

P R O S P E C T U S



YU NEH HUAT BHD

(Company No. 561986-V)
(Incorporated in Malaysia under the Companies Act, 1965)

OFFER FOR SALE OF :-

- 2,000,000 ORDINARY SHARES OF RM1.00 EACH TO THE MALAYSIAN PUBLIC AT AN OFFER PRICE OF RM1.00 PER ORDINARY SHARE OF RM1.00 EACH PAYABLE IN FULL ON APPLICATION; AND
- 50,000,000 ORDINARY SHARES OF RM1.00 EACH VIA PLACEMENT AT THE PRICE OF RM1.00 PER ORDINARY SHARE OF RM1.00 EACH PAYABLE IN FULL ON APPLICATION.

PURSUANT TO ITS LISTING ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREOF

Adviser and Placement Agent



AmMerchant Bank Berhad

(23742-V) A member of the AmBank Group

THIS PROSPECTUS IS DATED 30 OCTOBER 2003

P R O S P E C T U S

Y U N E H H U A T B H D



YU NEH HUAT BHD

(Company No. 561986-V)
(Incorporated in Malaysia under the Companies Act, 1965)

RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF YU NEH HUAT BHD ("YNHB" OR THE "COMPANY") AND/OR THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AmMerchant Bank Berhad, BEING THE ADVISER/PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFER FOR SALE AND PLACEMENT AND ARE SATISFIED THAT ANY PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF YNHB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION HAS APPROVED THE OFFER FOR SALE AND PLACEMENT AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE OFFER FOR SALE AND PLACEMENT.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF YNHB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

THE VALUATION APPROVED OR ACCEPTED BY THE SECURITIES COMMISSION SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SECURITIES COMMISSION, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SECURITIES COMMISSION ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE SHALL NOT BE LIABLE FOR NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, CORPORATION OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading to the listing of and quotation for YNHB's entire issued and paid-up share capital of RM213,068,190 comprising 213,068,190 ordinary shares of RM1.00 each and RM48,220,000 nominal value of Irredeemable Convertible Unsecured Loan Stocks on the Main Board of the Kuala Lumpur Stock Exchange is set out below:-

<u>Date</u>	<u>Event</u>
30 October 2003	: Issue of Prospectus/Opening date of the Offer for Sale and Placement
12 November 2003	: Closing date of the Offer for Sale and Placement
18 November 2003	: Tentative date for balloting of applications
3 December 2003	: Tentative allotment date
9 December 2003	: Tentative listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8.00 P.M. ON 12 NOVEMBER 2003 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF YNHB IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

WHERE THE CLOSING DATE OF APPLICATION IS EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE ADVERTISED IN A WIDELY CIRCULATED NEWSPAPER NOT LESS THAN ONE(1) MARKET DAY BEFORE THE ORIGINAL CLOSING DATE.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings: -

ABB	-	Affin Bank Berhad (25046-T)
Act	-	Companies Act, 1965, as amended from time to time
Acquiree Companies	-	KSB Group and YSSB, collectively
Acquisitions	-	Acquisition of KSB and Acquisition of YSSB, collectively
Acquisition of KSB	-	Acquisition of the entire issued and paid-up share capital of KSB by YNHB for a total purchase consideration of RM211,098,000 to be satisfied by the issuance of 168,878,000 new YNHB Shares at an issue price of RM1.00 per Share and the issuance of RM42,220,000 nominal value of ICULS by YNHB
Acquisition of YSSB	-	Acquisition of the entire issued and paid-up share capital of YSSB by YNHB for a total purchase consideration of RM30,000,000 to be satisfied by the issuance of 24,000,000 new YNHB Shares at an issue price of RM1.00 per Share and the issuance of RM6,000,000 nominal value of ICULS by YNHB
ADA	-	Authorised Depository Agent
ADA Code	-	ADA (Broker) Code
Alliance	-	Alliance Bank Malaysia Berhad (88103-W)
AMBB	-	Affin Merchant Bank Berhad (9999-V)
AmMerchant Bank or Adviser	-	AmMerchant Bank Berhad (23742-V)
Application	-	Application for Offer Shares by way of Application Form or Electronic Share Application
Application Form	-	Application for Offer Shares by way of a printed Application Form
Aseam Credit	-	Aseam Credit Sdn Bhd (260656-M)
ATM	-	Automated Teller Machine
Bank Utama	-	Bank Utama Malaysia Berhad (27714-A)
BCSB	-	Bay Clubhouse Sdn Bhd (364191-P), a wholly owned subsidiary of KSB
BCLB	-	Bumiputra-Commerce Leasing Berhad (109053-D)
BNM	-	Bank Negara Malaysia
CAHSB	-	Chuan Aun Hardware Sdn Bhd (202830-W)

DEFINITIONS (Cont'd)

Capital Reduction and Consolidation	-	Reduction of the existing issued and paid-up share capital of TAHB from RM207,597,589 comprising 207,597,589 ordinary shares of RM1.00 each ("TAHB Shares") to RM5,189,940 comprising 207,597,589 ordinary shares of RM0.025 each representing a capital reduction of RM0.975 for every existing ordinary share of RM1.00 each. Thereafter, forty (40) ordinary shares of RM0.025 each will be consolidated into one (1) ordinary share of RM1.00 each ("Consolidated Share")
CDS	-	Central Depository System
Cergas	-	Cergas Senja Sdn Bhd (423852-D)
CMS	-	CMS Mezzanine Sdn Bhd (362809-D)
CSSB	-	Cempaka Sepakat Sdn Bhd (193358-A), (SA Appointed) a wholly- owned subsidiary of GPSB
Colliers	-	Messrs Colliers Jordan Lee & Jaafar, valuer for the Acquiree Companies
Code	-	Malaysian Code on Take-Overs and Mergers, 1998
Cut-Off Date	-	30 June 2001
Danaharta	-	Pengurusan Danaharta Nasional Berhad (464363-W)
Danaharta Act	-	Pengurusan Danaharta Nasional Berhad Act, 1998, as amended from time to time
Disbursement of RM100,000 nominal value of ICULS	-	Disbursement of RM100,000 nominal value of ICULS for free by Dato' Dr Yu Kuan Chon, a vendor of KSB and YSSB, to staff and service providers of KSB Group and YSSB
Disposal of TAHB Shares	-	Disposal by YNHB of the entire issued and paid-up share capital of TAHB (from the Share Swap with YNHB) to a special purpose vehicle nominated by the SA for a nominal sum of RM1.00
DMC	-	Messrs Dass Mohamad Chartwell Brooke Hillier Parker Sdn Bhd, valuer for the Acquiree Companies
EBIDTA	-	Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	-	Application for Offer Shares through a Participating Financial Institution's ATM
EPS	-	Earnings Per Share
Estate of Dato' Yu Neh Huat or the Estate	-	The estate of the late Dato' Yu Neh Huat which Dato' Dr Yu Kuan Chon is the executor of the Estate
Exemption	-	Exemption granted by the SC to the Yu Family from the obligation to extend an unconditional mandatory take-over offer for the remaining shares in YNHB not already owned by them on completion of the Acquisitions in accordance with the Code

DEFINITIONS (Cont'd)

FIC	- Foreign Investment Committee
FSV	- Forced Sale Value
GDP	- Gross Domestic Product
GDV	- Gross Development Value
GEOSB	- Ganda Edible Oils Sdn Bhd (36088-P) (SA Appointed), a 92.28% owned subsidiary of GPSB
GPPSB	- Ganda Plantations (Perak) Sdn Bhd (150095-X) (SA Appointed), a wholly-owned subsidiary of GPSB
GPSB	- Ganda Plantations Sdn Bhd (11412-K), a 79.45% owned subsidiary of TAHB
GOISB	- Ganda Oil Industries Sdn Bhd (14493-A), a 99.76% owned subsidiary of GPSB
HP	- Hire Purchase
HSB	- Hanidel Sdn Bhd (67185-W), a wholly-owned subsidiary of KSB
ICULS	- 3% 5-year Irredeemable Convertible Unsecured Loan Stocks
JV	- Joint Venture
KLSE	- Kuala Lumpur Stock Exchange (30632-P)
KLSE Listing Requirements	- The Listing Requirements of the KLSE, as amended from time to time
KSB	- Kar Sin Berhad (85160-D)
KSB Group	- KSB and its subsidiary companies, namely, LVSB, BCSB, MUSB, SHSB and HSB
Listing	- Admission to the Official List of the KLSE and the listing of and quotation for the entire issued and paid-up share capital of YNHB of RM213,068,190 comprising 213,068,190 Shares and RM48,220,000 nominal value of ICULS on the Main Board of the KLSE
LPSB	- Litang Plantations Sdn Bhd (99664-T) (SA Appointed), a 53.85% owned subsidiary of GPSB. GOISB, a 99.76% owned subsidiary of GPSB, also holds 25.94% interest in LPSB
LVSB	- Lead View Sdn Bhd (293741-H), a wholly-owned subsidiary of KSB
Malpac	- Malpac Capital Sdn Bhd (384869-U)
MASB	- Malaysian Accounting Standards Board
MAPSB	- Mount Austin Properties Sdn Bhd (118654-K) (SA Appointed), a wholly-owned subsidiary of TAHB

DEFINITIONS (Cont'd)

MCD or Central Depository	-	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary of the KLSE
MI	-	Minority Interests
MIH or Issuing House	-	Malaysian Issuing House Sdn Bhd (258345-X)
MOF	-	Ministry of Finance
MUSB	-	Mesra Unggul Sdn Bhd (410909-P), a wholly-owned subsidiary of KSB
NTA	-	Net Tangible Assets
NTL	-	Net Tangible Liabilities
Offer for Sale or Offer	-	Offer for sale of 2,000,000 Shares in YNHB at an offer price of RM1.00 per Share by the Offerors to the Malaysian public
Offer Shares	-	The 2,000,000 Shares in YNHB, which are the subject of the Offer for Sale
Offerors	-	The offerors of the Offer Shares and Placement Shares are as follows: -

Name	No. of Shares
Estate of Dato' Yu Neh Huat	323,546
Yu Kuan Seng	10,486,377
Yu Kuan Huat	16,936,309
Dato' Dr Yu Kuan Chon	19,375,500
Teh Nai Sim	2,439,134
Ling Mooi Hung	2,439,134
TOTAL	52,000,000

OMV	-	Open Market Value
Orix Credit	-	Orix Credit Sdn Bhd (formerly known as UOL Credit Sdn. Bhd.) (67108-U)
PAT	-	Profit After Tax
PBT	-	Profit Before Tax
PDS Guidelines	-	SC's Guidelines on the Offering of Private Debt Securities
PE Multiple	-	Price Earnings Multiple
Pilecon	-	Pilecon Engineering Berhad (29223-P), a company listed on the Main Board of the KLSE
Placement	-	Placement of 50,000,000 Shares in YNHB by the Offerors at a placement price of RM1.00 per Share
Placement Shares	-	The 50,000,000 Shares in YNHB, which are the subject of the Placement

DEFINITIONS (Cont'd)

- Plantation Assets** - 1,266 hectares oil palm plantation together with oil mill structure held under Lot 11644, H.S.(D) LP 13127 Mukim of Durian Sebatang, District of Hilir Perak, Perak Darul Ridzuan (owned by CSSB), 767 hectares oil palm plantation held under Lot 6863 H.S.(D) LP 14132 Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan, (owned by GPPSB) and 1,842 hectares oil palm plantation held under CL 115347656, Lower Segama, District of Lahad Datu, Sabah (owned by LPSB)
- PMSB** - Prima Moulds Sdn Bhd (412114-H), a wholly-owned subsidiary of PMMSB, which is in turn a wholly-owned subsidiary of TAVCSB
- PMMSB** - Prima Moulds Manufacturing Sdn Bhd (417696-P) (SA Appointed), a wholly-owned subsidiary of TAVCSB, which is in turn a wholly-owned subsidiary of TAHB
- Promoters or Yu Family** - Estate of the late Dato' Yu Neh Huat, Yu Kuan Seng, Yu Kuan Huat, Dato' Dr Yu Kuan Chon, Teh Nai Sim and Ling Mooi Hung, collectively
- Proposals** - Capital Reduction and Consolidation, Share Swap with YNHB, Acquisitions, Exemption, Restricted Issue, Transfer of Listing Status, Disposal of TAHB Shares, Offer for Sale, Placement, Disbursement of RM100,000 nominal value of ICULS, Listing and Proposed ESOS, collectively
- Proposed Debt Settlement** - Proposed settlement of the debts of the TAHB Group pursuant to the Workout Proposals of TAHB and its SA Appointed Subsidiaries, which includes the Proposed Disposals/Set-Offs
- Proposed Disposals/Set-Offs** - Proposed Set-Off and Transfer of MAPSB's Charged and Substitute Assets, Proposed Disposal of WPKL, Proposed Set-Off and Transfer of Plantation Assets, Proposed Set-Off and Transfer of Agora Hotel, Proposed Set-Off and Transfer of 3.70 million Pilecon Shares by TAHB, Proposed Disposal of the Assets of PMMSB and PMSB, Proposed Set-Off and Transfer of 5.56 Million Pilecon Shares by TAVCSB, Proposed Set-Off and Transfer of 31 commercial units by WDSB, collectively
- Proposed Disposal of the Assets of PMMSB and PMSB** - Proposed disposal of all movable assets of PMMSB and PMSB for a total cash consideration of approximately RM0.9 million in accordance with the workout proposal of PMMSB. The Proposed Disposal of the Assets of PMMSB and PMSB was completed on 2 June 2003
- Proposed Disposal of WPKL** - Proposed disposal of the entire equity interest in WPKL by TAHB and WOSB to Cergas for a total cash consideration of USD\$15 million (or approximately RM57.0 million based on the exchange rate of USD\$1.00 = RM3.80) in accordance with the workout proposal of TAHB and any subsequent amendments or modifications thereto. However, the Share Purchase Agreement was rescinded by Cergas on 9 December 2002 and duly acknowledged by TAHB and WOSB on 11 December 2002

DEFINITIONS (Cont'd)

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|---|---|--|
| Proposed ESOS | - | Proposed establishment and implementation of an employee share option scheme of up to ten percent (10%) of the issued and paid-up share capital of YNHB |
| Proposed Set-Off and Transfer of Agora Hotel | - | Proposed set-off and transfer of Agora Hotel owned by TAHB to the secured creditor at a transfer value of RM9.6 million in accordance with the workout proposal of TAHB |
| Proposed Set-Off and Transfer of MAPSB's Charged and Substitute Assets | - | Proposed set-off and transfer of charged assets and substitute assets owned by MAPSB to the secured creditors of MAPSB in accordance with the workout proposal of MAPSB |
| Proposed Set-Off and Transfer of Plantation Assets | - | Proposed set-off and transfer of the Plantation Assets by CSSB, GPPSB and LPSB, in accordance with their respective workout proposals, to the secured creditors at transfer values of RM34.098 million, RM13.300 million and RM35.04 million respectively. The set-off and transfer of the 1,842 hectares oil palm plantation held under CL 115347656, Lower Segama, District of Lahad Datu, Sabah by LPSB to Danaharta was completed on 28 March 2003. The set-offs and transfers of the 1,266 hectares oil palm plantation together with oil mill structure held under Lot 11644, H.S. (D) LP 13127, Mukim of Durian Sebatang, District of Hilir Perak, Perak Darul Ridzuan owned by CSSB and the 767 hectares oil palm plantation held under Lot 6863 H.S. (D) LP 14132 Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan, owned by GPPSB to Maipac have been completed on 5 August 2003 |
| Proposed Set-Off and Transfer of 3.70 million Pilecon Shares by TAHB | - | Proposed set-off and transfer of 3.70 million Pilecon shares owned by TAHB to the secured creditor at a transfer value of approximately RM1.3 million in accordance with the workout proposal of TAHB |
| Proposed Set-Off and Transfer of 5.56 million Pilecon Shares by TAVCSB | - | Proposed set-off and transfer of 5.56 million Pilecon shares owned by TAVCSB to the secured creditor at a transfer value of approximately RM1.9 million in accordance with the workout proposal of TAVCSB |
| Proposed Set-Off and Transfer of 31 commercial units by WDSB | - | Proposed set-off and transfer of 31 commercial units by WDSB to the secured creditor at a transfer value of approximately RM2.0 million in accordance with the workout proposal of WDSB |
| Restricted Issue | - | Restricted issue of 15,000,000 new YNHB Shares at an issue price of RM1.00 per YNHB Share to the Yu Family to raise RM15 million cash for YNHB to pay TAHB as consideration for the transfer of the listing status of TAHB to YNHB |
| Restructuring Scheme of TAHB | - | Restructuring schemes of TAHB, PMMSB, MAPSB, CSSB, GEOSB, LPSB, WDSB, GPPSB and TAVCSB as approved by Danaharta and/or their respective secured creditors, as the case may be, as detailed in the Workout Proposals |
| RM and sen | - | Ringgit Malaysia and sen, respectively |

DEFINITIONS (Cont'd)

ROC	- Registrar of Companies, or now known as Companies Commission of Malaysia
SA	- Special Administrators, namely Mr Lim Tian Huat and Mr Chew Cheng Leong of Messrs Ernst & Young
SA Appointed Subsidiaries	- CSSB, GEOSB, GPPSB, LPSB, MAPSB, PMMSB, TAVCSB and WDSB
Semai	- Semai Warnasari Sdn Bhd (521643-T)
SC	- Securities Commission
SC Guidelines	- SC Policies and Guidelines on Issue/Offer of Securities, as amended from time to time
SFB	- Southern Finance Berhad (3838-T)
Share(s)	- Ordinary share(s) of RM1.00 each
Share Swap with YNHB	- The acquisition of the entire issued and paid-up shares of TAHB (after the Capital Reduction and Consolidation) by YNHB, to be satisfied by the issuance of 5,189,940 new YNHB Shares, on the basis of one (1) new YNHB Share for every one (1) Consolidated Share held in TAHB
SHSB	- Saujana Harian Sdn Bhd (415714-W), a wholly-owned subsidiary of KSB
TAHB or the Company	- Techno Asia Holdings Bhd (007740-A) (SA Appointed)
TAHB Group	- TAHB and its subsidiary companies
TAVCSB	- Techno Asia Venture Capital Sdn Bhd (119037-H) (SA Appointed), a wholly-owned subsidiary of TAHB
Transfer of Listing Status	- Transfer of the listing status of TAHB to YNHB in consideration for RM15 million cash and approximately RM5.2 million Shares in YNHB arising from the Share Swap with YNHB. The RM15.0 million cash shall be utilized as part settlement of TAHB Group's debts. Consequently, TAHB will be de-listed from the Main Board of the KLSE and YNHB will be listed on the Main Board of the KLSE
USD\$	- United States Dollar
Valuers	- Colliers and DMC, collectively
WDSB	- Wisma Dindings Sdn Bhd (39269-X) (SA Appointed), a wholly-owned subsidiary of GOISB
WOSB	- Westmont Offshore Sdn Bhd (353300-K), a wholly-owned subsidiary of TAHB
WPKL	- Westmont Power (Kenya) Limited (C 71937), a wholly-owned subsidiary of WOSB

DEFINITIONS (Cont'd)

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|----------------------------|--|
| Workout Proposals | - The workout proposals of TAHB, PMMSB, MAPSB, CSSB, GEOSB, LPSB, WDSB, GPPSB and TAVCSB collectively, including any subsequent amendments or modifications thereto in accordance with the Danaharta Act |
| YNHB or the Company | - Yu Neh Huat Bhd (561986-V) |
| YNHB Group or Group | - YNHB and its subsidiary companies, namely KSB Group and YSSB |
| YSSB | - Yu & Sons Sdn Bhd (173443-W) |

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality / Profession
Yu Kuan Huat	Managing Director	888 Jalan Kg. Sitiawan, 32000 Sitiawan, Perak Darul Ridzuan	Malaysian / Businessman
Dato' Dr Yu Kuan Chon	Executive Director	680 Taman Samudera, Jalan Lumut, 32040 Sri Manjung, Perak Darul Ridzuan	Malaysian / Businessman
Dato' Lim Git Hooi @ Robert Lim	Independent Non- Executive Director	12A, Jalan Hala Raja DiHilir, 30350 Ipoh, Perak Darul Ridzuan	Malaysian / Chartered Accountant
Ching Nye Mi	Independent Non- Executive Director	No 120, Taman Teratai, Jalan Raja Omar, 32000 Sitiawan, Perak Darul Ridzuan	Malaysian / Banker

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Lim Git Hooi @ Robert Lim	Chairman of Audit Committee	Independent Non-Executive Director
Yu Kuan Huat	Member of Audit Committee	Managing Director
Ching Nye Mi	Member of Audit Committee	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Cheng Ghee Cheng
(LS 04598)
Chan Yoke Yin
(MAICSA No: 7043743)
- Signet & Co. Sdn Bhd
35, Jalan Hussein
30250 Ipoh, Perak Darul Ridzuan
Tel: 05-2415633
Fax: 05-2415578
- REGISTERED OFFICE** : 35, Jalan Hussein
30250 Ipoh, Perak Darul Ridzuan
Tel: 05-2415633
Fax: 05-2415578
E-Mail: sigiphsec@po.jaring.my
- HEAD OFFICE** : No. 2272 Taman Samudera
Jalan Lumut
32040 Sri Manjung
Perak Darul Ridzuan
Tel: 05-6881128
Fax: 05-6881388
E-Mail: karsin@streamyx.com
- REGISTRAR AND PAYING AGENT** : Signet Share Registration Services Sdn. Bhd. (508283-D)
35, Jalan Hussein
30250 Ipoh, Perak Darul Ridzuan
Tel: 05-2415633
Fax: 05-2415578
- AUDITORS AND REPORTING ACCOUNTANTS** : Ernst & Young
AF:0039
21 & 23 Jalan Hussein
30250 Ipoh
Perak Darul Ridzuan
Tel: 05-241 5253
- DUE DILIGENCE SOLICITORS** : Zul Rafique & Partners
Suite 17.01, 17th Floor,
Menara Pan Global
50250 Kuala Lumpur
Tel: 2078 8228
- PRINCIPAL BANKERS** : Public Bank Berhad (6463-H)
Sitiawan Branch
Lot 166 – 168
Jalan Raja Omar
32000 Sitiawan, Perak Darul Ridzuan
Tel: 05 – 691 3526
- : Alliance Bank Malaysia Berhad (88103-W)
51 & 54, Jalan Raja Omar
Taman Selamat
32000 Sitiawan, Perak Darul Ridzuan
Tel: 05 – 691 1212

CORPORATE DIRECTORY (Cont'd)

- VALUERS** : Thoo Sing Choon
Registered Valuer (V – 132)
Colliers, Jordan Lee & Jaafar Sdn Bhd (59901-U)
Suite 1,2 & 3, Tingkat Satu,
Labrooy House
Jalan Datu Sagar
3000 Ipoh
Perak Darul Ridzuan
Tel: 05-241 4826
- Ravindra Dass
Registered Valuer (V-001)
Dass Mohamad Chartwell Brooke Hillier Parker Sdn Bhd
(Head Office) (448073 A)
No. 12M Jalan SS 21/39,
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 7726 6618
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
- ADVISER, PLACEMENT AGENT
AND FACILITY AGENT** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
- TRUSTEE** : AmTrustee Berhad (163032-V)
17th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
- LISTING SOUGHT** : Main Board of the KLSE

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1. SUMMARY INFORMATION**YU NEH HUAT BHD**

(Company No.561986-V)

(Incorporated in Malaysia under the Companies Act, 1965)

THE SUMMARY INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE SHARES OF THE COMPANY. THE SUMMARY INFORMATION SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 HISTORY AND BUSINESS

YNHB was incorporated in Malaysia on 18 October 2001 under the Act, as Giant Express Sdn Bhd, converted to a public limited company on 6 November 2001 and changed its name to YNHB on 3 July 2002. YNHB is principally an investment holding company.

The principal activities of YNHB's subsidiaries are mainly property development, property investment and general contracting.

The property development activities of the YNHB Group are currently mainly being undertaken at Mukim Lumut, Mukim Sitiawan, Mukim Beruas and Bandar Baru Sri Manjung at Perak Darul Ridzuan.

As at 30 September 2003, KSB Group has approximately 1,092 acres of land bank located mainly in Perak Darul Ridzuan. KSB, under the present management first started its development properties in 1989 and up to 30 September 2003, the company has constructed over 7,600 units of various properties valued at approximately RM580 million such as shop houses, terrace houses, semi detached units, bungalows and condominium.

The details of the YNHB Group's property development projects, locations and land banks are detailed in Sections 4.2, 9 and 10 respectively.

The details of the subsidiary companies of YNHB as at 30 September 2003 are as follows:-

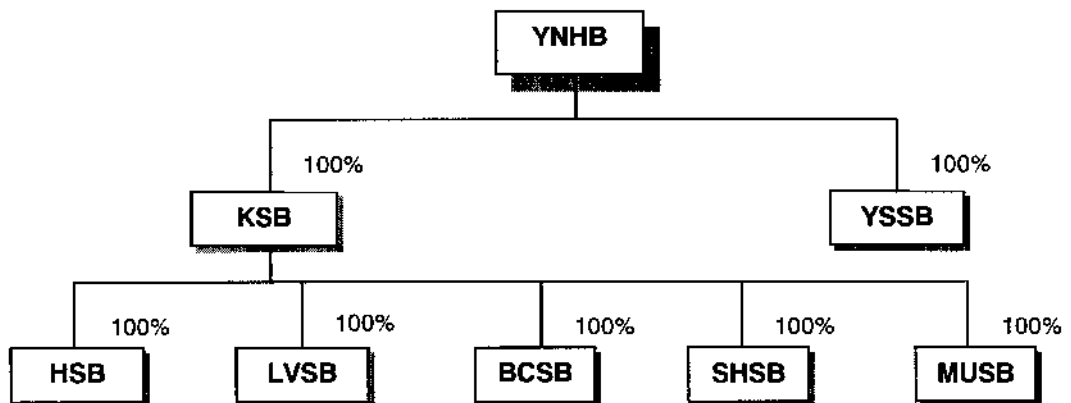
Corporation	Date/Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
YSSB	27 August 1988 Malaysia	250,000	100.00	General contracting and palm oil cultivation
KSB	24 May 1982 Malaysia	800,000	100.00	Property development and cultivation and sale of oil palm produce

1. SUMMARY INFORMATION

Corporation	Date/Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
Subsidiaries of KSB				
LVSB	4 April 1994 Malaysia	3,500,000	100.00	Hotel business and property investment
MUSB	21 November 1996 Malaysia	100	100.00	Property investment and development
BCSB	19 October 1995 Malaysia	2	100.00	Dormant
SHSB	3 January 1997 Malaysia	2	100.00	Property investment
HSB	3 February 1981 Malaysia	3,373,384	100.00	Property development

Further details on the history and business of the Group are set out in Section 4 of this Prospectus.

The YNHB Group's corporate structure is set out below:-



Note:- TAHB will not be part of the YNHB Group upon completion of the Proposals

1. SUMMARY INFORMATION (Cont'd)**1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF YNHB**

The direct and indirect shareholdings of the promoters, substantial shareholders, Directors and key management of the Group are as follows: -

Name	Designation	No. of Shares Held in YNHB After the Offer for Sale and Placement			
		Direct	(%)	Indirect	(%)
Promoters and Substantial Shareholders					
Estate of Dato' Yu Neh Huat	Estate	969,881	0.46	-	-
Yu Kuan Seng +	Promoter / Substantial Shareholder	31,434,527	14.75	7,311,679*	3.43
Yu Kuan Huat +	Promoter / Substantial Shareholder / Managing Director	50,769,193	23.83	7,311,679^	3.43
Dato' Dr Yu Kuan Chon +	Promoter / Substantial Shareholder / Executive Director	58,081,041	27.26	-	-
Teh Nai Sim	Promoter / Substantial Shareholder	7,311,679	3.43	50,769,193^	23.83
Ling Mooi Hung	Promoter / Substantial Shareholder	7,311,679	3.43	31,434,527*	14.75
Directors					
Yu Kuan Huat +	Managing Director	50,769,193	23.83	7,311,679^	3.43
Dato' Dr Yu Kuan Chon +	Executive Director	58,081,041	27.26	-	-
Dato' Lim Git Hooi @ Robert Lim	Independent Non-Executive Director	-	-	-	-
Ching Nye Mi	Independent Non-Executive Director	-	-	-	-
Key Management					
Yu Kuan Seng +	Director of KSB	31,434,527	14.75	7,311,679*	3.43
Yu Chong Hua +	Sales Manager of KSB	-	-	-	-
Chan Yan Meng	Accounts Manager of KSB	-	-	-	-
Yu Choon Sing +	General Manager of LVSB	-	-	-	-
Sew Lai Teng	Operations Manager of LVSB	-	-	-	-
Teh Nai Sim	Promoter / Substantial Shareholder	7,311,679	3.43	50,769,193^	23.83
Ling Mooi Hung	Promoter / Substantial Shareholder	7,311,679	3.43	31,434,527*	14.75

1. SUMMARY INFORMATION (Cont'd)

Notes: -

- + Yu Kuan Seng, Yu Kuan Huat, Dato' Dr Yu Kuan Chon, Yu Chong Hua and Yu Choon Sing are siblings.
- ^ Deemed interested by virtue of their spouse's shareholdings in YNHB (Yu Kuan Huat and Teh Nai Sim are husband and wife).
- * Deemed interested by virtue of their spouse's shareholdings in YNHB (Yu Kuan Seng and Ling Mooi Hung are husband and wife).

Details of the Promoters, substantial shareholders, Directors and key management of YNHB are set out in Section 5 of this Prospectus.

1.3 FINANCIAL HIGHLIGHTS

The following table sets out a summary of the proforma consolidated results of the Group for the past five (5) financial years ended 31 December 2002 and the financial period four (4) months ended 30 April 2003, prepared on the assumption that the Group has been in existence throughout the period under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 12 of this Prospectus.

	31.12.1998 RM	31.12.1999 RM	31.12.2000 RM	31.12.2001 RM	31.12.2002 RM	4 Months ended 30.04.2003 RM
Turnover	46,128,351	91,666,027	45,979,025	77,756,835	103,719,951	23,442,183
Exceptional items [^]	77,471	-	-	-	(1,389,100)	(341,965)
EBIDTA	9,844,370	37,761,554	16,869,403	23,060,682	35,421,215	3,622,558
Depreciation	(1,042,248)	(850,434)	(862,275)	(601,869)	(515,033)	(169,078)
Interest expenses	(1,818,897)	(2,629,901)	(3,034,959)	3,786,865	(3,639,934)	(1,566,751)
Amortisation of goodwill	-	-	-	-	-	-
Share of profits/(losses) of associated companies	-	-	-	-	-	-
Profit before taxation	6,983,225	34,281,219	12,972,169	18,671,948	31,266,248	1,886,759
Taxation	(2,172,477)	-	(3,721,463)	(5,180,625)	(9,185,566)	(508,948)
Profit/ (Loss) after taxation	4,810,748	34,281,219	9,250,706	13,491,323	22,080,682	1,377,811
Extraordinary items ##	-	-	-	-	-	-
Minority shareholders' interest@	-	-	-	-	-	-
Net Profit/(Loss) for the year	4,810,748	34,281,219	9,250,706	13,491,323	22,080,682	1,377,811
No. of ordinary shares of RM1.00 each in issue during the year ('000) #	192,878,250	192,878,250	192,878,250	192,878,250	192,878,250	192,878,250
Gross earning per share (RM)	0.04	0.18	0.07	0.10	0.16	0.01
Net earning per share (RM)	0.02	0.18	0.05	0.07	0.11	0.01
Effective tax rate (%)	31	N/A	29	28	29	27

Notes: -

- @ There is no MI as all the subsidiaries companies of YNHB are wholly owned subsidiaries.
- # Based on the enlarged issued and paid-up share capital of YNHB after the acquisition of KSB Group and YSSB.
- ## There are no Extraordinary Items for the 5 financial years and the 4 months ended 30 April 2003 under review.
- ^ Exceptional Items for the financial year ended 31 December 1998 relates to gain arising from the compulsory acquisition of land by the Government. The Exceptional Items for the financial year ended 31 December 2002 and the 4 months financial period ended 30 April 2003 relates professional fees and incidental expenses incurred in connection with the listing exercise of YNHB.

Kindly refer to the Accountants Report in Section 12 for further details.

The financial statements of the YNHB Group for the years under review were not subjected to any audit qualification.

1. SUMMARY INFORMATION (Cont'd)**1.4 PROFORMA CONSOLIDATED BALANCE SHEETS OF YNHB GROUP AS AT 30 APRIL 2003**

The Proforma Consolidated Balance Sheets as at 30 April 2003 set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of YNHB, had the Proposals been effected on that date.

		<i>Proforma I</i>	<i>Proforma II</i>	<i>Proforma III</i>	<i>Proforma IV</i>
	Audited as at 30 April 2003	After Share Swap with YNHB	After I & Acquisitions	After II & Restricted Issue, Disposal of TAHB, Offer for Sale and Placement	After III & Full Conversion of ICULS and Exercise of ESOS Options
	RM	RM	RM	RM	RM
Property, plant and equipment	-	-	123,635,008	123,635,008	123,635,008
Other investments	-	-	25,000	25,000	25,000
Land held for future development	-	-	155,508,130	155,508,130	155,508,130
Deferred tax assets	-	-	1,405,902	1,405,902	1,405,902
	-	-	280,574,040	280,574,040	280,574,040
Current Assets					
Development properties	-	-	10,913,506	10,913,506	10,913,506
Joint development properties	-	-	13,961,742	13,961,742	13,961,742
Inventories	-	-	3,351,774	3,351,774	3,351,774
Amounts due from customers for contract works	-	-	459,075	459,075	459,075
Trade receivables	-	-	43,238,577	43,238,577	43,238,577
Other receivables, deposit and prepayments	1,000,000	1,000,000	23,670,579	22,670,579	22,670,579
Amounts owing to Directors	-	-	2,044,821	2,044,821	2,044,821
Fixed deposits with licensed banks	-	-	205,435	205,435	205,435
Cash and bank balances	250	250	3,000,666	4,000,667	4,000,667
	1,000,250	1,000,250	100,846,175	100,846,176	100,846,176
Current Liabilities					
Trade payables	-	-	4,406,986	4,406,986	4,406,986
Other payables and accruals	2,755,782	2,755,782	10,572,997	10,572,997	10,572,997
Provision for rectification works	-	-	782,263	782,263	782,263
Amount owing to shareholders	-	-	256,566	256,566	256,566
Amount owing to Directors	-	-	3,002	3,002	3,002
Bank borrowings	-	-	70,332,119	72,651,054	51,344,235
Taxation	-	-	780,058	780,058	780,058
	2,755,782	2,755,782	87,133,991	89,452,926	68,146,107
Net Current (Liabilities)/ Assets					
	(1,755,532)	(1,755,532)	13,712,184	11,393,250	32,700,069
	(1,755,532)	(1,755,532)	294,286,224	291,967,290	313,274,109

1. SUMMARY INFORMATION (Cont'd)

		<i>Proforma I</i>	<i>Proforma II</i>	<i>Proforma III</i>	<i>Proforma IV</i>
	Audited as at 30 April 2003 RM	After Share Swap with YNHB RM	After I & Acquisitions RM	After II & Restricted Issue, Disposal of TAHB, Offer for Sale and Placement RM	After III & Full Conversion of ICULS and Exercise of ESOS Options RM
Financed by:-					
Share capital	250	5,190,190	198,068,190	213,068,190	282,595,009
Capital Reserve (Equity Component of ICULS)	-	-	42,360,999	42,360,999	-
Reserve on Consolidation	-	-	11,060,223	11,060,223	11,060,223
Accumulated losses	(1,755,782)	(6,945,722)	(6,945,722)	(24,264,656)	(24,264,656)
	(1,755,532)	(1,755,532)	244,543,690	242,224,756	269,390,576
Term loans	-	-	12,611,471	12,611,471	12,611,471
ICULS (Liability Component)	-	-	5,859,001	5,859,001	-
Deferred Tax Liabilities	-	-	31,272,062	31,272,062	31,272,062
	(1,755,532)	(1,755,532)	294,286,224	291,967,290	313,274,109
(NTL) / NTA	(1,755,532)	(1,755,532)	244,543,690	242,224,756	269,390,576
(NTL) / NTA Per Share (RM)	(7.022.13)	(0.34)	1.23	1.14	0.95

Detailed Proforma Consolidated Balance Sheets and the Reporting Accountants' letter thereon are set out in Section 11.13 and Section 12 of this Prospectus respectively.

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1. SUMMARY INFORMATION (Cont'd)

1.5 SUMMARY OF MATERIAL RISK FACTORS

An investment in the shares listed/to be listed on the KLSE involves a number of risks, some of which, including market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in the business of the Group.

Prospective investors should rely on their own evaluations and to carefully consider the investment considerations before buying any of the Offer for Sale and Placement Shares, which are the subject of this Prospectus. The following are the main investment considerations (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the Offer for Sale and Placement Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the Offer For Sale and Placement Shares:-

- (i) **Sensitivity Towards Economic Risks**
- (ii) **No Prior Market for YNHB Shares**
- (iii) **Capital Market Risks**
- (iv) **Quality and Quantity of Land Bank**
- (v) **Competition from other Developers**
- (vi) **Delay in Completion of Development Projects**
- (vii) **Cost of Development Projects**
- (viii) **Financial Obligations**
- (ix) **Political and Government Regulations**
- (x) **Ownership and Control of the Group**
- (xi) **Continued Experience Management and Technical Expertise**
- (xii) **Forward Looking Statements**
- (xiii) **Delay of Listing Date**
- (xiv) **Dependence of KSB on YSSB as its main contractor**
- (xv) **Achievability of Forecast**
- (xvi) **Breakout of fire, energy crisis and other emergencies and uninsurable risk**
- (xvii) **War and Environmental Concerns**
- (xviii) **Cyclical Risk**
- (xix) **Recoverability of Debts**

Further details of the material risk factors are set out in Section 3 of this Prospectus.

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1. SUMMARY INFORMATION (Cont'd)**1.6 PROFIT AND DIVIDEND RECORD****CONSOLIDATED (LOSS)/PROFIT ESTIMATE AND FORECAST**

Financial Year Ending 31 December	Estimate 2003 (RM'000)	Forecast 2004 (RM'000)
Revenue	119,763	111,166
Consolidated PBT and Exceptional Items ("EI")	31,282	32,987
Less: EI	(22,851) ^(Note 1)	-
Consolidated PBT	8,431	32,987
Less: Taxation	(8,891)	(9,370)
Consolidated Loss After Tax ("LAT")/PAT after EI	(460) ^{(Note (a))}	23,617
Weighted average number of Shares ('000)	70,634	213,068
Issued and paid-up share capital ('000)*	213,068	213,068
Basic Gross EPS (sen) ^(Note 2)		
- before EI	44.29 ^(Note 3)	15.48
- after EI	11.94 ^(Note 4)	15.48
Diluted Gross EPS (sen) ^(Note 5)		
- before EI	11.97 ^(Note 3)	12.62
- after EI	3.23 ^(Note 4)	12.62
Basic Net EPS (sen) ^(Note 2)		
- before EI	31.70 ^(Note 6)	11.08
- after EI	(0.65) ^(Note 7)	11.08
Diluted Net EPS (sen) ^(Note 5)		
- before EI	8.57 ^(Note 6)	9.04
- after EI	(0.18) ^(Note 7)	9.04
Gross PE Multiple (times) ^(Note 8)		
- before EI	2.48 ^(Note 9)	6.46
- after EI	8.38 ^(Note 9)	6.46
Net PE Multiple (times) ^(Note 8)		
- before EI	N/A	9.03
- after EI	N/A	9.03

There are no minority interests.

Notes: -

- * Assuming that the Share Swap with YNHB has been completed as at the date of this Prospectus
- (a) The estimate for the financial year ending 31 December 2003 excludes an 8 month adjustment of approximately RM16.05 million to pre-acquisition reserves which take into account the effective date of the Acquisitions on 2 September 2003.
- (1) Consist of write-off of cost of transfer of listing status of TAHB (RM15.00 million), write-off of cost of investment in TAHB (RM5.19 million) and estimated expenses for the restructuring of TAHB (RM4.05 million, of which RM1.39 million has been paid in FYE 2002).
- (2) Based on the weighted average number of shares in issue.
- (3) Based on PBT before EI of RM31.282 million.
- (4) Based on PBT after EI of RM8.431 million.
- (5) Based on the enlarged and paid-up capital of 261,288,190 Shares after full conversion of 48,220,000 ICULS into 48,220,000 new YNHB Shares but before the exercise of the ESOS Options.
- (6) Based on PAT before EI of RM22.391 million.
- (7) Based on LAT after EI of RM0.460 million.
- (8) Based on the Offer for Sale and Placement price of RM1.00 per Share.
- (9) Calculated based on Basic Gross EPS.
- N/A Not Applicable

1. SUMMARY INFORMATION (Cont'd)**DIVIDEND ESTIMATE AND FORECAST**

Financial Year Ending 31 December	Estimate 2003	Forecast 2004
Gross dividend per Share (sen)	5.0	5.0
Net dividend per Share (sen)	3.6	3.6
Gross dividend yield (%) ^(Note 1)	5.0	5.0
Net dividend yield (%) ^(Note 1)	3.6	3.6
Net dividend cover (times)	8.81*	3.08**

Note: -

(1) Based on the Offer for Sale and Placement price of RM1.00 per Share.

* Calculated based on Basic Net EPS before EI of 31.70 sen.

** Calculated based on Basic Net EPS of 11.08 sen.

1.7 PROFORMA GROUP NTA AS AT 30 APRIL 2003

Proforma consolidated NTA as at 30 April 2003 (RM'000)	242,225
Proforma consolidated NTA per Share (RM) (based on the enlarged share capital of 213,068,190 Shares*)	1.14

* Assuming that the Share Swap with YNHB has been completed as at the date of this Prospectus

1.8 PRINCIPAL STATISTICS RELATING TO THE OFFER FOR SALE AND PLACEMENT**1.8.1 SHARE CAPITAL**

The following statistics relating to the Offer for Sale and Placement are derived from the full text of the Prospectus and should be read in conjunction with the text.

	Number of ordinary share of RM1.00 each	Share capital (RM)
AUTHORISED SHARE CAPITAL	500,000,000	500,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL	213,068,190	213,068,190
- Existing : 207,878,250 ordinary shares of RM1.00 each	207,878,250	207,878,250
- To be issued pursuant to the Share Swap with YNHB	5,198,940	5,198,940
ENLARGED SHARE CAPITAL	213,068,190	213,068,190
• Existing Shares to be offered pursuant to the Offer For Sale	2,000,000	2,000,000
• Existing Shares to be offered pursuant to the Placement	50,000,000	50,000,000

The Offer for Sale and Placement Price is RM1.00 per Share payable in full upon application, subject to the terms and conditions of this Prospectus.

Please refer to Section 2.4 for basis of the Offer for Sale and Placement Price.

1. SUMMARY INFORMATION (Cont'd)

1.8.2 CLASS OF SHARES

There is only one class of shares in the Company namely ordinary shares of RM1.00 each, all of which rank pari passu with one another. The Offer for Sale and Placement Shares rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

1.9 PROPOSED UTILISATION OF PROCEEDS

The Offer for Sale and Placement will raise gross proceeds of RM52 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by YNHB. The Offerors shall bear all expenses including brokerage, placement fees, registration and transfer fees relating to their respective portion of the Offer for Sale and Placement Shares.

YNHB will bear all expenses incidental to the listing of and quotation for YNHB's Shares on the Main Board of the KLSE which include registration fee, professional fees, SC fees, restructuring expenses, listing expenses and other fees.

The aggregate of the abovementioned expenses to be borne by the Company is estimated to be approximately RM4.05 million.

Please refer to Section 2.7 for further details of utilisation of proceeds.

1.10 MATERIAL LITIGATIONS, BORROWINGS, CONTINGENT LIABILITIES AND COMMITMENT

The material litigation, contingent liabilities and material commitment pertaining to the TAHB Group, will not be assumed by YNHB as the TAHB Group will be disposed upon the listing of YNHB.

(i) Material Litigation

YNHB Group

Save as disclosed below, as at 30 September 2003, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of YNHB and its subsidiaries.

1. A claim for specific performance by Lau Geok Swee & Co Sdn Bhd ("LGS") against KSB vide Ipoh High Court, Civil Suit No. 22-240-02. LGS is claiming for specific performance of a sale and purchase agreement dated 28 October 1995 entered into between the LGS as vendor and KSB as purchaser in respect of a piece of property held under Lot No. 2, Town of Lumut for a purchase price of RM4,496,698-80. A deposit and part payment of the purchase consideration amounting to RM674,504-85 had been paid by KSB pursuant to the said agreement.

1. SUMMARY INFORMATION (Cont'd)

The solicitors of KSB had confirmed that a statement of defence and a counter-claim had been filed on behalf of KSB. Pursuant to the counter claim, KSB is seeking a declaration that the said agreement has been rescinded and is seeking a refund of the deposit and part payment of RM674,504-85 made by KSB to the LGS. The matter has been fixed for case management on 5 December 2003.

(ii) Borrowings

As disclosed in Section 11.4 of this Prospectus, as at 30 September 2003 the total bank borrowings of the YNHB Group are as follows:-

Borrowings	Available Credit Facilities Amount (RM '000)	Balance utilised as at 30.09.03 Amount (RM '000)	Existing Utilised Credit Facilities Amount (RM '000)
Long Term borrowings			
• Interest bearing	31,000	28,766	- [^]
Short Term borrowings			
• Interest bearing	80,500	55,579	24,921
Total Borrowings	111,500	84,345	24,921

Note:-

[^] There is no unutilised credit balance as the balance drawn down from long term borrowings have been repaid to the financial institutions.

The Group has no foreign currency borrowings as at 30 September 2003.

(iii) Material Contingent Liabilities

As at 30 September 2003, there are no material contingent liabilities incurred by the Group.

(iv) Material Commitments

As at 30 September 2003, there are no material commitments for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group.

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