

#### 4. INFORMATION ON THE GROUP

##### 4.1 BACKGROUND

##### 4.1.1 Incorporation and Commencement of Business

YNHB was incorporated in Malaysia on 18 October 2001 under the Act, as a private limited company.

Pursuant to the Workout Proposals, YNHB had acquired the entire issued and paid-up share capitals of KSB and YSSB for a total purchase consideration of RM241,098,000 satisfied with the issuance of 192,878,000 new YNHB ordinary shares of RM1.00 each at an issue price of RM1.00 per YNHB Share and the issuance of RM48,220,000 nominal value of ICULS by YNHB.

Also, pursuant to the Workout Proposals, a capital 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 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 will be implemented. Thereafter, forty (40) ordinary shares of RM0.025 each will be consolidated into one (1) ordinary share of RM1.00 each. Subsequently, a share swap of the entire issued and paid-up shares of TAHB (after capital reduction of 40 to 1) will 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 which is expected to be completed before the listing of YNHB on the Main Board of KLSE.

Kindly refer to Section 8 of this Prospectus for further details on the Workout Proposals in relation to the Restructuring Scheme of TAHB.

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

##### 4.1.2 Share Capital And Changes In Share Capital

The present authorised share capital of YNHB is RM500,000,000 comprising 500,000,000 Shares and its issued and paid-up share capital (assuming that the Share Swap with YNHB has been completed as at the date of this Prospectus) is RM213,068,190 comprising 213,068,190 Shares.

The changes in the issued and paid-up share capital of YNHB since its incorporation are as follows:-

| Date of Allotment | No. of Ordinary Shares | Par Value | Consideration                                      | Cumulative Issued and Paid-up Share Capital |
|-------------------|------------------------|-----------|--|---|
|                   |                        | RM        |  | RM  |
| 18.10.2001        | 2                      | 1.00      | Subscribers' shares                                | 2   |
| 05.11.2001        | 248                    | 1.00      | Cash   | 250   |
| 02.09.2003        | 15,000,000             | 1.00      | Shares issued pursuant to the Restricted Issue     | 15,000,250                                  |
| 02.09.2003        | 168,878,000            | 1.00      | Shares issued pursuant to the Acquisition of KSB   | 183,878,250                                 |
| 02.09.2003        | 24,000,000             | 1.00      | Shares issued pursuant to the Acquisition of YSSB  | 207,878,250                                 |
| *                 | 5,189,940              | 1.00      | Shares issued pursuant to the Share Swap with YNHB | 213,068,190                                 |

\* To be completed prior to the listing of YNHB on the Main Board of the KLSE.

#### **4. INFORMATION ON THE GROUP (Cont'd)**

##### **4.1.3 Overview of YNHB Group's Business**

YNHB was incorporated in Malaysia on 18 October 2001 under Act, as a private limited company and was subsequently converted into a public limited company on the 6 November 2001. YNHB is the special purpose vehicle established to assume the listing status of TAHB under the Proposals, which entails, inter-alia, YNHB acquiring the entire share capitals of KSB and YSSB.

The head of the Yu Family, the late Dato' Yu Neh Huat first began his career as a farmer and a keeper of livestock. With his vision and aspiration, Kar Sin Enterprise Sdn Bhd ("KS") was incorporated on 24 May 1982 and in 1987, KS commenced its first construction activity, being the construction of 10 units of double storey shop office at Jalan Kampung Sitiawan. KS's first housing project was Taman Indah Muhibbah which consists of 39 units of single storey terrace house. In 1992, KS commenced the development of its first township, Taman Samudera and had received encouraging support from the local population. As the township was a success, KS then ventured into hotel and property investment with the incorporation of its subsidiary company, LVSB on 4 April 1994. KS was subsequently converted into a public limited company on 7 March 1997 and assumed its present name, Kar Sin Berhad.

The principal activities of KSB are property development, cultivation and sale of oil palm produce. It presently holds the entire equity interest in LVSB, BCSB, SHSB, MUSB and HSB.

On 27 August 1988, YSSB was incorporated. The principal activities of YSSB are rubber and oil palm cultivation. YSSB acquired a piece of freehold agricultural land in Bruas which is still cultivated until today. YSSB started its general contracting work during the year 1992 by contracting certain works from KS. Thereon, YSSB became the construction arm of KS. YSSB does not have any subsidiary or associated company.

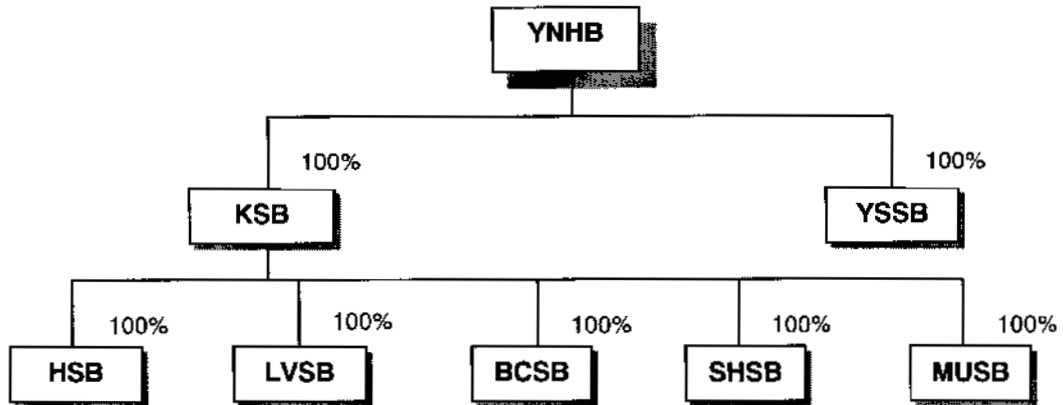
The core activities of the new YNHB Group of companies are in property development, construction and hotel and leisure industry. The companies have primarily been active in the region of Sri Manjung at the southern coast of Perak Darul Ridzuan, adjacent to the Ipoh-Lumut Development Corridor.

#### 4. INFORMATION ON THE GROUP (Cont'd)

### 4.2 BUSINESS

#### 4.2.1 Group Structure

An overview of the Group's structure after the Proposals is as set out below: -



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

Details of the subsidiary and associated companies of the Company are summarised below: -

| Corporation                | Date/Place of Incorporation  | Issued and Paid-up Share Capital (RM) | Effective Equity Interest (%) | Principal Activities  |
|----------------------------|------------------------------|---------------------------------------|-------------------------------|---|
| YSSB                       | 27 August 1988<br>Malaysia   | 250,000                               | 100.00                        | General contracting and palm oil cultivation                      |
| KSB                        | 24 May 1982<br>Malaysia      | 800,000                               | 100.00                        | Property development and cultivation and sale of oil palm produce |
| <b>Subsidiaries of KSB</b> |                              |                                       |                               |   |
| LVSB                       | 4 April 1994<br>Malaysia     | 3,500,000                             | 100.00                        | Hotel business and property investment                            |
| MUSB                       | 21 November 1996<br>Malaysia | 100                                   | 100.00                        | Property investment and development                               |
| BCSB                       | 19 October 1995<br>Malaysia  | 2                                     | 100.00                        | Dormant   |

**4. INFORMATION ON THE GROUP (Cont'd)**

| Corporation                         | Date/Place of Incorporation | Issued and Paid-up Share Capital (RM) | Effective Equity Interest (%) | Principal Activities |
|-------------------------------------|-----------------------------|---------------------------------------|-------------------------------|----------------------|
| <b>Subsidiaries of KSB (Cont'd)</b> |                             |                                       |                               |                      |
| SHSB                                | 3 January 1997<br>Malaysia  | 2                                     | 100.00                        | Property investment  |
| HSB                                 | 3 February 1981<br>Malaysia | 3,373,384                             | 100.00                        | Property development |

**4.2.2 Property Development Projects of YNHB Group****4.2.2.1 Completed Projects of YNHB Group**

As at 30 September 2003, the YNHB Group has completed approximately 7,500 units of residential and commercial units with a total gross development value of approximately RM580 million, out of which approximately 99% of the units have been sold and delivered to the purchasers. YNHB Group's projects were well received by its purchasers, mainly attributed to the affordability of the property prices and strategic locations.

Among the completed projects are Taman Muhibbah II, Taman Desa Aman, Taman Sejati and Taman Aman Muhibbah III in Sitiawan, Fasa 2E, Fasa 2H, Fasa 2I, Fasa 2J, Fasa 3C of Bandar Baru Seri Manjung and Manjung Point in Seri Manjung and Taman Kenari and Taman Damai in Ayer Tawar. Certain phases of Taman Samudera Seri Manjung have also been completed. These projects comprised mainly low-medium and medium cost residential and commercial units. Further details of the above-mentioned completed projects are as follows:-

**(i) Taman Muhibbah II**

This project is located near Fajar Shopping Centre in Sitiawan Town comprising 142 units of single storey terrace house and 76 units of double storey terrace house.

The project was first launched at the beginning of 1993 (142 units of single storey terrace house and 53 units of double storey terrace house) and was fully sold within 8 months after it was launched. The second launching was in 1994 for the remaining 23 units of double storey terrace house.

**4. INFORMATION ON THE GROUP (Cont'd)**

The Certificate of Fitness for Occupation was issued by the Majlis Daerah Manjung in May 1994 for the first launching and the remaining 24 units of double storey terrace house was issued at the end of 1994.

The GDV for this project is approximately RM14 million.

**(ii) Taman Desa Aman**

This project was abandoned by the previous developer and is located next to Kampong Koh New Village. KSB subsequently bought over this abandoned project and was launched under two phases.

Phase I comprise 39 units of single storey terrace house and 17 units of single storey terrace house. Phase II comprise 66 units of single storey terrace house and 20 units of double storey terrace house. The Certificates of Fitness for Occupation for the buildings were obtained in 1996

The GDV for this project is approximately RM9 million.

**(iii) Taman Sejati and Taman Sejati I, II and II (Lot 16056 & 16057, 16061, 16059 & 16060)**

The whole project is located between Sitiawan and Bandar Baru Seri Manjung.

Lot 16056 and 16057 were launched in 1996 while Lots 16059 to 16061 were launched in 1997. The whole project comprised 133 units of double storey shop-office, 241 units of single storey terrace house, 152 units of double storey terrace house, 22 units of single storey semi-detached house and 18 units of double storey semi-detached house. The Certificate of Fitness for Occupation for Lots 16056 and 16057 was issued in 1997 while Lots 16059-16061 was issued in 1999.

The total GDV contributed by this project is approximately RM56 million.

**(iv) Taman Aman Muhibbah III**

This whole project is located off the Sitiawan-Kg. Aceh Road and the existing housing estate nearby includes Taman Muhibbah, Taman Mewah Aman and Taman Megah in Sitiawan.

**(a) Lot 15705**

This project comprises 6 units of single storey terrace house, 18 units of single storey house and 1 unit of bungalow.

**(b) Lot 15706**

There are 10 units of single storey terrace house, 12 units of double storey semi-detached house and 6 units of single storey bungalow.

**4. INFORMATION ON THE GROUP (Cont'd)**

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**(c) Lot 15707**

This project comprises 12 units of single storey semi-detached house.

**(d) Lot 15698 and 15699**

There are 28 units of single storey semi-detached house and 1 unit of single storey bungalow.

Lots 15705-15707 and 15698 and 15699 were launched in 1996 and the Certificates of Fitness for Occupation were issued by Majlis Daerah Manjung in 1998.

**(e) Lot 15690**

This project, consisting of 26 units of single storey semi-detached house and 3 units of single storey bungalow has been completed.

**(f) Lot 15691**

There are 26 units of single storey semi-detached house and 3 units of single storey bungalow.

Lot 15690 and 15691 were launched in 1997 and the Certificates of Fitness for Occupation were obtained in 1999.

**(g) Lot 15688**

This project comprises 11 units of single and 11 units of double storey terrace house. This project was launched in 1988 and the Certificate of Fitness for Occupation was issued in 2000.

**(h) Lot 15689**

This project comprises 8 units of double storey semi-detached house, 8 units of single semi-detached house and 10 units of single storey detached house. The project was launched in 1999 and the buildings were completed with the Certificate of Fitness for Occupation in 2001.

The total GDV from these projects are approximately RM17 million.

**(v) Bandar Baru Seri Manjung Fasa 2H**

This project is located in Seri Manjung and comprises 56 units of single storey terrace house Type A, 111 units of single storey terrace house Type B, 36 units of double storey terrace house Type C, 54 units of double storey terrace house Type D, 11 units of double storey terrace house Type F and 2 units of single storey semi-detached house Type G.

The project was launched in 1998 and the Certificate of Fitness for Occupation was issued in 2000.

The GDV for this project is approximately RM19 million.

**4. INFORMATION ON THE GROUP (Cont'd)**

**(vi) Manjung Point**

The whole project is located with frontage onto the Lumut-Ipoh Highway.

**(a) P.T. 2842**

There are 214 units of single storey terrace house and were launched in 1994 and the Certificate of Fitness for Occupation was obtained in 1996. GDV contributed from this lot is approximately RM11 million.

**(b) P.T. 2807-2809**

There are 2 phases in this project, Phase I comprised 198 units of single storey terrace house and 42 units of double storey terrace house while Phase II comprised 148 units of single storey terrace house and 66 units of double storey terrace house. Total GDV contributed from these lots is approximately RM30 million.

The project was launched in 1997 and the Certificates of Fitness for Occupation for the 2 Phases were issued in 1999.

**(vii) Taman Kenari**

This project is located about ¾ mile off the south-east of Jalan Besar Ayer Tawar, Perak.

The project comprises 89 units of single storey terrace house, 16 units of double storey terrace house, 2 units of single storey semi-detached house and 19 units of single storey shop-office. This project was launched in 1996 and duly completed.

The GDV from this project is approximately RM8 million.

**(viii) Taman Damai**

This whole project is located approximately 500 feet from the Ayer Tawar main road.

**(a) Phase I**

This Phase comprises 44 units of single storey terrace house, 31 units of double storey terrace house and 12 units of semi-detached house. The project was launched in 1999 and the buildings have been completed with the Certificate of Fitness for Occupation. The GDV from this lot is approximately RM7 million.

**(b) Phase II**

There are 26 units of single storey terrace house and 133 units of single storey low cost terrace house. The project was launched in 1999 and the Certificate of Fitness for Occupation has been obtained. The GDV contributed from this lot is approximately RM5 million.

**4. INFORMATION ON THE GROUP (Cont'd)**

**(c) Phase III**

This phase consists of a total 156 units of single storey terrace house, out of which 85 units were launched in December 1999 and Certificate of Fitness for Occupation were obtained in the year 2001. Another 31 units were also launched in December 1999 and the remaining 40 were launched in January 2002 and all 71 units were completed by the end of year 2002 with Certificate of Fitness obtained. Total GDV for this phase is approximately RM10 million.

**(ix) Taman Sejati (Lot 16055), Sitiawan**

The area for the whole project is 10.5171 acres and is located about 1 mile from south-west of the Sitiawan Town Centre. Situated about 1¼ mile to the south-west of the property is the large comprehensive development of Seri Manjung together with the administrative centre of Manjung District whilst located to the west is the integrated mixed development scheme known as "Manjung Point."

The project was launched in December 1999 and was completed with Certificate of Fitness for Occupation obtained in early 2002. This project comprises 14 units of 3-storey factory, 54 units of double storey terrace house and 12 units of single storey semi-detached house. A balance of 15 units of 3-storey shop-office is reserved for future development.

The GDV of the project for the completed units are approximately RM13 million.

**(x) Fasa 2I Bandar Baru Seri Manjung**

This project is located in Seri Manjung, a large comprehensive development together with the administrative centre of Manjung District and it is a JV between YSSB and KSB.

The project comprises 60 units of single storey semi-detached house and 207 units of single storey terrace house. The semi-detached houses were launched in June 2000 while the terrace houses were launched in December 2000 and all the units have been sold and Certificate of Fitness for Occupation obtained during the year 2002.

The project contributed a GDV of approximately RM20 million.

**(xi) Fasa 2E Bandar Baru Seri Manjung**

This project is also located in Seri Manjung and comprises 62 units of double storey terrace house and 184 units of single storey terrace house.

24 units of double storey terrace house and 24 units of single storey terrace house were launched in June 2000 and the remaining 38 units of double storey terrace house and 160 units of single storey terrace house were launched in June 2001 and all the 246 units were fully sold and Certificate of Fitness for Occupation obtained during the year 2002.

The GDV contributed from this project is approximately RM22 million.



#### 4. INFORMATION ON THE GROUP (Cont'd)

##### (xii) Fasa 3C Bandar Baru Seri Manjung

This is another project located in Seri Manjung, comprising 421 units of single storey terrace houses. Phase 1 comprising 204 units was launched in December 2000 and was fully sold within 6 months after launching. Phase 2 was launched in June 2001 and more than 90% of the houses have been sold by November 2001 and are fully sold in the early year 2002 with Certificate of Fitness for Occupation obtained at the end of year 2002. A further 7 units of single storey shop house were launched and completed with Certificate of Fitness for Occupation obtained in the same year 2002.

The total GDV for this project is approximately RM28 million.

##### (xiii) Bandar Baru Sri Manjung – Fasa 2J

Fasa 2J was an abandoned project taken over by KSB in 1999. This project is located on a piece of leasehold land measuring 30.5 acres in area and situated at Bandar Baru Sri Manjung, Perak.

The project comprises 376 units of residential houses made up of 24 units single and double storey bungalows, 44 units double storey semi detached house, 33 units double storey terrace house and 273 units single storey terrace house.

Initial development was to complete the houses bought by the public and to compensate buyers who do not wish to continue with the purchase. These houses have been completed with Certificate of Fitness issued in the year 2002.

Phase 1 of this project consist of the construction of 166 units single storey terrace house which was launched at the beginning of 2001 and the houses have been fully sold. Phase 2 being the balance of the whole project was launched at the end of the year 2001 and was fully sold in 2002. The construction of Phase 1 and Phase 2 were completed with Certificate of Fitness for Occupation issued and handed over to the house buyers by the end of year 2002.

The GDV for Fasa 2J of Bandar Baru Sri Manjung is RM38 million.

***Please refer to Section 9.1 of this Prospectus for further information on the completed projects.***

##### 4.2.2.2 On-Going Projects of YNHB Group

As at 30 September 2003, the YNHB Group on-going projects with GDV of approximately RM93 million for all its on-going projects which have been launched with sales value of RM59 million secured on that date which represent 63% of GDV. The GDV and sales are expected to increase by the end of 31 December 2003 as certain projects, which have been planned have yet to be launched.

#### **4. INFORMATION ON THE GROUP (Cont'd)**

On 28 May 2003, KSB signed a joint venture agreement with Fresh Melody Sdn Bhd a company owned by Mr. Ho Swee Ming and Mdm Ng Bak Nai (Mr. Ho Swee Ming and Mdm Ng Bak Nai are also previous directors of YNHB) for the development of commercial units in Ipoh. For further details, please refer to Section 4.2.2.3 of this Prospectus. This represents an expanding operation strategy by expanding into high end high demand area in addition to its traditional low to medium cost residential area.

The brief write-up on the details of the on-goings projects as at 30 September 2003 are as follows:-

**(i) Taman Samudera Seri Manjung**

This project occupies an area of approximately 147 acres located near Bandar Baru Seri Manjung and is a mixed residential development comprising of terrace houses, semi-detached houses, bungalows and shop-offices.

Phases 1 and 2 were launched simultaneously in August 1992 and Phase 3 was launched at the end of the same year after receiving good and encouraging response from the public from the launch of Phase 1 and 2. To date, Phase 1 – 9 comprising of 2,183 units of single storey terrace houses, double storey terrace houses, single storey semi-detached houses and double storey shop-offices have been completed, fully sold and successfully handed over to the purchasers

A total 21 units of Shop Office from Phase 9 with a GDV of approximately RM6 million has been completed in the year 2002 and a remaining 10 units of Shop Office are expected to commenced in the year 2004 and complete within 2 years with an expected GDV of approximately RM3 million.

For the year 2003, application for additional 22 lots designated for terrace house and 58 units of shop lots have been approved. Development of these units is expected to commence in the year 2003 and to be completed within 2 years. The expected GDV from this development is approximately RM19 million.

**(ii) Commercial land Jalan Lumut, Bandar Baru Seri Manjung**

This project is located along Jalan Lumut. This project comprises 110 units of double storey shop-office, 2 units of commercial complex and 1 unit of Hawker Centre. The 110 units double storey shop-offices were launched in December 1999 and 75% of the units have been sold. The commercial complex and hawker centre will be launched in the future.

The estimated GDV for this project is RM26 million.

**(iii) Taman Damai Jaya**

This project is located along the main road of Ayer Tawar Town. The project consists of 4 units of double storey shop office, 16 units of double storey terrace house and 16 units of single storey terrace house. This project was launched in the year 2002 and is expected to be completed in the year 2003.

The estimated GDV for this project is RM4.5 million.

**4. INFORMATION ON THE GROUP (Cont'd)**

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**(iv) Taman Setia Jaya**

This project is located in Sitiawan Town and comprises 20 units of double storey terrace house and 9 units of single storey terrace house. This project was launched in the year 2002 and is expected to be completed in the year 2003.

The estimated GDV for this project is RM3.5 million.

**(v) Taman Harmoni**

This project is located in Sitiawan Town and consists of 9 units double storey shop house and 8 units double storey terrace house and 25 units single storey terrace house. The project was launched in the year 2003 and is expected to be completed within two years with an estimated GDV of RM3.9 million.

**(vi) Taman Megah III**

Lot 15673

This project is located at the heart of Sitiawan Town which is adjacent to existing residential area and thus took the name of nearby housing scheme. The development mix under this piece of land comprises 2 units single storey bungalow and 27 units single storey terrace house. The development for this piece of land commenced in the year 2003 and is expected to be completed by the year 2005.

The estimated GDV for this project is RM2.7 million.

Lot 15675

As with the development of Lot 15673 above this project is located at the heart of Sitiawan Town which is adjacent to existing residential area and thus took the name of nearby housing scheme. The development mix under this piece of land comprises 16 units single storey semi detached house and 7 units single storey terrace house. The development for this piece of land commenced in the year 2003 and is expected to be completed by the year 2005.

The estimated GDV for this project is also RM2.7 million.

**(vii) Taman Aman Muhibbah III**

This project is also located at the heart of Sitiawan Town which is adjacent to existing residential area and also took the name of nearby housing scheme. The development mix under this piece of land comprises 2 units of single storey bungalow and 20 units of double storey semi detached house. The development for this piece of land commenced in the year 2003 and is expected to be completed by the year 2005.

The estimated GDV for this project is RM3.4 million.

**4. INFORMATION ON THE GROUP (Cont'd)**

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**viii) Taman Emas 2**

Taman Emas 2 is situated between Kg. Cina and Bandar Baru Sri Manjung with land area of approximately 10 acres under the land Lot 8456, 1238-41. The development comprises 164 units of single storey terrace house. This project would be launch and construction is expected to commence in the year 2003 and be completed within 2 years from the launching date. This project is expected to generate approximately RM14 million in GDV.

**ix) Bandar Baru Sri Manjung – Fasa 2C**

The entire share capital of HSB was acquired by KSB in the year 2002. HSB is the registered and beneficial owner of 203 pieces of sub-divided titles being the whole of Fasa 2C of Bandar Baru Sri Manjung.

HSB has entered into a JV agreement with KSB to jointly develop these lands into 68 units of double storey terrace house and 135 units of single storey terrace house with an expected GDV of RM 20 million. Development commenced in the early year 2002 and is expected to be completed within 2 years time.

**x) Bandar Baru Sri Manjung – Fasa 3B (balance)**

This is a joint venture development project between KSB and YSSB. YSSB is the registered owner of 64 sub-divided titles being the whole balance of Fasa 3B of Bandar Baru Sri Manjung.

The development on these lands into 22 units of double storey terrace house and 42 units of single storey terrace house are expected to generate GDV of RM6.4 million. This project was launched in early 2003 and is expected to be completed within 2 years time.

**xi) Taman Jasmin**

This is a joint venture with third party to development a piece of land in Sitiawan. The development consists of 10 units single storey semi detached house, 8 units of single storey bungalow and 12 units of single storey terrace house with total expected GDV of RM3.8 million. The development has commenced in the year 2003 and is expected to complete in the year 2005

***Please refer to Section 9.2 of this Prospectus for further information on-going projects.***

#### 4. INFORMATION ON THE GROUP (Cont'd)

##### 4.2.2.3 Future Projects of YNHB Group

###### Projects in Sri Manjung

###### a) Taman Samudera – Phase 10 and Phase 11

Taman Samudera is KSB's first integrated township project. This project has over 2,100 completed units of residential and commercial properties over 174 acres of land. Construction of the township commenced in 1992 which consists of 8 phases has been completed in 1996.

The remaining undeveloped land banks were reserved for future development as these land banks were strategically located and their values are expected to appreciate significantly.

Phase 9 is the continual development of the remaining undeveloped lands, which comprises 53 units of double storey shop office and are expected to be fully developed in the year 2005.

Additional 22 units of terrace lots and 58 units of shop lots were obtained due to changes in the Town Layout plan and the construction of these units are expected to commence in the year 2003 and to be completed within 2 years time.

Phase 10 is expected to be launched in year 2004 upon the completion of Phase 9. Phase 10 comprises 61 units of double storey terrace house and is expected to be completed in 2 years time.

Phase 11 which is expected to be launched in year 2005, comprises 64 units of Double Storey Shop Office and is expected to be completed by the year 2006.

The additional GDV from Phases 9, 10 and 11 is expected to be approximately RM 46 million.

###### b) Manjung Point

The integrated and self contained township Manjung Point comprises over 10,000 residential, commercial, industrial and recreational units which will have a conducive and natural environment within the development.

The RM1.5 billion township is sprawled over 782 acres and is situated adjacent to Bandar Seri Manjung along the existing Ipoh-Lumut highway and between the towns of Lumut and Sitiawan.

The township is the continual development of the successful Taman Samudera project. Initial phase of Manjung Point comprising 214 residential units was launched and completed within the year in 1996 with all units fully sold. The GDV of this project was RM11 million.

Projects planned from the year 1998 to year 2000 in respect of this project have been deferred due to the non-conducive economic environment. The target market for the development of this project is the growing middle to upper middle class income bracket which represent the general progression of the income earner from the lower to middle class income bracket.

**4. INFORMATION ON THE GROUP (Cont'd)**

Potential development and facilities plans for Manjung Point would incorporate generous landscaped surroundings and lush greenery for a pleasant and relaxed atmosphere and include the following:

- i) a multi-storey intelligent office building which would also serve as the Company's corporate headquarters. It is intended that the proposed intelligent building would act as catalyst to intensify business activities and provide the impetus for a technology-driven life style for the population of Manjung and the surrounding districts;
- ii) a themed shopping mall is also planned to be built adjacent to the intelligent building.
- iii) a 10 acres Wawasan 2020 school has also been planned to provide educational facilities for the residents of Manjung Point;
- iv) a vocational college to produce skilled workers for industrial estate such as the existing Lumut Industrial Park, Seri Manjung Industrial Park, proposed Marine City beside the Lumut Port and Seri Iskandar Science Park;
- v) a medical centre is planned to be undertaken by a wholly owned subsidiary Saujana Harian to provide healthcare facilities for the population of Manjung District.
- vi) a retirement home for senior citizen is also planned. The retirement home will provide the required care for senior citizen as part of the Company role as a responsible corporate citizen;
- vii) a clubhouse, yacht club, hotel, sports centre and convention centre. The clubhouse and yacht club would be located at the riverine areas in Manjung Point. Facilities would include water sports and marina facilities, tennis courts, gymnasium, function room, restaurant and members lounge.
- viii) a health farm/resort would also be constructed adjacent to the clubhouse to offer fitness, therapeutic and relaxation facilities with landscaped gardens and ponds, jogging track and themed playground. The health farm/resort as well as the senior citizen retirement home are believed to be synergistic to the Company's proposed medical centre.

The above facilities are not meant to be sold and instead would be used to generate recurrent rental income for the Company and for property investment as well as being a responsible and caring corporate citizen. Further residential units planned would include bungalows, medium cost apartments and mixture of terrace houses. These properties would be provided value added services such as landscaped gardens and fibre-optic cable connections. The option of equipping homes with "smart" technology would be explored.

#### 4. INFORMATION ON THE GROUP (Cont'd)

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Amongst the development of residential houses in Manjung Point are the following proposed schemes:

i) Pinggiran Manjung Point

This project to be developed on a piece of land held under PT2810 & PT2811 and PT2824 to PT2831 consists of the construction of 220 units double storey terrace house and 439 single storey terrace house, which is scheduled to be launched at the beginning of year 2007. The construction is expected to be completed and handed over to the house buyers by the end of year 2009.

The expected GDV for Pinggiran Manjung Point is RM60 million.

ii) Lapangan Manjung Point

This project which is to be developed on a piece of the land held under PT2773 to PT2780 is scheduled to start in the year 2006 and expected to be completed by the year 2008. It will consist of 36 units of double storey bungalows, 142 units of single storey bungalows, 160 units of double storey terrace house and 647 single storey terrace house.

The expected GDV for Lapangan Manjung Point is RM112 million.

iii) Taman Desa Manjung Point II

This project is developed on a piece of land on joint venture basis with the landowner Arena Innovasi Sdn Bhd, a wholly owned subsidiary of Perumahan Manjung Sdn Bhd, which is owned by Yu Family. This land which is approximately 40 acres is located adjacent to Manjung Point and will be considered as part of Manjung Point. The development of Phase 1 of this project comprising 22 units of single storey semi detached house and 181 units of single storey terrace house is expected to start in the year 2003 with the construction of all the single storey semi detached house under Phase 1 and 77 units of single storey terrace house. The balance of the single storey terrace house is expected to start together with Phase 2 of this project.

Phase 2 of Taman Desa Manjung Point II comprises 2 units double storey bungalows, 5 units single storey bungalows, 8 units double storey semi detached house, 24 units single storey semi detached house, 64 units double storey terrace house and 130 units of single storey terrace house is expected to commence construction in the year 2003 and to be completed by the year 2005.

The expected GDV for Taman Desa Manjung Point II is RM43 million.

Other residential units are expected to start upon the completion of these schemes. Further developments are expected to commence following the completion of all planned residential units.

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**4. INFORMATION ON THE GROUP (Cont'd)**

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**Projects in Sitiawan**

**a) Taman Sejati**

Taman Sejati is located adjacent to Sitiawan town along the high growth area of Jalan Lumut. It is situated between the planned development of the Company's Manjung Point and Sitiawan town. It consists of several plots of land developed by various developers. Among the significant plans for development to be undertaken by KSB in this area are the plots of land identified as follows:

i) Lot 16047

This piece of land is approximately 9 acres, comprises 32 of double storey shop house, 32 units of double storey terrace house and 47 units of single storey terrace house. Construction is expected to commence in the year 2003 and complete in the year 2005. This project is expected to generate approximately RM17 million in GDV.

ii) Lot 16048

This piece of land is approximately 9 acres, comprises 32 units of double storey terrace house and 111 units of single storey terrace house. Construction is expected to commence in the year 2003 and completed in the year 2005. This project is expected to generate approximately RM13 million in GDV.

iii) Lot 16050

This piece of land measuring approximately 9 acres, consists of 10 units of single storey bungalows and 67 units of double storey semi detached house. Construction is expected to commence in the year 2004 and completed by the year 2006. The expected GDV for this project is RM10 million.

**b) Taman Desa Bintang**

Taman Desa Bintang is located opposite Taman Sejati along the high growth area of Jalan Lumut. It is located between the Sitiawan town and Bandar Baru Seri Manjung. Among the significant plans for development in this area are plots of land identified as follows:

i) Lot 10465

This piece of land is approximately 10 acres consisting of 94 units of double storey shop houses with expected GDV of RM26 million. Construction is expected to commence in the year 2005 and to be completed in the year 2007.

ii) Lot 10466

This piece of land is adjacent to Lot 10465 with land area of approximately 4 acres and designated for the construction of 43 units of double storey shop houses with expected GDV of RM12 million. Construction is expected to commence in the year 2005 and to be completed in the year 2007.



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**4. INFORMATION ON THE GROUP (Cont'd)**

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iii) Lot 10475

This piece of land is adjacent to Lot 10465 and Lot 10475 with land area of approximately 4 acres located in the inner area and designated for residential purpose. The construction of 19 units of double storey terrace houses and 20 units of single storey terrace house is expected to contribute RM5 million in GDV. Construction is expected to commence in the year 2005 and to be completed in the year 2007.

**c) Taman Pelabuhan**

Taman Pelabuhan is situated less than 1 km from Lumut Industrial Estate, in between the Lumut Port and Sitiawan Town. Economic activities are expected to increase when this industrial area is fully developed. The pieces of land identified for this project are as follows:

i) Lot 14836-7

This piece of land is approximately 6 acres, consisting of 32 units of double storey shop house and 19 units of double storey terrace houses with expected GDV of RM12 million. Construction is expected to commence in the year 2006 and to be completed in the year 2008.

ii) Lot 14838

This piece of land is adjacent to Lot 14836-7 with land area of approximately 3 acres consisting of 54 units of single storey terrace house with expected GDV of RM4 million. Construction is expected to commence in the year 2005 and to be completed in the year 2007.

**d) Taman Limbungan**

Taman Limbungan is located between Sitiawan and KSB's planned development of Manjung Point along the Ipoh-Lumut Expressway. It is less than 5 minutes drive to the Lumut Industrial and the Lumut Port. This location is ideal for employee in the industrial estate and Lumut Port. The pieces of land identified for this project are as follows:

i) Lot 14851-14854

These pieces of land measuring approximately 15 acres, consisting of 25 units of double storey shop house, 46 units of double storey terrace house and 120 units of single storey terrace house. Construction is expected to commence in the year 2006 and completed in the year 2008. The expected GDV for this project is RM23 million.

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**4. INFORMATION ON THE GROUP (Cont'd)**

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ii) Lot 14855

This piece of land located adjacent to Lots 14851-14854 is approximately 2.5 acres and is designated for the construction of 20 units of double storey shop house. Construction is expected to commence in the year 2005 and to be completed in the year 2007. The expected GDV from this land is RM5.6 million.

iii) Lot 14857

This piece of land is designated for residential purpose. Measuring approximately 5 acres in land area, it is expected to be developed into 69 units of double storey terrace house with GDV expected to be RM8 million. Construction is planned to commence in the year 2006 and to be completed in the year 2008.

**e) Taman Layar**

Taman Layar is located along the Sitiawan–Pantai Remis Expressway between KSB's planned development of Manjung Point and Lumut Industrial Estate. Taman Layar is also another ideal location for employees from the Lumut Industrial Estate and the Lumut Port. This project which is developed on a piece of land held under Lot 5493 is scheduled to start in the year 2006 and expected to be completed by the year 2008. It will consist of 18 units of double storey shop house, 17 units of double storey terrace house and 65 units of single storey terrace house constructed on land measuring approximately 9 acres. The expected GDV from this land is RM12 million.

**Projects In Lumut**

**Lumut Ria Condominium**

Lumut, being a transit town for tourist going to the vacation island of Pangkor, the management of KSB believe that it is an ideal place for the development of high end properties such as holiday apartments and condominiums attracting outstation investors for such properties.

Lumut Ria Condominium held under Lot 379 is located opposite another of KSB's successfully completed project Lumut Water Front Villa Lumut Ria. The condominium consists of 243 parcels of apartment complete with facilities such as swimming pool, gymnasium, laundry service and restaurant.

Construction is expected to commence in the year 2005 and completed in the year 2007. The expected GDV for Lumut Ria Condominium is RM52 million.

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**4. INFORMATION ON THE GROUP (Cont'd)**

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**Project in Pantai Remis****Taman Bintang**

Pantai Remis, which is approximately 25 minutes' drive from Lumut Industrial Estate Sitiawan after the completion of Tuanku Permaisuri Bainum Bridge, is expected to experience the spillover effects of economy, generated in the Industrial Estate located nearby. Taman Bintang land is located in Pantai Remis with land area of approximately 18 acres. The development planned on this piece of land held under Lot 3335 are 11 units of double storey bungalow, 16 units of double storey semi detached house, 43 units of double storey terrace house and 100 units of single storey terrace house. The construction is expected to start in the year 2007 and completed in the year 2009 with GDV of approximately RM19 million.

**Projects in Ipoh**

The project in Ipoh represents an expansion strategy of the Group. This is a Joint Venture project between KSB and Fresh Melody Sdn Bhd a company owned by Mr. Ho Swee Ming and Madam Ng Bak Nai (who are previous directors of YNHB). The projects are as follow:

**a) Medan Ipoh**

Lot 224019 is located in Medan Ipoh which is located within 500 metres from Kinta City the most popular shopping mall in Ipoh with its anchor tenant Jaya Jusco. Spill over patron from Kinta City had resulted in existing business thriving in this area.

It is proposed to develop 50 units of three storey shop office for lots fronting the main road - Tasek Road. A further 108 units of double storey shop office will be constructed at the back of the 50 units of three storey shop office. This project is expected to be launched in the second half of the year 2003 and are estimated to be completed within 2 years from the date of actual construction. GDV is expected to be approximately RM63 million.

An additional 65 units three storey shop office is planned to be develop in the year 2008 when demand can cater for further three storey shop office. GDV from these additional units are expected to be approximately RM33 million.

**b) Medan Bercham**

Lot 224018 is located opposite the hypermarket Makro in Ipoh. Spill over patron from Makro is also expected in this area which result in demand for shop offices in this area.

It is proposed to develop 144 units of double storey shop office in this location. This project is expected to be launched in the year 2005 and are estimated to be completed within 2 years from the date of actual construction. GDV is expected to be approximately RM50 million.

***Please refer to Section 9.3 for details of the future projects by the YNHB Group.***

#### 4. INFORMATION ON THE GROUP (Cont'd)

##### 4.2.3 Approvals, Major Licences and Permits Obtained

Details of the approvals obtained by the Company for the Proposals from the SC and FIC together with the conditions imposed by these authorities and status of compliance are set out in Section 6.1 of this Prospectus.

The major licences and permits obtained by the Group are as follows: -

##### **KSB**

| Authority                                 | Date of issue | Expiry date | Type   | Projects                         | Equity conditions |
|---|---------------|-------------|--|----------------------------------|-------------------|
| Kem. P'rumahan & Kerajaan Tempatan (KPKT) | 09.04.01      | 08.04.04    | Developer's Licence ("DL") (4131/4-2004/371) | Bandar Baru Seri Manjung Fasa 3C | N/A               |
| KPKT                                      | 22.12.00      | 21.12.03    | DL (4131/12-2003/1404)                       | Bandar Baru Seri Manjung Fasa 3C | N/A               |
| KPKT                                      | 22.12.00      | 21.12.03    | DL (4131/12-2003/1403)                       | Bandar Baru Seri Manjung Fasa 2J | N/A               |
| KPKT                                      | 21.11.00      | 20.11.03    | DL (4131/11-2003/1254)                       | Bandar Baru Seri Manjung Fasa 3B | N/A               |
| KPKT                                      | 20.02.01      | 19.02.04    | DL (4131/2-2004/161)                         | Bandar Baru Seri Manjung Fasa 2I | N/A               |
| KPKT                                      | 08.06.01      | 07.06.04    | DL (4131/6-2004/628)                         | Bandar Baru Seri Manjung Fasa 3C | N/A               |
| KPKT                                      | 31.05.00      | 30.05.05    | DL (4131/10-2000/869)                        | Taman Samudera Baru Fasa I       | N/A               |
| KPKT                                      | 17.10.01      | 16.10.04    | DL (4131/10-2004/1174)                       | Bandar Baru Seri Manjung Fasa 2J | N/A               |
| KPKT                                      | 19.02.02      | 18.02.05    | DL (4131-68/02-2005/209)                     | Taman Damai Jaya                 | N/A               |
| KPKT                                      | 15.11.02      | 14.11.05    | DL (4131-73/11-2005/1437)                    | Fasa 2C                          | N/A               |
| KPKT                                      | 22.08.02      | 21.08.05    | DL (4131-67/08-2005/1067)                    | Taman Setia Jaya                 | N/A               |
| KPKT                                      | 14.01.03      | 13.01.06    | DL (4131-76/01-2006/21)                      | Taman Jasmin                     | N/A               |
| KPKT                                      | 14.02.03      | 13.02.05    | DL (4131-37/02-2005/1513)                    | Taman Damai Fasa 1               | N/A               |
| KPKT                                      | 18.04.02      | 17.04.05    | DL (4131-69/04-2005/460)                     | Taman Damai Fasa 1               | N/A               |
| KPKT                                      | 15.11.02      | 14.11.05    | DL (4131-72/11-2005/1436)                    | Taman Sejati 16048               | N/A               |
| KPKT                                      | 15.11.02      | 14.11.05    | DL (4131-74/11-2005/1438)                    | Fasa 3B                          | N/A               |
| KPKT                                      | 15.11.02      | 14.11.05    | DL (4131-66/11-2005/1435)                    | Taman Trong Indah                | N/A               |
| KPKT                                      | 22.08.02      | 21.08.05    | DL (4131-70/08-2005/1068)                    | Taman Megah 3 (15673)            | N/A               |

**4. INFORMATION ON THE GROUP (Cont'd)****KSB (Cont'd)**

| Authority   | Date of issue | Expiry date | Type  | Projects  | Equity conditions |
|---|---------------|-------------|---|---|-------------------|
| KPKT  | 22.08.02      | 21.08.05    | DL (4131-71/08-2005/1069  | Taman Megah 3 (15675)   | N/A               |
| KPKT  | 28.06.03      | 23.08.05    | DL (4131-54/08-2005/638)  | Taman Desa Manjung Point II   | N/A               |
| REHDA   | 14.06.02      |             | Housing Developers Association Malaysia                                     |   | N/A               |
| Lembaga Pendaftaran Dan Pelesenan Minyak Kelapa Sawit | 01.02.02      | 31.01.05    | Licence issued by the Lembaga Pendaftaran dan Pelesenan Minyak Kelapa Sawit | Menjual Dan Mengalih buah kelapa sawit. ( Lot 712,2772-2774, 2777-2780, 2787-2795, 2797-2805, 2818-2821, 5017 Mukim Lumut | N/A               |
| KPKT  | 21.11.02      | 20.11.03    | Permit for Advertisement and Sale ("PAS") [4131-73/2580/2003 (11)]          | Fasa 2C   | N/A               |
| KPKT  | 20.01.03      | 19.01.04    | PAS [4131-76/86/2004 (1)]   | Taman Jasmin  | N/A               |
| KPKT  | 29.11.02      | 28.11.03    | PAS [4131-37/2662/2003 (11)]  | Taman Damai Fasa 1  | N/A               |
| KPKT  | 21.11.02      | 20.11.03    | PAS [4131-72/2579/2003 (11)]  | Taman Sejati 16048  | N/A               |
| KPKT  | 21.11.02      | 20.11.03    | PAS [4131-74/2581/2003 (11)]  | Fasa 3B   | N/A               |
| KPKT  | 21.11.02      | 20.11.03    | PAS [4131-66/2578/2003 (11)]  | Taman Trong Indah   | N/A               |
| KPKT  | 03.07.03      | 24.06.04    | PAS [4131-54/1300/2004 (6)]   | Taman Desa Manjung Point II   | N/A               |

**LVSB**

| Authority                           | Date of issue | Expiry date | Type                                      | Projects | Equity conditions |
|-------------------------------------|---------------|-------------|---|----------|-------------------|
| Ministry of Culture Art And Tourism | 03.08.95      | -           | Hoteling Licence [KKKP/PL 900- 7/2/(594)] | N/A      | N/A               |

**YSSB**

| Authority                                     | Date of issue | Expiry date | Type  | Projects                          | Equity conditions |
|---|---------------|-------------|---|-----------------------------------|-------------------|
| KPKT  | 06.08.03      | 05.08.04    | Licence to construct any part of sewage systems [KPKT/JPP(03)/8/59/2003D] | N/A                               | N/A               |
| Lembaga Pembangunan Industri Pembinaan (LPIP) | 03.08.98      | -           | Perakuan Pembayaran Levi ("PPL") (07147)                                  | Taman Damai Fasa 1                | N/A               |
| LPIP  | 03.08.98      | -           | PPL (07143)   | Manjung Point Fasa III            | N/A               |
| LPIP  | 03.11.98      | -           | PPL (08451)   | Manjung Point Fasa III (lot 2786) | N/A               |
| LPIP  | 26.01.00      | -           | PPL (12518)   | Taman Makmur                      | N/A               |
| LPIP  | 21.12.00      | -           | PPL (28090)   | Taman Singa Baru                  | N/A               |

**4. INFORMATION ON THE GROUP (Cont'd)****YSSB (Cont'd)**

| Authority   | Date of issue | Expiry date | Type  | Projects                         | Equity conditions |
|---|---------------|-------------|---|----------------------------------|-------------------|
| LPIP  | 21.12.00      | -           | PPL (28086)                                   | Bandar Baru Seri Manjung Fasa 2E | N/A               |
| LPIP  | 21.12.00      | -           | PPL (28087)                                   | Bandar Baru Seri Manjung Fasa 2E | N/A               |
| LPIP  | 02.03.01      | -           | PPL (29911)                                   | Bandar Baru Seri Manjung 3C      | N/A               |
| LPIP  | 02.03.01      | -           | PPL (29912)                                   | Bandar Baru Seri Manjung 3C      | N/A               |
| LPIP  | 09.08.01      | -           | PPL (24888)                                   | Bandar Baru Seri Manjung 3C      | N/A               |
| LPIP  | 09.08.01      | -           | PPL (24889)                                   | Bandar Baru Seri Manjung 3C      | N/A               |
| LPIP  | 09.08.01      | -           | PPL (24890)                                   | Taman Desa Manjung Point II      | N/A               |
| LPIP  | 09.08.01      | -           | PPL (24891)                                   | Taman Desa Manjung Point II      | N/A               |
| LPIP  | 09.08.01      | -           | PPL (24892)                                   | Taman Sejati (Lot 16055)         | N/A               |
| LPIP  | 08.09.01      | -           | PPL (23297)                                   | Bandar Baru Seri Manjung Fasa 2I | N/A               |
| LPIP  | 08.09.01      | -           | PPL (23296)                                   | Bandar Baru Seri Manjung Fasa 2J | N/A               |
| LPIP  | 24.09.01      | -           | PPL (21730)                                   | Bandar Baru Seri Manjung Fasa 2I | N/A               |
| LPIP  | 30.11.01      | -           | PPL (25541)                                   | Taman Damai 1                    | N/A               |
| LPIP  | 30.11.01      | -           | PPL (25542)                                   | Taman Samudera                   | N/A               |
| LPIP  | 17.01.02      | -           | PPL (27023)                                   | Bandar Baru Seri Manjung Fasa 2J | N/A               |
| LPIP  | 17.01.02      | -           | PPL (27024)                                   | Bandar Baru Seri Manjung Fasa 2J | N/A               |
| LPIP  | 10.07.02      | -           | PPL (31167)                                   | Taman Damai Jaya                 | N/A               |
| LPIP  | 08.11.02      | -           | PPL (33206)                                   | Taman Megah 3                    | N/A               |
| LPIP  | 08.11.02      | -           | PPL (33207)                                   | Taman Setia Jaya                 | N/A               |
| LPIP  | 08.11.02      | -           | PPL (33208)                                   | Taman Megah 3                    | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34540)                                   | Bandar Baru Seri Manjung Fasa 2C | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34541)                                   | Taman Sejati                     | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34542)                                   | Bandar Baru Seri Manjung Fasa 2C | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34543)                                   | Taman Sejati                     | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34544)                                   | Bandar Baru Seri Manjung Fasa 2C | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34545)                                   | Bandar Baru Seri Manjung Fasa 3B | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34547)                                   | Taman Sejati                     | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34548)                                   | Bandar Baru Seri Manjung Fasa 2C | N/A               |
| LPIP  | 11.02.03      | -           | PPL (34549)                                   | Bandar Baru Seri Manjung Fasa 2C | N/A               |
| LPIP  | 20.12.01      | -           | PPL (29745)                                   | Taman Sejati                     | N/A               |
| LPIP  | 05.11.98      | 09.01.05    | Licence for contract works (1961111-PK013742) | N/A                              | N/A               |
| Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna | 05.11.98      | 04.11.03    | Wholesale Trade Licence (SB07321T)            | N/A                              | N/A               |

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**4. INFORMATION ON THE GROUP (Cont'd)**

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**4.2.4 Estimated Market Coverage, Position and Share**

Competition is limited as there are no significant property developers other than the YNHB Group in Sitiawan, Sri Manjung and Lumut and this can be seen from the number of developments being launched in the past few years and early 2003.

However, it is YNHB Group's policy to constantly review its development and marketing strategy in response to economic conditions and change in market demands. YNHB Group's property development projects are mainly focused on development of residential properties. YNHB's marketing strategy is to develop low-medium cost houses with selling prices of less than RM150,000 landed properties and the Company also intends to develop commercial units ranging from RM250,000 and above.

This strategy has reaped good returns to YNHB as the current property market scenario could only absorb residential properties costing less than RM150,000 per unit. In addition, financial institutions were also encouraged to provide end financing for properties costing below RM150,000.

No assurance can be given that YNHB will be able to maintain its existing market share in the future. However, the Directors of the YNHB Group believe that YNHB Group will be able to maintain its position due to their extensive knowledge and expertise in the field.

**4.2.5 Quality Control Procedures or Management Programmes**

Quality control measures of the development projects are established by the YNHB Group at all stages of the project development works. The Group appoints a team of qualified and experienced consultant engineers and architects to review the quality and to ensure the contractors and suppliers abide by the standards required by YNHB. This is being conducted through constant meetings, reporting and progressive monitoring and close supervision of work carried out by the awarded contractors and/or suppliers. Purchasers' comments and complaints on the development units' quality upon handover are being handled promptly for remedy works.

The Directors and the management team of YNHB are also always on the lookout for contractors and suppliers other than those presently engaged by YNHB so as to form a check and balance scenario on its development works.

**4.2.6 Interruptions in Business for the Past Twelve (12) Months**

There has never been any interruption in the form of trade disputes or major operational breakdown occurring within and outside the Group that may significantly impair the Group's business operations during the past twelve (12) months prior to the date of this Prospectus.

**4. INFORMATION ON THE GROUP (Cont'd)****4.2.7 Employees**

As at 30 September 2003, the total number of employees of the YNHB Group are 85 persons as illustrated below: -

| Category   | No. of Employees | Average Years in Service# |
|--|------------------|---------------------------|
| Managerial and Professional  | 14               | 8                         |
| Technical and Supervisory  | 11               | 4                         |
| Clerical and related occupations (e.g. clerks, typist, stenographers, personal secretaries, etc) | 60               | 5                         |
| Factory workers:   |                  |                           |
| (a) Skilled  | -                | -                         |
| (b) Unskilled  | -                | -                         |
| <b>TOTAL</b>   | <b>85</b>        |                           |

Note:-

# Average years in service had been computed based on the Directors, Managers and other employees services in KSB and YSSB.

There are no specific training and development programmes as training is provided on the job basis.

None of the employees belong to any union. There are also no contract workers employed by the YNHB Group.

The management of the Group is of the opinion that its dedicated and efficient employees are instrumental to its success. The management of the Group enjoys a good working relationship with the employees. As of 30 September 2003, the Group has not been involved with any material industrial disputes with any of its employees.

**4.2.8 Key Achievements/Milestones/Awards**

KSB, under the present management first started its development of properties in the year 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.

**4.2.9 Modes of Marketing/Distributions/Sales**

The YNHB Group does not encounter much difficulty in marketing its properties. Most of the sales were promoted through media advertisements such as newspapers and radio. Nevertheless, YNHB also holds regularly property promotion exhibition at Lead View Hotel to reach out and inform the potential purchasers of its launches and brand building. This has proven to be a successful marketing tool by the YNHB Group as not only the sales response was above expectation, personal introductions by visitors who have visited YNHB's exhibitions were also encouraging.



**4. INFORMATION ON THE GROUP (Cont'd)****4.3 SUBSIDIARY AND ASSOCIATED CORPORATIONS****4.3.1 KSB****(a) Background**

Kar Sin Enterprise Sdn Bhd ("KS") was incorporated on 24 May 1982 as a private limited company under the Act. KS was subsequently converted into a public limited company on 7 March 1997 and assumed its present name, Kar Sin Berhad.

**(b) History**

KS commenced its first construction activity, being the construction of 10 units of double storey shop office at Jalan Kampung Sitiawan in 1987. KS's first housing project was Taman Indah Muhibbah which consists of 39 units of single storey terrace house. In 1992, KS commenced the development of its first township, Taman Samudera and had received encouraging support from the local population. As the township was a success, KS then ventured into hotel and property investment with the incorporation of its subsidiary company, LVSB on 4 April 1994. KS was subsequently converted into a public limited company on 7 March 1997 and assumed its present name, Kar Sin Berhad.

Please refer to Section 9 for development projects of KSB and Section 12 for its profit and dividend track record.

**(c) Principal Activities and Products/Services**

The principal activities of KSB are property development, cultivation and sale of oil palm produce. It presently holds the entire equity interests in LVSB, BCSB, SHSB, MUSB and HSB.

**(d) Share Capital**

The authorised share capital of KSB is RM1,000,000 comprising 1,000,000 Shares, of which 800,000 Shares have been issued and fully paid-up.

The changes in the issued and paid-up share capital of KSB since incorporation are as follows:-

| <b>Date Issued</b> | <b>No. of shares allotted</b> | <b>Par value (RM)</b> | <b>Consideration</b>  | <b>Cumulative issued and paid up share capital (RM)</b> |
|--------------------|-------------------------------|-----------------------|-----------------------|---|
| 24.5.1982          | 2                             | 1.00                  | Subscribers' shares   | 2   |
| 15.3.1983          | 7,598                         | 1.00                  | Cash                  | 7,600   |
| 25.9.1987          | 242,400                       | 1.00                  | Cash                  | 250,000   |
| 5.1.1996           | 310,000                       | 1.00                  | Cash                  | 560,000   |
| 15.1.1996          | 240,000                       | 1.00                  | Rights issue of 3 : 7 | 800,000   |

**(e) Subsidiary/Associated Corporations**

The subsidiary companies of KSB are shown in Section 4.2.1. KSB does not have any associated corporations.