,750,623	0.19	⁷ 684,453,480	47.17
Yeoh Soo Keng	Director	Malaysian	3,180,156	0.22	⁸ 682,275,525	47.02
Dato' Mark Yeoh Seok Kah	Director	Malaysian	1,617,108	0.11	⁹ 682,664,451	47.05
Tuan Syed Abdullah Bin Syed Abd. Kadir	Director	Malaysian	2,448	-	¹⁰ 2,754	-

Notes:-

1. Deemed interested by virtue of his substantial shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong
2. Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Puan Sri Datin Rosaline Chan Yee Hing
3. Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Lim Lee Lee
4. Deemed interested by virtue of the shareholding of his spouse, Datin Fatimah Binti Eusoff

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (*Cont'd*)

5. *Deemed interested by virtue of her shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of her spouse, Tan Kim Kuan*
6. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Kathleen Chew*
7. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Tan Siew Bee*
8. *Deemed interested by virtue of her shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of her spouse, Choy Wai Hin*
9. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Julie Teh Chooi Gan*
10. *Deemed interested by virtue of the shareholding of his spouse, Sharifah Fadzlan Binti Fadzil*

The details of the major shareholders of YTL Corporation as at 17 May 2002 are as follows:-

	Designation	Nationality/ Place of Incorporation	Number of shares held			
			Direct	%	Indirect	%
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	-	Malaysia	682,221,057	47.02	-	-
Lembaga Tabung Angkatan Tentera	-	Malaysia	188,145,022	12.97	-	-
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	Executive Chairman	Malaysian	5,064,351	0.35	¹ 684,961,797	47.21
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	-	Malaysian	2,740,740	0.19	² 687,285,408	47.37
Tan Sri Dato' Francis Yeoh Sock Ping	Managing Director	Malaysian	9,269,482	0.64	³ 683,005,375	47.07
Dato' Yeoh Seok Kian	Deputy Managing Director	Malaysian	3,183,760	0.22	⁴ 682,616,072	47.04
Yeoh Soo Min	Director	Malaysian	3,671,696	0.25	⁵ 682,305,105	47.02
Dato' Yeoh Seok Hong	Director	Malaysian	3,153,460	0.22	⁶ 684,454,610	47.17
Dato' Michael Yeoh Sock Siong	Director	Malaysian	2,750,623	0.19	⁷ 684,453,480	47.17
Yeoh Soo Keng	Director	Malaysian	3,180,156	0.22	⁸ 682,275,525	47.02
Dato' Mark Yeoh Seok Kah	Director	Malaysian	1,617,108	0.11	⁹ 682,664,451	47.05
Employees Provident Fund Board	-	Malaysian	168,083,370	11.58	-	-

Notes:-

1. *Deemed interested by virtue of his substantial shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong*
2. *Deemed interested by virtue of her shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of her spouse, Tan Sri Dato' Seri (Dr) Seri Yeoh Tiong Lay*
3. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Puan Sri Datin Rosaline Chan Yee Hing*
4. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Lim Lee Lee*

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (*Cont'd*)

5. *Deemed interested by virtue of her shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of her spouse, Tan Kim Kuan*
6. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Kathleen Chew*
7. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Tan Siew Bee*
8. *Deemed interested by virtue of her shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of her spouse, Choy Wai Hin*
9. *Deemed interested by virtue of his shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd & the shareholding of his spouse, Datin Julie Teh Chooi Gan*

Yeoh Tiong Lay & Sons Holdings Sdn Bhd was incorporated on 31 January 1979 under the Companies Act, 1965 as a private limited company. Its principal activities are those of an investment and property holding company and the provision of financial management services. The authorised share capital of Yeoh Tiong Lay & Sons Holdings Sdn Bhd is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each of which RM40,720,008 have been issued and fully paid up as at 17 May 2002.

Directors and Major Shareholders of Yeoh Tiong Lay and Sons Holdings Sdn Bhd as at 17 May 2002 are as follows:-

	Designation	Nationality	Number of shares held in Yeoh Tiong Lay and Sons Holdings Sdn Bhd			
			Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	Chairman	Malaysian	8,220,004	20.19	*5,000,004	12.28
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	Director	Malaysian	5,000,004	12.28	*8,220,004	20.19
Tan Sri Dato' Francis Yeoh Sock Ping	Director	Malaysian	5,000,000	12.28	-	-
Dato' Yeoh Seok Kian	Director	Malaysian	5,000,000	12.28	-	-
Yeoh Soo Min	Director	Malaysian	1,250,000	3.07	-	-
Dato' Yeoh Seok Hong	Director	Malaysian	5,000,000	12.28	-	-
Dato' Michael Yeoh Sock Siong	Director	Malaysian	5,000,000	12.28	-	-
Yeoh Soo Keng	Director	Malaysian	1,250,000	3.07	-	-
Dato' Mark Yeoh Seok Kah	Director	Malaysian	5,000,000	12.28	-	-

Notes:-

Deemed interested by virtue of the shareholding of Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong

* *Deemed interested by virtue of the shareholding of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay*

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

The list of subsidiary and associated companies of YTL Corporation as at 17 May 2002 are as follows:-

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
Arah Asas Sdn Bhd	Malaysia 10.06.1991	RM25,000 RM2	100.00	Dormant
Austasia Timbers Malaysia Sendirian Berhad	Malaysia 25.07.1967	RM5,000,000 RM893,402	100.00	Property investment, realty and sub-contract
Austasia Metal Sdn Bhd	Malaysia 25.05.1992	RM2,000,000 RM800,000	100.00	Inactive
Autodome Sdn Bhd	Malaysia 27.01.1994	RM100,000 RM10,000	100.00	Operator of food & beverage and entertainment center
Awan Serunding Sdn Bhd	Malaysia 11.06.1993	RM100,000,000 RM6,550,000	53.73	Investment holding
Batu Tiga Quarry Sdn Bhd	Malaysia 26.10.1967	RM5,000,000 RM126,395	100.00	Quarry operator business and trading of granite aggregates.
Bayumaju Development Sdn Bhd	Malaysia 21.10.1996	RM1,000,000 RM500,000	100.00	Property development
Boom Time Strategies Sdn Bhd	Malaysia 19.12.1966	RM100,000 RM10,000	39.50	Dormant
Budaya Bersatu Sdn Bhd	Malaysia 18.05.1995	RM100,000 RM2	100.00	Dormant
Buildcon-Cimaco Concrete Sdn Bhd	Malaysia 28.03.1989	RM10,000,000 RM6,700,000	33.88	Manufacturer of ready-mixed concrete
Buildcon Concrete Sdn Bhd	Malaysia 12.08.1996	RM10,000,000 RM10,000,000	67.16	Manufacturer of ready-mixed concrete
Buildcon Concrete Enterprise Sdn Bhd	Malaysia 07.10.1991	RM250,000 RM2	67.16	Investment holding
Buildcon Vietnam Limited	British Virgin Islands 10.06.1996	USD50,000,000 USD200,000	47.01	Dormant
Builders Brickworks Sdn Bhd	Malaysia 06.06.1981	RM5,000,000 RM3,869,000	64.26	Manufacturer and dealer of all kind of bricks
Business & Budget Hotels Sdn Bhd	Malaysia 26.05.1990	RM10,000,000 RM7,000,000	100.00	Investment holding & property investment
Business & Budget Hotels (Ipoh) Sdn Bhd	Malaysia 29.07.1991	RM250,000 RM200,000	100.00	Hotel & resort operations

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
Business & Budget Hotels (Penang) Sdn Bhd	Malaysia 14.04.1993	RM50,000,000 RM43,833,350	51.00	Hotel & resort operations
Business & Budget Hotels (Seberang Jaya) Sdn Bhd	Malaysia 05.07.1993	RM5,000,000 RM4,182,640	51.00	Hotel & resort operations
Cane Creations Sdn Bhd	Malaysia 02.10.1982	RM250,000 RM250,000	100.00	Manufacture & trading of cane furniture
Cane Creations (Marketing) Sdn Bhd	Malaysia 06.09.1982	RM500,000 RM100,000	100.00	Trading in cane furniture
C.I. Readymix Sdn Bhd	Malaysia 31.12.1982	RM10,000,000 RM7,000,000	67.16	Production and sale of ready-mix concrete
Construction Lease (M) Sdn Bhd	Malaysia 09.10.1982	RM5,000,000 RM1,500,002	100.00	Hire-purchase and credit
Dynamic Marketing Sdn Bhd	Malaysia 25.09.1982	RM5,000,000 RM2,000,002	100.00	Trading of building and construction materials
Dynamic Marketing (UK) Limited	England 04.05.1990	GBP20,000 GBP20,000	100.00	Inactive
Dynamic Property Management Sdn Bhd	Malaysia 11.10.1983	RM5,000,000 RM1,000,002	100.00	Property development
Emerald Hectares Sdn Bhd	Malaysia 25.07.1996	RM100,000,000 RM60,000,000	70.00	Property development
Extiva Communications Sdn Bhd	Malaysia 14.04.1998	RM500,000 RM180,000	70.00	Developing and marketing of VoIP telephony services
Fine Aggregates Resources Sdn Bhd (formerly known as Bagan Serai Fishery Sdn Bhd)	Malaysia 30.12.1982	RM250,000 RM100,000	27.50	Inactive
First Commercial Development Sdn Bhd	Malaysia 10.01.1983	RM2,000,000 RM1,000,002	100.00	Property investment
GKM-SPYTL JV Sdn Bhd	Malaysia 07.06.1984	RM250,000 RM30,000	100.00	Civil engineering works & construction
Intellectual Mission Sdn Bhd	Malaysia 16.11.2001	RM100,000 RM2	100.00	Provision of e-learning business

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
Island Air Sdn Bhd	Malaysia 18.05.1995	RM100,000 RM100,000	70.00	Chartering of aircrafts
Jaksa Quarry Sdn Bhd	Malaysia 14.02.1992	RM10,000,000 RM7,500,002	100.00	Quarry operator
Katagreen Development Sdn Bhd	Malaysia 30.08.1994	RM100,000 RM2	100.00	Dormant
Lay Seng Oil Palm Plantations Sdn Bhd	Malaysia 20.06.1978	RM5,000,000 RM1,500,000	100.00	Cultivation of oil palms
Lot Ten Centre Management Sdn Bhd	Malaysia 04.01.1988	RM250,000 RM100,000	77.46	Dormant
Lot Ten Security Sdn Bhd	Malaysia 14.08.1990	RM25,000 RM25,000	77.46	Dormant
Mayang Sari Sdn Bhd	Malaysia 13.11.1984	RM12,000,000 RM11,000,000	77.46	Dormant
Mini-Mix Sdn Bhd	Malaysia 09.01.1991	RM100,000 RM100,000	67.16	Manufacture of ready-mixed concrete
PDC Heritage Hotel Sdn Bhd	Malaysia 17.10.1995	RM30,000,000 RM26,696,902	51.00	Dormant
Pintar Projek Sdn Bhd	Malaysia 01.09.1994	RM100,000 RM10,000	100.00	Dormant
PropertyNetAsia (Malaysia) Sdn Bhd (formerly known as Digital Parade Sdn Bhd)	Malaysia 30.10.2000	RM5,000,000 RM2,500,000	60.00	To develop and operate a property portal known as PropertyNetAsia.com.my
Puncak Serunding Sdn Bhd	Malaysia 03.04.1991	RM2,000,000 RM200,000	100.00	Dormant
Prisma Tulin Sdn Bhd	Malaysia 10.06.1991	RM25,000,000 (Ordinary Shares) RM25,000,000 (Preference Shares) RM21,424,804 (Ordinary Shares) RM19,600,000 (Preference Shares)	59.30	Hotel development
Restoran Kisap Sdn Bhd	Malaysia 19.09.1991	RM250,000 RM100,000	100.00	Restaurant business
Satria Sewira Sdn Bhd	Malaysia 09.11.1988	RM1,000,000 RM500,000	100.00	Property development and investment
Sentul Raya Sdn Bhd	Malaysia 27.08.1992	RM24,000,000 RM8,000,001	54.22	Property development and property investment

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
Sentul Raya City Sdn Bhd	Malaysia 07.08.1992	RM25,000 RM2	54.22	Property development and property investment
Sentul Raya Golf Club Berhad	Malaysia 18.10.1994	RM10,000,000 RM5,000,000	54.22	Promotion of golf, other sports and hobbies
Slag Cement Sdn Bhd	Malaysia 28.11.1995	RM25,000,000 RM21,000,000	67.16	Manufacture and supply of slag cement
Slag Cement (Northern) Sdn Bhd	Malaysia 31.12.1994	RM100,000 RM2	67.16	Dormant
Slag Cement (Southern) Sdn Bhd	Malaysia 22.06.1993	RM25,000,000 RM25,000,000	67.16	Manufacture and supply of slag cement
Slag Cement (Lumut) Sdn Bhd	Malaysia 06.12.1997	RM100,000 RM2	67.16	Dormant
Specialist Cement Sdn Bhd (formerly known as Concrete Pacific Sdn Bhd)	Malaysia 08.08.1995	RM1,000,000 RM500,000	57.09	Manufacture of dry concrete products
Straits Cement Sdn Bhd	Malaysia 12.11.1991	RM500,000,000 RM10,000,000	52.55	Manufacture of cement
Suri Travel & Tours Sdn Bhd	Malaysia 22.10.1982	RM200,000 RM200,000	85.00	Car rental and air-ticketing
Syarikat Kemajuan Perumahan Negara Sdn Bhd	Malaysia 11.09.1982	RM5,000,000 RM3,000,000	65.00	Property development
Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	Malaysia 15.07.1972	RM500,000,000 RM300,000,000	100.00	Civil engineering works & construction
Star Hill Hotel Sdn Bhd	Malaysia 17.10.1995	RM500,000 RM200,000	100.00	Operator and management of hotel
Star Hill Living.Com Sdn Bhd	Malaysia 16.08.2000	RM100,000 RM2	100.00	Trading and supply of furniture
Transportable Camps Sdn Bhd	Malaysia 26.08.1981	RM5,000,000 RM1,300,000	100.00	Trading & rental of transportable cabins and wood based products
Tugas Sejahtera Sdn Bhd	Malaysia 08.07.1996	RM250,000,000 RM5,750,000	47.01	Investment holding
Yap Yew Hup Brickworks (Perak) Sdn Bhd	Malaysia 05.05.1975	RM2,000,000 RM600,004	64.26	Rental of plant and machinery

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
Yeoh Tiong Lay Brickworks Sdn Bhd	Malaysia 12.10.1977	RM3,000,000 RM1,854,000	100.00	Inactive
Yeoh Tiong Lay Realty Sdn Bhd	Malaysia 24.06.1978	RM2,000,000 RM750,005	100.00	Realty, investment & management services
Yeoh Tiong Lay Management Sdn Bhd	Malaysia 07.10.1982	RM2,000,000 RM300,000	100.00	Inactive
YTL Cayman Limited	Cayman Islands 07.03.1997	USD50,000 USD2	100.00	Ownership and chartering of yachts and vessels
YTL Cement Berhad	Malaysia 29.01.1977	RM1,000,000,000 RM145,479,640	67.16	Investment holding
YTL Cement Marketing Sdn Bhd	Malaysia 24.12.1997	RM100,000 RM2	67.16	Marketing of cement products
YTL Charters Sdn Bhd	Malaysia 13.02.1995	RM100,000 RM2	100.00	Chartering of aircrafts, helicopters, ships and vehicles
YTL Energy Sdn Bhd	Malaysia 14.03.1992	RM500,000,000 RM2,000,000	100.00	Dormant
YTL Digital Sdn Bhd	Malaysia 24.03.1992	RM2,000,000 RM2	100.00	Dormant
YTL e-Solutions Berhad	Malaysia 14.03.1992	RM1,000,000,000 RM100,000,000	100.00	Investment in e-commerce & internet related businesses and provision of related services
YTL Civil Engineering Sdn Bhd	Malaysia 21.10.1989	RM15,000,000 RM10,000,000	90.00	Civil engineering works & construction
YTL Heritage Hotels Sdn Bhd	Malaysia 19.08.1994	RM100,000 RM2	100.00	Dormant
YTL Hotels & Properties Sdn Bhd	Malaysia 03.05.1991	RM500,000 RM150,000	100.00	Investment holding & management services
YTL Hotels Central Services Sdn Bhd	Malaysia 21.06.2000	RM100,000 RM2	100.00	Provision of hotel related central services
YTL Hotel Management Services Sdn Bhd	Malaysia 20.06.1995	RM1,000,000 RM2	100.00	Dormant

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
YTL Industries Berhad	Malaysia 14.05.1976	RM100,000,000 RM12,980,009	100.00	Property development & management
YTL Land & Development Berhad <i>(formerly known as Taiping Consolidated Berhad)</i>	Malaysia 27.04.1937	RM500,000,000 (Ordinary Shares) RM300,000,000 (Preference Shares) RM129,103,500 (Ordinary Shares) RM240,096,695 (Preference Shares)	77.46	Provision of financial, treasury and secretarial services
YTL Land Sdn Bhd	Malaysia 17.08.1991	RM5,000,000 RM1,000,000	100.00	Investment holding
YTL Power Generation Sdn Bhd	Malaysia 19.11.1992	RM250,000,000 (Ordinary Shares) RM249,999,999.80 (Preference Shares) RM0.20 (Special Shares) RM12,000,000 (Ordinary Shares) RM30,000,000 (Preference Shares) RM0.20 (Special Shares)	60.38	Power generation
YTL Power International Berhad	Malaysia 18.10.1996	RM11,365,000,000 RM2,288,671,843	60.38	Investment holding
YTL Power Services Sdn Bhd	Malaysia 16.10.1993	RM50,000,000 RM200,000	100.00	Operation and maintenance of power stations
YTL Premix Sdn Bhd	Malaysia 12.10.1982	RM5,000,000 RM2	100.00	Supply of asphaltic concrete
YTL Project Management Services Sdn Bhd	Malaysia 05.03.1991	RM25,000 RM20,000	100.00	Provision of management services
YTL Retail Services Sdn Bhd	Malaysia 09.02.1995	RM100,000 RM2	100.00	Retail services
YTL Technologies Sdn Bhd	Malaysia 14.12.1989	RM10,000,000 RM9,000,000	86.86	Servicing and hiring of equipment
Yeoh Tiong Lay Construction (S) Pte. Ltd.	Singapore 29.07.1981	S\$5,000,000 S\$500,000	100.00	Property investment
YTL Cement Singapore Pte. Ltd.	Singapore 20.10.1997	S\$100,000 S\$2	67.16	Marketing of cement products
YTL Corporation (UK) PLC	England 04.05.1927	GBP150,000 GBP150,000	100.00	Dormant

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Subsidiaries				
YTL (Guernsey) Limited	Guernsey 11.10.1991	GBP10,000 GBP2	100.00	Investment holding
YTL Construction (SA) (Proprietary) Limited	South Africa 07.09.1992	Rand4,000 Rand100	100.00	Inactive
YTL (PNG) Limited	Papua New Guinea 31.07.1985	KINA100,000 KINA100,000	100.00	Construction contracting
YTL-CPI Power Limited	Hong Kong SAR 14.09.1995	HKD1,000,000 HKD1,000,000	30.79	Dormant
YTL Power International Holdings Limited	Cayman Islands 16.10.2000	USD50,000 (Ordinary Shares) USD50,000 (Preference Shares) USD5,000 (Ordinary Shares) USD8,450 (Preference Shares)	60.38	Investment holding
YTL Power Australia Limited	Cayman Islands 16.10.2000	USD50,000 (Ordinary Shares) USD50,000 (Preference Shares) USD 5,000 (Ordinary Shares) USD 8,450 (Preference Shares)	60.38	Investment holding
YTL Power Finance (Cayman) Limited	Cayman Islands 09.05.2001	USD50,000 USD1	60.38	Investment holding
YTL Utilities Limited	Cayman Islands 08.02.2002	GBP30,000 GBP1	60.38	Investment holding
YTL Utilities (UK) Limited	England and Wales 18.12.2001	GBP100 GBP2	60.38	Investment holding
Associated Companies				
Business & Budget Hotels (Kuantan) Sdn Bhd	Malaysia 09.04.1991	RM16,000,000 RM16,000,000	50.00	Hotel & resort operations
Eastern & Oriental Express Ltd.	Bermuda 08.08.1990	USD26,000,000 USD22,843,000	32.00	Ownership and management of the luxury train service known as the "Eastern & Oriental Express"

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Associated Companies				
Electranet Transmission Services Pty. Ltd.	Australia Capital Territory 11.08.2000	AUD10,000 AUD10,000	20.23	Principal electricity transmission network service provider
Express Rail Link Sdn Bhd	Malaysia 29.01.1996	RM453,000,000 (Ordinary Shares) RM47,000,000 (Preference Shares) RM30,000,000 (Ordinary Shares) RM27,000,000 (Preference Shares)	40.00	Operation of train
IBSB – SPYTL Sdn Bhd	Malaysia 13.11.1992	RM250,000 RM2	50.00	Civil engineering works & construction
JDSB – SPYTL Sdn Bhd	Malaysia 16.01.1993	RM250,000 RM2	50.00	Civil engineering works & construction
Jimah Power Generation Sdn Bhd	Malaysia 30.05.2001	RM10,000,000 RM10,000	29.59	Developing, constructing, completing, maintaining and operating power plants
Noriwasa Sdn Bhd	Malaysia 16.12.1994	RM100,000 RM2	40.00	Property development
North South Development Sdn Bhd	Malaysia 06.05.1980	RM6,000,000 RM6,000,000	49.00	Property development
Pahang Cement Sdn Bhd	Malaysia 05.08.1971	RM200,000,000 RM140,000,000	33.58	Manufacture of cement
Pahang Cement Marketing Sdn Bhd	Malaysia 11.02.1993	RM1,000,000 RM500,000	33.58	Marketing of cement
Pakatan Perakbina Sdn Bhd	Malaysia 28.05.1981	RM10,000,000 RM4,250,000	40.00	Property development & building construction
Perwira YTL Corporation Sdn Bhd	Malaysia 31.05.1989	RM1,000,000 RM600,000	49.00	Civil engineering works & construction
PYP Sendirian Berhad	Malaysia 16.03.1987	RM1,000,000 RM250,000	38.00	Property development
Quarry Ventures Holdings Sdn Bhd	Malaysia 02.05.1997	RM100,000 RM100,000	30.00	Investment holding
Quarry Ventures Sdn Bhd	Malaysia 23.06.1997	RM100,000 RM100,000	30.00	Operator of quarry & trading of sand, quarry and building materials

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Name of Company	Place & Date Of Incorporation	Authorised and Issued Paid-up Share Capital	Effective Equity Interest held (%)	Principal Activities
Associated Companies				
RME – SPYTL Sdn Bhd	Malaysia 12.01.1991	RM250,000 RM30,000	50.00	Civil engineering works and construction
Skaarup & Jespersen (Malaysia) Sdn Bhd	Malaysia 05.10.1990	RM500,000 RM200,000	40.00	Management & consultancy services
Superb Aggregates Sdn Bhd	Malaysia 22.06.1993	RM400,000 RM200,000	50.00	Extraction, removal, processing and sale of sand
Surin Bay Company Limited	Thailand 29.12.1981	Baht 90,000,000 Baht 90,000,000	49.00	Hotel & Resort Operations
Tanming Aggregates Sdn Bhd	Malaysia 26.03.1997	RM100,000 RM2,000	25.00	Extraction removal, processing and sale of sand
Teknologi Tenaga Perlis (Overseas) Consortium Sdn Bhd	Malaysia 17.07.1996	RM1,000,000 RM100	18.11	Dormant
Trans-Pacific Hotels Sdn Bhd	Malaysia 22.05.1991	RM100,000 RM20,000	50.00	Inactive
Trans-Pacific Resorts Sdn Bhd	Malaysia 14.07.1984	RM25,000 RM2	50.00	Inactive
Udapakat Bina Sdn Bhd	Malaysia 12.11.1990	RM45,000,000 RM41,960,680	28.00	Property development
ZE – SPYTL Sdn Bhd	Malaysia 07.06.1993	RM100,000 RM2	50.00	Civil engineering works and construction

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

8.2 DIRECTORS**(i) Profile**

The details and the profile of the Board of Directors of YTL e-Solutions are as follows:-

Tan Sri Dato' Francis Yeoh Sock Ping, aged 47, was appointed to the Board of the Company on 26 April 2000 as Executive Chairman and Managing Director. He is also the Managing Director of YTL Corporation, YTL Cement Berhad and YTL Power International Berhad and was appointed to the respective Boards on 6 April 1984, 19 March 1992 and 18 October 1996 respectively. Tan Sri Dato' Francis Yeoh obtained his Bachelor of Science (Hons) Degree in Civil Engineering from Kingston University, United Kingdom in 1978. He joined Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd as a Director in October 1978 and is presently the Managing Director of that company. He currently serves as a Member of the Malaysian Business Council ("MBC"), Malaysian Pacific Basin Economic Council ("PBEC"), Malaysian Industry-Government Group for High Technology ("MIGHT"), Commonwealth Partnership for Technology Management ("CPTM") and the Malaysian South-South Association ("MASSA") and is also an International Council Member of The Asia Society.

Tan Sri Dato' Dr Md Noordin Bin Md Soviee, aged 57, was appointed to the Board of the Company on 19 February 2001 as an Independent Non-Executive Director. He has been a Director of YTL Power International Berhad since 2 June 1997. Tan Sri Dato' Dr Md Noordin Bin Md Soviee is currently the Chairman and Chief Executive Officer of Institute of Strategic and International Studies Malaysia, Chairman of the Malaysia National Committee for Pacific Economic Cooperation, and former Co-Chairman of the Council for Security Cooperation in the Asia Pacific. He also serves on the Board of Bank Negara Malaysia, Kulim (Malaysia) Berhad and Reliance Pacific Berhad. He holds a First Class Division in Bachelor of Science (Economics) degree from the London School of Economics and a Doctorate of Philosophy from the University of London.

Dato' Yeoh Seok Hong, aged 42, was appointed to the Board of the Company on 26 April 2000 as Executive Director. He is also a Director of YTL Corporation and YTL Power International Berhad since 19 June 1985 and 18 October 1996, respectively. He obtained his Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. Dato' Yeoh Seok Hong started his career in the construction industry, being the Executive Director responsible for the YTL Group's construction division. He acted as the Project Director for many large projects undertaken by the YTL Group. When YTL Group was awarded the first Independent Power Producer ("IPP") licence in the country, he was the Director principally responsible for the development of the project and the construction of the two power stations owned by YTL Power Generation Sdn Bhd. He continues to be actively involved in the construction activities of the YTL Group and is also responsible for developing the power and utility businesses of the YTL Group. He is responsible for supervising and making investment decisions of YTL e-Solutions Group.

Dato' Michael Yeoh Sock Siong, aged 41, was appointed to the Board of the Company on 15 May 2000 as Executive Director. On 19 June 1985, 1 September 1985 and 21 October 1996, he was appointed to the Boards of YTL Corporation, YTL Cement Berhad and YTL Power International Berhad respectively. He graduated from the University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Michael Yeoh Sock Siong is presently a member of the Faculty of Building, United Kingdom. He is primarily responsible for YTL Group's Manufacturing Division which activities involve cement manufacturing, ready-mixed concrete, slag cement manufacturing, transportable cabins and other building material industries. He is responsible for supervising and making investment decisions of YTL e-Solutions Group.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Dato' Mark Yeoh Seok Kah, aged 37, was appointed to the Board of the Company on 26 April 2000 as Executive Director. He graduated from King's College, University of London with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London on 28 July 1988. He chambered at Messrs Shook Lin & Bok and in August 1989, he joined YTL Group. He is presently the Executive Director responsible for the Hotels and Resorts Division of the YTL Group. He was appointed to the Board of YTL Corporation on 22 June 1995. He is also a Director of YTL Power International Berhad since 21 October 1996. He represents the YTL Group on the Board of Eastern & Oriental Express Limited, a company incorporated in Bermuda, which owns and operates the Eastern & Oriental Express luxury train service between Bangkok and Singapore. He is responsible for supervising and making investment decisions of YTL e-Solutions Group.

Tuan Syed Abdullah Bin Syed Abd. Kadir, aged 48, was appointed to the Board of the Company on 26 April 2000 as Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation and YTL Power International Berhad in 1996 and 1997 respectively, he was general manager of Amanah Capital Partners Berhad (formerly known as South East Asia Development Corporation Berhad), a public listed company with subsidiaries involved in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations from November 1994 to February 1996. He is responsible for supervising and making investment decisions of YTL e-Solutions Group.

Loh Mun San, aged 45, was appointed to the Board of the Company on 26 April 2000 as Executive Director, and has been the General Manager of YTL e-Solutions Sdn Bhd since 1 May 2000. He completed his Systems Engineer training with QuickStart Technologies Inc. in both Los Angeles and Newport Beach, California, USA in May 1995. He has 12 years experience in Information Technology. He was responsible for setting up the regional IT network of PT Sempati Air (the second largest Indonesian Airline) in 1994, and acted as its IT Consultant until 1997. He was one of the founder members of the Malaysia Airlines Boeing B747 & B777 Aircraft Acceptance Team, responsible for the Aircraft interior and In-flight Audio and Video on Demand Computer entertainment system, in terms of Software and Hardware trouble shooting, recovery, operation and implementation. He is responsible for supervising and making investment decisions of YTL e-Solutions Group.

Amarjit Singh Chhina, aged 34, was appointed to the board on 26 April 2000 as Executive Director. He has been a member of the Institute of Bankers (U.K.), has attained professional qualifications from the London International Stock Exchange and the Stock Exchange of Singapore, and has been licensed by the Securities and Futures Authority (U.K.) and the Monetary Authority of Singapore. He has 12 years of international investment and equity market experience, beginning his career in the Fund Management Department of Grieson Grant & Co. in London (which was later acquired by Kleinwort Benson PLC), and last held the position of a UK Equity Fund Manager with Kleinwort Benson Investment Management (managing Institutional Pension Funds and Unit Trusts). In 1990, he joined Barclays de Zoete Wedd Securities Ltd. ("BZW") in London as a UK Building and Construction Sector Analyst. He has advised on a number of equity capital raisings for listed UK Building & Construction companies (pricing, structuring and marketing of new equity related issues), and acted as one of the advisors to Steetley PLC in its defence of the USD1.2 billion hostile takeover bid from Redland PLC. In 1993, he was seconded to BZW Asia, and over the next 5 years held posts with BZW in Hong Kong, Singapore and Malaysia, held the position of Associate Director in Singapore and Malaysia. In 1998, he was appointed Associate Sales Director of HSBC Securities Pte. Ltd. in Singapore, leaving to become a founding Director of Quantaflex S.E.A. Sdn Bhd, a high technology manufacturing company. He is responsible for mergers and investment acquisitions at YTL e-Solutions Group.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (*Cont'd*)

Toh Muda Rizal Ashram Bin Tan Sri Ramli, aged 25, was appointed to the Board of the Company on 24 September 2001 as Independent Non-Executive Director. He graduated from Indiana University and American Intercontinental University in 1997 and 2000 respectively. Toh Muda Rizal Ashram Bin Tan Sri Ramli, is currently the Chief Executive Officer of Integrasi Teguh Sdn Bhd and Selera Warisan Sdn Bhd. He is also an Independent Non-Executive Director of Suri Travel & Tours Sdn Bhd, a subsidiary of YTL Corporation.

Dato' Lau Yin Pin @ Lau Yen Beng, aged 52, was appointed to the Board of the Company on 7 January 2002 as Independent Non-Executive Director. He is also a Non-Executive Director of YTL Power International Berhad since 18 February 1997. He was appointed to the Board of the former Lembaga Letrik Negara on 1 October 1988 and now serves on the Board of Tenaga Nasional Berhad, the successor to Lembaga Letrik Negara. He obtained a Diploma in Commerce with distinction from Tunku Abdul Rahman College in 1974. In 1987, he became a graduate member of the Institute of Chartered Secretaries and Administrators, United Kingdom, and in 1981 was made a Fellow of the Chartered Association of Certified Accountants of the United Kingdom. He has been a member of the Malaysian Institute of Accountants since 1979. He is the Chairman of the Board for Matang Holdings Berhad as well as the Chairman of Koperasi Serbaguna Malaysia Bhd., a cooperative registered under the Cooperative Societies Act.

(ii) Directors' Shareholdings in YTL e-Solutions

The shareholdings of the directors in YTL e-Solutions before and after the New Issue are as follows:-

	<-Before the New Issue->				<-After the New Issue->			
	<-No. of ordinary shares of RM1.00 each held->				<-No. of ordinary shares of RM1.00 each held->			
	Direct	%	Indirect	%	Direct	%	Indirect	%
	'000		'000		'000	'000		
Tan Sri Dato' Francis Yeoh Sock Ping	-	-	*100,000	100.00	-	-	*100,000	74.07
Tan Sri Dato' Dr Md Noordin Bin Md Sopiee	-	-	-	-	#100	**	-	-
Dato' Yeoh Seok Hong	-	-	*100,000	100.00	-	-	*100,000	74.07
Dato' Michael Yeoh Sock Siong	-	-	*100,000	100.00	-	-	*100,000	74.07
Dato' Mark Yeoh Seok Kah	-	-	*100,000	100.00	-	-	*100,000	74.07
Syed Abdullah Bin Syed Abd. Kadir	-	-	-	-	#30	**	-	-
Loh Mun San	-	-	-	-	#100	**	-	-
Amarjit Singh Chhina	-	-	-	-	#100	**	-	-
Toh Muda Rizal Ashram Bin Tan Sri Ramli	-	-	-	-	#15	**	-	-
Dato' Lau Yin Pin @ Lau Yen Beng	-	-	-	-	#15	**	-	-

Notes:-

* Deemed interested by virtue of their substantial shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd which is a substantial shareholder of YTL Corporation.

** Negligible.

Assuming the Public Issue Shares allocated will be taken up by the eligible Directors.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

(iii) Promoters', Major Shareholders' and Directors' Directorships and Major Shareholdings in Other Public Companies for the Past Two (2) Years

Save as disclosed below, none of the promoters, major shareholders and Directors of YTL e-Solutions have directorships and major shareholdings in other public companies for the past two (2) years:-

Promoter/Major Shareholder/Director	Company	Number of shares held as at 17 May 2002			
		Direct	%	Indirect	%
YTL Corporation	YTL Power International Berhad	1,367,538,304	60.36	*367,868	0.02
	YTL Cement Berhad	10,266,080	7.37	^85,273,720	61.24
	YTL Land & Development Berhad	100,000,000	77.46	-	-
	YTL Industries Berhad	12,980,009	100.00	-	-
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	YTL Corporation Berhad	682,221,057	47.02	-	-
	YTL Power International Berhad	46,593,716	2.06	▲1,367,906,172	60.37
	YTL Cement Berhad	467,500	0.34	◆95,539,800	68.61
	YTL Land & Development Berhad	-	-	▲100,000,000	77.46
	YTL Industries Berhad	-	-	▲12,980,009	100.00
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	YTL Corporation Berhad	5,064,351	0.35	*684,961,797	47.21
	YTL Power International Berhad	301,134	0.01	**1,414,648,604	62.43
	YTL Cement Berhad	78,400	0.06	#96,038,660	68.97
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Puan Sri Dato' Seri Tan Kai Yong @ Tan Kay Neong	YTL Corporation Berhad	2,740,740	0.19	*687,285,408	47.37
	YTL Power International Berhad	148,716	0.01	**1,414,801,022	62.44
	YTL Cement Berhad	31,360	0.02	#96,085,700	69.00
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Tan Sri Dato' Francis Yeoh Sock Ping	YTL Corporation Berhad	9,269,482	0.64	*683,005,375	47.07
	YTL Power International Berhad	1,085,805	0.05	**1,414,555,983	62.43
	YTL Cement Berhad	78,400	0.06	#96,023,300	68.96
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Dato' Yeoh Seok Kian	YTL Corporation Berhad	3,183,760	0.22	*682,616,072	47.04
	YTL Power International Berhad	257,728	0.01	**1,414,512,128	62.43
	YTL Cement Berhad	92,400	0.07	#96,007,300	68.94
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Yeoh Soo Min	YTL Corporation Berhad	3,671,696	0.25	*682,305,105	47.02
	YTL Power International Berhad	222,937	0.01	**1,414,620,166	62.44
	YTL Cement Berhad	78,400	0.06	#96,072,100	68.99
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Yeoh Soo Keng	YTL Corporation Berhad	3,180,156	0.22	*682,275,525	47.02
	YTL Power International Berhad	186,170	0.01	**1,414,543,217	62.43
	YTL Cement Berhad	31,360	0.02	#96,038,660	68.97
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Tan Sri Dato' Dr. Md Noordin Bin Md Sopiee	YTL Power International Berhad	-	-	-	-
	YTL Land & Development Berhad	-	-	-	-
	Reliance Pacific Berhad	-	-	-	-
	Kulim (Malaysia) Berhad	-	-	-	-
	IBM Asia/Pacific Group	-	-	-	-
Dato' Yeoh Seok Hong	YTL Corporation Berhad	3,153,460	0.22	*684,454,610	47.17
	YTL Power International Berhad	187,328	0.01	**1,414,849,642	62.45
	YTL Cement Berhad	78,400	0.06	#96,022,980	68.96
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (*Cont'd*)

Promoter/Major Shareholder/Director	Company	Number of shares held as at 17 May 2002			
		Direct	%	Indirect	%
Dato' Michael Yeoh Sock Siong	YTL Corporation Berhad	2,750,623	0.19	*684,453,480	47.17
	YTL Power International Berhad	158,514	0.01	**1,414,702,215	62.44
	YTL Cement Berhad	78,400	0.06	#96,111,940	69.02
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Dato' Mark Yeoh Seok Kah	YTL Corporation Berhad	1,617,108	0.11	*682,664,451	47.05
	YTL Power International Berhad	135,007	0.01	**1,414,534,343	62.43
	YTL Cement Berhad	-	-	#96,007,300	68.94
	YTL Land & Development Berhad	-	-	**100,000,000	77.46
	YTL Industries Berhad	-	-	@12,980,009	100.00
Syed Abdullah Bin Syed Abd Kadir	YTL Corporation Berhad	2,448	-	&2,754	-
Loh Mun San	Nil	-	-	-	-
Amarjit Singh Chinna	Nil	-	-	-	-
Toh Muda Rizal Ashram Bin Tan Sri Ramli	Nil	-	-	-	-
Dato' Lau Yin Pin @ Lau Yen Beng	YTL Power International Berhad	12,240	-	-	-
	Tenaga Nasional Berhad	-	-	-	-
	Matang Holdings Berhad	-	-	-	-

Notes:-

♣ Deemed interested by virtue of its shareholding in YTL Corporation Berhad.

* Deemed interested by virtue of their shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd and the shareholdings of their respective spouses.

** Deemed interested by virtue of their shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad and the shareholding of their respective spouses.

@ Deemed interested by virtue of their shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd which is a substantial shareholder in YTL Corporation and the shareholding of their respective spouses. YTL Industries Berhad is a wholly-owned subsidiary of YTL Corporation.

Deemed interested by virtue of their shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd which is a substantial shareholder of YTL Corporation. YTL Industries Berhad, a wholly-owned subsidiary of YTL Corporation, is also a substantial shareholder of YTL Cement Berhad.

^ Deemed interested by virtue of the YTL Corporation's shareholdings in YTL Industries Berhad, a wholly-owned subsidiary of YTL Corporation, which is also a substantial shareholder of YTL Cement Berhad.

& Deemed interested by virtue of the shareholding of their respective spouses.

* Deemed interested by virtue of its shareholding in YTL Power Services Sdn Bhd.

(iv) Directors' Remuneration and Benefits

No fees have been paid to the Directors of the Company since incorporation. The remuneration paid to the directors of the Company by way of emoluments for the financial year ended 30 June 2001 and six (6) months ended 31 December 2001 are RM378,120 and RM190,500. The aggregate remuneration and benefits proposed for the Directors of the Company by way of emoluments for the financial year ending 30 June 2002 is RM224,000.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (*Cont'd*)

8.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:-

Name	Designation	Directorship
Dato' Lau Yin Pin @ Lau Yen Beng	Chairman	Independent Non-Executive Director
Loh Mun San	Member of the Committee	Executive Director
Tan Sri Dato' Dr. Md Noordin Bin Md Sopiee	Member of the Committee	Independent Non-Executive Director

The Audit Committee, comprising 2 Independent Non-Executive Directors and 1 Executive Director, is responsible for the recommendations to the Board of Directors regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Company's external auditors and reviews and evaluates the Company's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

8.4 KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL

- (i) Other than the Directors of the Company, the key investment, management and technical personnel of YTL e-Solutions comprises of the following persons:-

Kok Kee Chon, aged 30, is the Chief Technology Officer of YTL e-Solutions. He graduated from Southwest Missouri State University in 1994 with a degree in Computer Information Systems. Prior to graduation, he worked in an investment company in the U.S., as a Programmer Analyst. He has over 8 years of computer related experience, and has worked in Malaysia as a Network Administrator and a System Manager, and joined Siemens Malaysia Sdn Bhd in 1997 specialising in the area of Knowledge Management and was eventually transferred to Enterprise Sales. In 2000, he started a communications company prior to joining YTL e-Solutions. His main responsibility is on R&D of YTL e-Solutions' technology focussing on connectivity, back-end infrastructure, networking and communications as well as responsible for the technical functions of YTL e-Solutions' IT system.

Tan Foo Chong, aged 35, is the Senior Technology Officer of YTL e-Solutions. He graduated from the University of Southern Queensland, Australia in 1996 with a Bachelor of Information Technology. He is a Charter Member of Microsoft Certified Professionals since 1997 and is a Microsoft Certified Solutions Developer, Microsoft Certified Professional and Site Building. Mr Tan Foo Chong has 4 years working experience in planning, implementing and supporting unix-based mini computer systems and host-based financial information systems, and 7 years of experience in providing software solution consulting services, Unix / Windows / DOS platforms system and application integration services, software application R&D and supporting services. He joined YTL e-Solutions in September 2000 and is currently responsible for leading the team offering incubatees software solutions consulting, R&D, training, deploying and maintaining services to their customers.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

Ng Choon Seang, aged 31, is the Applications Manager of YTL e-Solutions. He graduated from the Saint Cloud State University, Minnesota, United States with a Bachelor of Science Degree in Business Computer Information Systems in 1995. Prior to joining YTL e-Solutions, he was with Solsis (M) Sdn Bhd and was involved in a variety of turnkey software projects including projects for Syarikat Air Johor, Jabatan Air Sabah, and Lembaga Tabung Haji. He is currently responsible for the project management of developing the YTL community portal, and will play an integral role in the technology, applications and web development support services to be offered by YTL e-Solutions.

Chong Fui Yuen @ Moses Chong, aged 28, is the Application Specialist as well as the Senior Database Administrator of YTL e-Solutions. He graduated from the University of Southern Queensland, Australia in 1997 with a Bachelor of Information Technology. He started his career as an analyst programmer in Solsis (M) Sdn Bhd. He joined YTL e-Solutions in September 2000. Currently, his main responsibility is on the research, analysis, design and implementation of database administration and integration applications.

Seow Kong Guan, aged 32, is the Senior Systems Technology Officer of YTL e-Solutions Berhad. He completed his Bachelor in Computer Science (majoring in Computer Science and Mathematics) from Campbell University, North Carolina, U.S. in 1994. He has 7 years experience specialising in hardware, systems, networking and database implementation and maintenance. He is an experienced and skillful Information Communication Technologies (ICT) Trainer and a certified Microsoft Trainer for more than 4 years. He holds certification for Microsoft Certified Profession, Microsoft Certified System Engineer, Microsoft Certified System Engineer 2000, Microsoft Certified Database Administrator, Microsoft Certified Database Administrator 2000, Microsoft Certified Sales Person, Certified Cisco Network Associate, Certified Novell Administrator, Certified Novell Engineer, Certified Novell Trainer, Certified Novell Sales Person, Intel Certified Solution Consultant and Certified Internet Webmaster.

Looi Ming Kok, aged 25, is the Senior Web Developer of YTL e-Solutions. He graduated from the University of Nebraska-Lincoln, U.S. in 1999 with a Bachelor of Science in Computer Science. He started his career as a Web Developer in Software Engineering Solutions Inc., Washington, U.S.. He joined YTL e-Solutions in August 2000. Currently, he is responsible for developing the YTL Community portal and other web development projects being undertaken by YTL e-Solutions.

- (ii) None of the key investment, management and technical personnel has held any other directorships and/or major shareholdings in other public companies for the past one year or any direct or indirect shareholding in YTL e-Solutions.
- (iii) None of the directors, key investment, management and technical personnel is or was involved in the following events, whether in or outside Malaysia:-
 - (a) A petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
 - (b) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

- (iv) None of the key investment, management and technical personnel have entered or propose to enter into any service agreements with the Company which are not terminable by notice other than statutory notice.
- (v) Upon Listing, none of the directors of the Company have any existing or proposed service contracts with the Company, which is not terminable by notice without payments or compensation other than statutory compensation.

8.5 RELATIONSHIP BETWEEN PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL

Tan Sri Dato' Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah are brothers ("Yeoh Brothers") and the sons of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay and Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong. Yeoh Soo Min and Yeoh Soo Keng ("Yeoh Sisters") are sisters of the Yeoh Brothers and daughters of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay and Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong.

The Yeoh Brothers represented on the board of directors of YTL e-Solutions, the Yeoh Sisters and their parents, are substantial shareholders of YTL e-Solutions by virtue of their substantial shareholdings in Yeoh Tiong Lay & Sons Holdings Sdn Bhd which is a substantial shareholder of YTL Corporation. Save and except as stated above, there are no family relationships between any of the promoters, major shareholders, directors, key investment, management and technical personnel.

8. INFORMATION ON PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS, KEY INVESTMENT, MANAGEMENT AND TECHNICAL PERSONNEL (Cont'd)

8.6 CHANGES IN THE SHAREHOLDINGS OF PROMOTERS AND MAJOR SHAREHOLDERS FOR THE PAST THREE (3) YEARS

Save as disclosed below, there have been no changes in the shareholdings of promoters and major shareholders of YTL e-Solutions within the past three (3) years of the date of this Prospectus.

	<-----As at 30 June 1999 ----->				<-----As at 30 June 2000 ----->				<-----As at 31 December 2001 ----->			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Promoters/ Shareholders	No of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital	No of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)	No of ordinary shares of RM1.00 each	Percentage of issued and paid-up share capital (%)
YTL Corporation	2	100	-	-	50,000,000	100	-	-	100,000,000	100	-	-
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	-	-	**2	100	-	-	*50,000,000	100	-	-	*100,000,000	100
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Tan Sri Dato' Francis Yeoh Sock Ping	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Puan Sri Datin Tan Kai Yong @ Tan Kay Neong	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Dato' Yeoh Seok Kian	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Yeoh Soo Min	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Dato' Yeoh Seok Hong	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Dato' Michael Yeoh Sock Siong	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Yeoh Soo Keng	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100
Dato' Mark Yeoh Seok Kah	-	-	**2	100	-	-	**50,000,000	100	-	-	**100,000,000	100

* Deemed interested by virtue of its substantial shareholdings in YTL Corporation

** Deemed interested by virtue of their substantial shareholding in Yeoh Tiong Lay & Sons Holdings Sdn Bhd, which is a substantial shareholder of YTL Corporation

9. APPROVALS AND CONDITIONS

9.1 CONDITIONS ON APPROVALS

MESDAQ on 27 July 2001, SC on 24 July 2001, MITI on 14 June 2001 and FIC on 15 May 2001 respectively had approved the Proposals. MESDAQ's approval was confirmed by KLSE on 14 March 2002. The approvals from the aforesaid authorities were subject to, inter alia, the following conditions:-

	Details of Conditions Imposed	Status of Compliance
FIC	(i) YTL e-Solutions should have at least 30% Bumiputera equity interest upon listing; and (ii) To obtain approval from the MITI and SC for the listing.	FIC waived this condition vide its letter dated 26 April 2002. MITI's and SC's approval obtained.
MITI	(i) To obtain approval from the FIC for the listing. (ii) To obtain approval from the SC for the listing. (iii) To obtain approval from MESDAQ for the listing.	FIC's approval obtained. SC's approval obtained. MESDAQ's approval obtained.
SC	(i) To report status of utilisation of proceeds from the share issue in its Quarterly Reports and Annual Reports until it is fully utilised. (ii) To disclose sufficient information in its listing prospectus on related party transactions between YTL e-Solutions Group and companies or parties which are related to its directors, promoters and/or major shareholders ("Related Parties") (iii) To ensure that all existing and future transactions entered into by YTL e-Solutions with Related Parties are at an arm's length basis and the terms in such transactions are not disadvantageous to YTL e-Solutions. The Audit Committee of the Company is required to monitor and the Board of Directors has to report on such transactions in the annual report.	Will be met. Met. <i>(Please refer to Section 10.4 of this Prospectus for further information.)</i> Will be met.

9. APPROVALS AND CONDITIONS (Cont'd)

	Details of Conditions Imposed	Status of Compliance
MESDAQ	<p>(i) To obtain MESDAQ's approval on the appointment of independent directors.</p> <p>(ii) To provide a plan of action on how it intends to be independent from YTL Corporation in respect of staff and support services and the provision of value added services to its incubatees. To explain how the plan of action would be executed within a reasonable timeframe or upon the achievement of certain goals and targets. It must also be clearly defined, preferably a formal framework of the provision of support services agreed upon and provided by YTL Corporation under the existing arrangements.</p> <p>(iii) To provide the detailed processes involved in adding value to incubatees, assisting them to scale and accelerate time to market, with flowcharts and diagrams, if necessary.</p> <p>(iv) To provide audited accounts for the first twelve (12) months of its operating history prior to admission to MESDAQ Market.</p>	<p>Met.</p> <p>Met. <i>(Please refer to Section 7 of this Prospectus for further information)</i></p> <p>Met. <i>(Please refer to Section 4.4.6 of this Prospectus for further information)</i></p> <p>Met.</p>

9. APPROVALS AND CONDITIONS *(Cont'd)*

9.2 MORATORIUM ON PROMOTER'S SHARES

The New Issue under the terms of this Prospectus was approved by the SC and MESDAQ on 24 July 2001 and 27 July 2001 respectively. It is a condition of MESDAQ's approval that the Promoters of YTL e-Solutions will not be allowed to sell, transfer or assign their respective shareholdings in YTL e-Solutions, as tabulated below, within one (1) year from the date of admission of YTL e-Solutions to the Official List of the Kuala Lumpur Stock Exchange. Thereafter, they are permitted to sell, transfer or assign their shares in YTL e-Solutions subject to a maximum of one third per annum on a straight line basis of their respective shareholdings in the Company which is under moratorium.

This restriction is fully accepted by the following promoter whose direct shareholding after the New Issue would be 100,000,000 Shares, representing 74.07% of the issued and paid-up share capital of the Company.

Moratorium on Promoter

The YTL e-Solutions Shares under moratorium are as follows:-

	Number of Shares directly held	%	No. of Shares under moratorium	%
YTL Corporation	100,000,000	74.07	60,750,000	45.00

The restriction is specifically endorsed on the share certificates of YTL e-Solutions representing the shareholding of the aforesaid shareholder which are under moratorium to ensure that the Company's Share Registrars will not register any transfer which is not in compliance with the aforesaid restriction.

Note:-

No transfer of the whole or any part of these Shares will be registered until this Certificate is surrendered to the Company's Share Registrar.

10. CONFLICT OF INTERESTS

- 10.1** There are no conflict of interest between the Group and its Adviser, Sponsor, Auditors, Reporting Accountants and Solicitors.
- 10.2** None of the directors, major shareholders, key investment, management or technical personnel of the YTL e-Solutions Group has any interest, direct or indirect, in any business carrying on a similar trade as the YTL e-Solutions Group.
- 10.3** None of the directors and major shareholders of YTL e-Solutions has any interest, direct or indirect, in the promotion of or in any assets which have, within the two years preceding the date of this Prospectus, been acquired or disposed off by or leased to YTL e-Solutions or any of its subsidiaries or are proposed to be acquired, disposed off by or leased to YTL e-Solutions or any of its subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Group taken as a whole.
- 10.4** Save as disclosed below, there are no existing and potential related-party transactions and conflicts of interest in relation to the YTL e-Solutions Group and its related parties that involves the directors, major shareholders, key investment, management or technical personnel of the YTL e-Solutions Group:-
- (i) Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corporation, has commissioned YTL e-Solutions to develop the ICIS.
 - (ii) Extiva's customers include 22 members of the YTL Group of companies.
 - (iii) An agreement dated 1 March 2002 between YTL e-Solutions and Extiva whereby YTL e-Solutions will assist Extiva to develop the computer software and database according to the specification approved by Extiva as set out in the first schedule of the Agreement for a contract price of RM193,250.00 subject to the terms and conditions as set out thereunder.
 - (iv) An agreement dated 1 March 2002 between YTL e-Solutions and Extiva wherein YTL e-Solutions agrees to provide to Extiva the Network & System Connectivity Consultancy Services (as defined therein) to Extiva upon the terms and conditions as set out in the Agreement for a Total Network and System Connectivity Consultancy fee of RM3,084.00.
 - (v) An agreement dated 1 March 2002 between YTL e-Solutions and Intellectual Mission Sdn Bhd wherein YTL e-Solutions agrees to provide to Intellectual Mission Sdn Bhd the Network & System Connectivity Consultancy Services (defined therein) to Intellectual Missions for a total Network & Connectivity Consultancy fee of RM49,190.00 subject to and upon the terms and conditions set out in the Agreement.
 - (vi) An agreement dated 1 March 2002 between YTL e-Solutions and Island Air Sdn Bhd wherein YTL e-Solutions agrees to provide to Island Air Sdn Bhd the Network & System Connectivity Consultancy Services (defined therein) to Island Air Sdn Bhd for a total Network & Connectivity Consultancy fee of RM71,344.00 subject to and upon the terms and conditions set out in the Agreement.
 - (vii) An agreement dated 1 March 2002 between YTL e-Solutions and Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd wherein YTL e-Solutions agrees to provide to Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd the Network & System Connectivity Consultancy Services (defined therein) to Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd for a total Network & Connectivity Consultancy fee of RM416,604.00 subject to and upon the terms and conditions set out in the Agreement.

10. CONFLICT OF INTERESTS (Cont'd)

- (viii) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Cement Berhad whereby YTL e-Solutions will assist YTL Cement Berhad to develop a Software (as defined therein) to supplement the business of YTL Cement Berhad according to the specification approved by YTL Cement Berhad as set out in 1st schedule of the Agreement for a contract price of RM296,500.00 subject to and upon the conditions as set out thereunder.
- (ix) An agreement dated 1 March 2002 between YTL E-Solutions Berhad and YTL Cement Berhad wherein YTL e-Solutions agrees to provide to YTL Cement Berhad the Network & System Connectivity Consultancy Services (defined therein) to YTL Cement Berhad for a total Network & Connectivity Consultancy fee of RM37,748.00 subject to and upon the terms and conditions set out in the Agreement.
- (x) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Corporation whereby YTL e-Solutions has agreed to provide to YTL Corporation the YTL Corporate Annual Report Digital Media Development Services (as defined therein) for a development fee of RM58,200.00 upon and subject to the terms and conditions of the Agreement.
- (xi) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Corporation whereby YTL e-Solutions agreed to provide YTL Corporation the YTL Community Portal Development Consultancy Services (defined therein) for a total portal development consultancy fee of RM1.2 million subject to and upon the conditions set out therein.
- (xii) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Corporation whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM2,148,918.76 upon to and subject to the terms and conditions set out therein.
- (xiii) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Corporation whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM393,701.34 upon to and subject to the terms and conditions set out therein.
- (xiv) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Hotels & Properties Sdn Bhd whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM60,500.00 upon to and subject to the terms and conditions set out therein.
- (xv) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Hotels & Properties Sdn Bhd whereby YTL e-Solutions has agreed to develop and reengineer the software (defined in the Agreement) for a contract price of RM587,952.00 upon to and subject to the terms and conditions set out therein.
- (xvi) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Land Sdn Bhd whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM2,361,293.00 upon to and subject to the terms and conditions set out therein.
- (xvii) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Land whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM2,064,688.63 upon to and subject to the terms and conditions set out therein.

10. CONFLICT OF INTERESTS (Cont'd)

- (xviii) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Power Generation Sdn Bhd whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM146,817.34 upon to and subject to the terms and conditions set out therein.

- (xix) An agreement dated 1 March 2002 between YTL e-Solutions and YTL Power Generation Sdn Bhd whereby YTL e-Solutions has agreed to develop and reengineer the Software (defined in the Agreement) for a contract price of RM10,000.00 upon to and subject to the terms and conditions set out therein.

The transactions mentioned are carried out in the ordinary course of business of YTL e-Solutions and Extiva, and are arm's length transactions.

11. OTHER INFORMATION CONCERNING YTL E-SOLUTIONS GROUP

11.1 FIXED ASSETS

As at the date hereof, the Group does not own any landed properties. The fixed assets owned by the Company relate to computer infrastructure.

11.2 LICENCES AND PERMITS

Extiva was granted a licence by CMC on 23 July 2001 pursuant to Sections 30 and 126 of the Communications and Multimedia Act, 1998 to provide any application services in Malaysia with effect from 2 July 2001 until 31 March 2005 ("ASP- Individual Licence").

The key terms of the licence are set out below:-

11.2.1 Incorporation of company

The licensee shall be a company that is incorporated in Malaysia.

11.2.2 Shareholdings

- (i) The licensee shall notify the Minister of any changes in the substantial shareholdings of the company as defined under the Companies Act, 1965 (Act 125).
- (ii) The licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the Government or Government agencies pertaining to the restrictions on foreign shareholdings in the licensee.

11.2.3 Joint-ventures or consortiums

The licensee shall notify the Minister of any joint-ventures or consortiums which it enters into with any other licensees after the grant of the licence.

11.2.4 Sole licence

This licence replaces any other licence granted by the Minister and shall be the sole licence held by the licensee in respect of application services authorised under this licence.

11.2.5 Compliance with the law

- (i) The licensee shall comply with the provisions of the Communications and Multimedia Act, 1998 ("the Act").
- (ii) The licensee shall comply with the provisions of any subsidiary legislation made, or other instruments, guidelines or regulatory policies issued, under the Act.

11.2.6 Compliance with numbering plan and electronic addressing plan

The licensee shall comply with the numbering and electronic addressing plan issued under the Act.

11.2.7 Compliance with consumer codes

The licensee shall comply with any consumer codes registered under the Act which are relevant to the activities of the licensee.

11. OTHER INFORMATION CONCERNING YTL E-SOLUTIONS GROUP (Cont'd)

11.2.8 Indemnity

The licensee shall indemnify the Minister and the Malaysian Communications and Multimedia Commission ("the Commission") against any claims or proceedings arising from any breaches or failings on the part of the licensee.

11.2.9 Safety measures

The licensee shall in respect of all apparatus, equipment and installations possessed, operated, maintained or used under the licence, take all proper and adequate safety measures to safeguard life and property, including exposure to any electrical emission or radiation emanating from the apparatus, equipment or installations so used.

11.2.10 Charging mechanism

The licensee shall take reasonable steps to ensure that the charging mechanism used in connection with any of its application services are accurate and reliable in all material aspects.

11.2.11 Compliance with rules in relation to special rate regulation regime

The licensee shall observe and comply with the special rate regulation regime as may be determined by the Minister under Section 200 of the Act.

11.2.12 Confidentiality of customer information

The licensee shall take all reasonable steps to ensure that its employees, agents, consultants or other third party suppliers who are engaged in the licensee's business or who have access to the licensee's customer information do not disclose information about a customer of a licensee which has been acquired in the course of the licensee's business without the prior consent of that customer.

11.2.13 Period of the licence

- (i) The licence is valid until 31 March 2005.
- (ii) The licensee shall commence the service(s) which it is authorised to provide within 12 months from the date of this licence.
- (iii) However, the Minister may, upon an application being made, grant an extension of time to the licensee if the Minister is satisfied that there has been genuine progress made towards the launch of the service.

11.2.14 Suspension of services

- (i) If the licensee wishes to suspend any of the applications services being provided, the licensee shall give not less than 2 months' notice in writing to the Minister and to the Commission informing them of the same.
- (ii) The licensee shall recommence the provision of the suspended applications service not later than 4 months from the date of its suspension.
- (iii) However, the Minister may, upon an application being made, grant an extension of time to the licensee if the Minister is satisfied that there are good reasons for its continued suspension.

11. OTHER INFORMATION CONCERNING YTL E-SOLUTIONS GROUP (Cont'd)

11.2.15 Licensed area

The licensed area shall be in Malaysia.

11.2.16 Fees

- (i) The licensee shall be subject to the applicable annual licence fee which is equivalent to 0.5% of gross turnover less the applicable rebates, provided that the applicable annual licence fee shall not be less than 0.15% of the gross turnover of the preceding financial year of the licensee or fifty thousand Ringgit, whichever is greater.
- (ii) The applicable annual fee shall be paid to the Commission.

11.2.17 Accounting records

The licensee shall prepare and deliver to the Commission separate accounting records as may be required by the Commission from time to time.

11.2.18 Alterations to licensee's network

- (i) The licensee shall from time to time inform the Commission and provide such additional information as the Commission may reasonably require about any proposals for changes to the licensee's means of access to an applications service as provided by the licensee.
- (ii) The licensee shall prepare and publish in consultation with the Commission a statement of its procedures for consulting and giving advance notice to those persons likely to be affected by such changes and shall adhere to those procedures. The procedures shall specify, inter alia, a reasonable timeframe within which possible disruptions arising from such alterations shall be revolved.

11.2.19 Restructuring or rationalisation

The licensee shall notify the Minister, in writing, of any restructuring or rationalisation of the licensee's corporate structure.

11.2.20 Additional rules on rate regulation

The licensee shall be subject to the rules on rate regulation made by the Minister under Section 201 of the Act for a period of five (5) years from the date of coming into operation of the Communications and Multimedia (Licensing) Regulations, 2000 or such other time period as may be decided by the Minister.

11.2.21 Obligation to provide universal service and /or to contribute to universal service fund

The licensee shall comply with any determination made by the Commission on universal service provision.

There are no other patents, trademarks, technical assistance agreements, franchises or brand names apart from those described above.