

8. WORKOUT PROPOSALS

8.1 BACKGROUND INFORMATION ON TAHB

TAHB was incorporated on 25 March 1968 as Central Oil Palm Industries Sdn Bhd and converted into a public company on 3 April 1968. It was subsequently listed on the KLSE in October 1968 as Central Oil Palm Industries Bhd. TAHB underwent a series of name changes from Central Oil Palm Industries Bhd to Central Securities (Holdings) Bhd (26 June 1972), to Ganda Holdings Bhd (20 January 1981), to Westmont Land (Asia) Bhd (22 November 1994) and to its present name Techno Asia Holdings Bhd on 2 August 2000. TAHB was previously listed on the Main Board of the KLSE under the plantation sector before it was transferred to PN4 - Condition on 4 March 2002. The trading of TAHB Shares on the KLSE has been suspended since 2 February 2001.

The principal activities of TAHB Group are investment holding, property rental, provision of management services, property development, plantation and power generation.

TAHB and its subsidiary and associated companies had previously taken out substantial amount of loans which were secured on various properties of the TAHB Group. The TAHB Group's financial health had deteriorated significantly over the past few years and as a result, had been unable to meet its debt obligations to its creditors, which has given rise to TAHB's PN4 - Condition status.

It was announced to the KLSE on 2 February 2001, that Mr. Lim Tian Huat and Mr. Chew Cheng Leong of Messrs. Ernst & Young were appointed by Danaharta to act as the SA of TAHB. It was also announced to the KLSE on 23 February 2001 that Mr. Lim Tian Huat and Mr. Chew Cheng Leong of Messrs. Ernst & Young were appointed by Danaharta to act as the SA of PMMSB, a wholly-owned subsidiary of TAVCSB, which in turn is a wholly-owned subsidiary of TAHB, pursuant to Section 24 of the Danaharta Act.

On 30 April 2001, it was announced that the SA were further appointed over the following subsidiaries of TAHB: -

- MAPSB;
- CSSB;
- GEOSB;
- LPSB;
- WDSB;
- GPPSB; and
- TAVCSB.

On 7 August 2001 and 7 September 2001, AmMerchant Bank on behalf of the SA, had announced that the Company had entered into a Memorandum of Understanding ("MOU") and executed an agreement to implement a corporate restructuring exercise ("Principal Agreement"), respectively, pending the finalisation and approval of the workout proposals, with Dato' Dr Yu Kuan Chon and Semai. The MOU and the Principal Agreement set out the intentions of the aforementioned parties to implement a corporate restructuring exercise pending the finalisation and approval of the Workout Proposals.

As announced to the KLSE on 8 November 2001, TAHB had on 6 November 2001 entered into a novation agreement with Dato' Dr Yu Kuan Chon, Semai and Giant Express Sdn Bhd ("GESB") ("Novation Agreement"). The Novation Agreement was entered into pursuant to Clause 5 of the Principal Agreement, which allows Semai to novate its rights, benefits and obligations under the Principal Agreement to GESB, subject to the approvals of TAHB and Dato' Dr Yu Kuan Chon.

GESB was converted into a public company on 6 November 2001 and has since changed its name to Yu Neh Huat Bhd on 3 July 2002.

8. WORKOUT PROPOSALS (Cont'd)

Approvals for the following workout proposals had been obtained from Danaharta pursuant to Section 45(2) and Section 46(4)(b) (which is applicable where there are no secured creditors) of the Danaharta Act:

Workout Proposals	Date of approvals obtained from	
	Danaharta	Secured Creditors
GEOSB	10 December 2001	Not applicable as there are no secured creditors
PMMSB	14 December 2001	Not applicable as there are no secured creditors

Approvals for the workout proposals of the following companies had also been obtained from Danaharta and from the respective companies' secured creditors as defined in Section 21 of the Danaharta Act pursuant to Section 45(2) and Section 46(4)(a) of the Danaharta Act, respectively, as follows:

Workout Proposals	Date of approvals obtained from	
	Danaharta	Secured Creditors
TAHB	28 January 2002	6 February 2002
LPSB	10 December 2001	28 December 2001
GPPSB	10 December 2001	28 December 2001
CSSB	10 December 2001	28 December 2001
TAVCSB	10 December 2001	28 December 2001
WDSB	10 December 2001	6 February 2002
MAPSB	14 December 2001	28 December 2001

As detailed in the Workout Proposals, certain assets of these companies will be set-off and transferred to the secured creditors and certain charged assets shall remain charged to the secured creditors and shall be dealt with in accordance with the power vested on the chargees under the charge documents.

GEOSB and PMMSB do not have any secured creditors. As such, the other creditors of both companies shall be dealt with in accordance with their respective workout proposals.

On 8 February 2002, AmMerchant Bank had on behalf of TAHB, released the requisite announcement on the Restructuring Scheme of TAHB pursuant to the requirement of paragraph 5.1(a) of Practice Note No. 4/2001 ("PN4/2001") of the KLSE Listing Requirements.

On 29 March 2002, AmMerchant Bank had on behalf of TAHB, submitted an application on the Restructuring Scheme of TAHB and the Proposed Set-Off and Transfer of MAPSB's Charged and Substitute Assets to the SC for its approval. Subsequently on 10 June 2002, AmMerchant Bank had on behalf of YNHB, submitted to the SC the revised profit and cashflows estimate, forecasts and projections of the YNHB Group for the financial years ended/ending 31 December 2001 to 2007, to incorporate the increased bank loans and interest expenses resulting from the acquisition by KSB of two new pieces of freehold land.

In addition, on 28 June 2002, AmMerchant Bank had, on behalf of TAHB, submitted an application on the Proposed Disposals/Set-Offs (save for the Proposed Set-Off and Transfer of MAPSB's Charged and Substitute Assets) to the SC for its approval.

8. WORKOUT PROPOSALS (Cont'd)

The SC, vide its letter dated 30 September 2002, had revised the valuation of the land banks belonging to KSB Group. Consequently, on 6 November 2002, AmMerchant Bank, on behalf of TAHB, had submitted a revised application incorporating the revised valuations by the SC into the Restructuring Scheme of TAHB.

A supplementary agreement was executed on 29 October 2002 between YNHB and the vendors of KSB, namely, Dato' Dr Yu Kuan Chon as the executor of the Estate of Dato' Yu Neh Huat, Yu Kuan Seng, Yu Kuan Huat, Dato' Dr Yu Kuan Chon, Ling Mooi Hung and Teh Nai Sim to incorporate the revisions in the purchase consideration of KSB due to the revision in valuation by the SC.

The SC had on 4 December 2002 and 7 July 2003, approved the Proposed Disposals/Set-Offs and on 17 December 2002 approved the Restructuring Scheme of TAHB (together with the revisions thereto) respectively. On 24 December 2002, the SC had also approved the Exemption. In addition, the SC had also vide its letter dated 6 June 2003, approved TAHB's application for an extension of time to 31 December 2003 for TAHB to complete the implementation of the Proposed Disposals/Set-Offs and the Proposals.

The SC vide its letter dated 7 July 2003 approved the proposed set-offs and transfers of Lot 11644 HS(D) LP 13127 by CSSB, Lot 6863 HS(D) LP 14132 by GPPSB and the vacant land earmarked for 178 bungalow lots owned by MAPSB to Malpac based on the revised transfer values of RM34.098 million, RM13.300 million and RM13.400 million, respectively.

The SC has also vide its letter dated 19 August 2003 approved the extension of time to 30 November 2003 for Messrs. BDO Binder to finalise the investigative audit on TAHB's previous business losses and to make the necessary announcement (one of the conditions in the SC's approval letter dated 17 December 2002).

The SC, on 14 October 2003, has approved YNHB's application for certain waivers on the conditions imposed by the SC vide its letter dated 17 December 2002. Please refer to Section 6.1 of the Prospectus for further information.

8.2 RESTRUCTURING SCHEME OF TAHB

The Restructuring Scheme of TAHB was based on the Workout Proposals for TAHB and its SA appointed subsidiary companies. The restructuring scheme involves inter-alia the following :-

8.2.1 CAPITAL REDUCTION AND CONSOLIDATION

The existing issued and paid-up share capital of TAHB of RM207,597,589 comprising 207,597,589 Shares will be reduced to RM5,189,940 comprising 207,597,589 ordinary shares of RM0.025 each representing a capital reduction of RM0.975 for every existing Share.

Thereafter, forty (40) ordinary shares of RM0.025 each will be consolidated into one (1) ordinary share of RM1.00 each ("Consolidated Share"). The Capital Reduction and Consolidation shall be at the sole and absolute discretion of TAHB.

The Capital Reduction and Consolidation will give rise to a credit of RM202,407,649, which will be utilised to reduce the Company's accumulated losses (audited as at 31 December 2002) from RM932.223 million to RM729.816 million.

8. WORKOUT PROPOSALS (Cont'd)

The effects of the Capital Reduction and Consolidation on the share capital of TAHB are as follows:-

	No. of shares	Par value RM	Total RM
Existing	207,597,589	1.00	207,597,589
After reduction of RM0.975 for every RM1.00	207,597,589	0.025	5,189,940
After Capital Reduction and Consolidation	5,189,940	1.00	5,189,940

Under the Danaharta Act, the approval of the shareholders of the Company and the sanction of the High Court are not required for the implementation of the Capital Reduction and Consolidation.

8.2.2 SHARE SWAP WITH YNHB

Upon completion of the Capital Reduction and Consolidation, the 5,189,940 Consolidated Shares will be exchanged with 5,189,940 new YNHB Shares, on the basis of one (1) new YNHB Share for every one (1) Consolidated Share held in TAHB. Upon completion of the Share Swap with YNHB, TAHB shall become a wholly-owned subsidiary of YNHB.

The new YNHB Shares shall upon allotment and issue, rank pari passu in all respects with the existing YNHB Shares except that they will not be entitled for any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment of the new Shares.

An application has been made on 2 October 2003 to the KLSE for admission to the Official List and the listing of and quotation for the following:

- (i) the entire issued and paid-up share capital of YNHB comprising 213,068,190 Shares on the Main Board of the KLSE;
- (ii) RM48,220,000 nominal value of the ICULS of YNHB on the Main Board of the KLSE; and
- (iii) the removal of TAHB from the Official List of the KLSE and the delisting of the entire issued and paid-up share capital of TAHB from the Main Board of the KLSE and subsequently the transfer of the listing status of TAHB on the Main Board of the KLSE to YNHB (please refer to Section 8.2.6 and 8.2.10 below for further details).

8.2.3 ACQUISITIONS

Pursuant to the Workout Proposals, YNHB had on 6 November 2001 entered into a share sale agreement with the vendors of KSB, namely the late Dato' Yu Neh Huat, Yu Kuan Seng, Yu Kuan Huat, Dato' Dr. Yu Kuan Chon, Ling Mooi Hung and Teh Nai Sim ("KSB Vendors") for the acquisition of the entire issued and paid-up share capital of KSB of RM800,000 comprising 800,000 Shares for a purchase consideration of RM288,000,000.00 to be satisfied by the issuance of 288,000,000 Shares in YNHB to the KSB Vendors. YNHB together with the KSB Vendors had via supplemental agreements dated 20 December 2001, 15 February 2002 and 29 October 2002, agreed and revised the purchase consideration of KSB from RM288,000,000 to RM211,098,000.

8. WORKOUT PROPOSALS (Cont'd)

YNHB had also on 6 November 2001 entered into a share sale agreement and a supplemental agreement dated 5 February 2002 with the vendors of YSSB, namely the late Dato' Yu Neh Huat, Yu Kuan Seng, Yu Kuan Huat and Dato' Dr. Yu Kuan Chon ("YSSB Vendors") to acquire the entire issued and paid-up share capital of YSSB of RM250,000 comprising 250,000 Shares for a purchase consideration of RM30,000,000.

The acquisitions of the entire issued and paid-up share capital of KSB and YSSB by YNHB for an aggregate purchase consideration of RM241,098,000 are satisfied by the issuance of 192,878,000 new YNHB Shares at an issue price of RM1.00 per YNHB Share and the issuance of 48,220,000 nominal value of 3% 5-year ICULS by YNHB as detailed below.

Acquisition of KSB

Vendors	No. of Shares held in KSB	Period of Investment	Original cost of investment RM	Total Purchase Consideration (RM'000)	No. of Consideration Shares @ RM1.00 ('000)	No. of ICULS @ nominal value of RM1.00 ('000)
Yu Kuan Seng	178,571	24/5/1982 to 15/1/1996	178,571	47,120	37,696	9,424
Yu Kuan Huat	246,427	24/5/1982 to 15/1/1996	246,427	65,025	52,020	13,005
Dato' Dr Yu Kuan Chon	289,286	5/1/1996 to 15/1/1996	289,286	76,335	61,068	15,267
Teh Nai Sim	42,858	5/1/1996 to 15/1/1996	42,858	11,309	9,047	2,262
Ling Mooi Hung	42,858	5/1/1996 to 15/1/1996	42,858	11,309	9,047	2,262
	<u>800,000</u>		<u>800,000</u>	<u>211,098</u>	<u>168,878</u>	<u>42,220</u>

Basis of Arriving at the Purchase Consideration

The purchase consideration payable for the acquisition of the entire issued and paid-up capital of KSB for RM211.098 million was arrived at based on a willing buyer and willing seller basis after taking into consideration the adjusted NTA of the KSB Group as at 31 July 2001 of RM211.098 million. The adjusted NTA takes into consideration the OMV of KSB Group's properties appraised by the Valuers and the valuations which were approved by the SC vide its letter dated 17 December 2002. Please refer to Section 10 on further details of valuation.

8. WORKOUT PROPOSALS (Cont'd)**Acquisition of YSSB**

Vendors	No. of Shares held in YSSB	Period of Investment	Original cost of investment RM	Total Purchase Consideration (RM '000)	No. of Consideration Shares @ RM1.00 ('000)	No. of ICULS @ nominal value of RM1.00 ('000)
Estate of Dato' Yu Neh Huat	12,501	27/8/1988 to 10/12/2001	12,501	1,500	1,200	300
Yu Kuan Seng	12,501	27/8/1988 to 10/12/2001	12,501	1,500	1,200	300
Yu Kuan Huat	112,499	27/8/1988 to 10/12/2001	112,499	13,500	10,800	2,700
Dato' Dr Yu Kuan Chon	112,499	27/8/1988 to 10/12/2001	112,499	13,500	10,800	2,700
	<u>250,000</u>		<u>250,000</u>	<u>30,000</u>	<u>24,000</u>	<u>6,000</u>

Basis of Arriving at the Purchase Consideration

The purchase consideration payable for the acquisition of the entire issued and paid-up capital of YSSB of RM30 million was arrived at based on a willing buyer and willing seller basis, taking into consideration the adjusted audited NTA of YSSB of RM10.051 million as at 31 July 2001 and a PE multiple of approximately 4.88 times based on the maintainable earnings of approximately RM6.1 million for YSSB.

The principal terms of the ICULS

Issue size	RM48.22 million nominal value of ICULS
Basis of allotment	Part settlement of purchase consideration Allotment and issue of RM1.00 nominal value of ICULS to satisfy 20% of the total purchase consideration payable by YNHB in relation to the Acquisitions.
Issue price	100% nominal value of the ICULS
Form and Denomination	In registered form and multiples of RM1.00
Coupon	3% per annum, payable semi-annually in arrears
Maturity Date	Five (5) years from the date of issue of the ICULS
Conversion Price	RM1.00.
Conversion Period	The ICULS will be convertible at any time from the date of issue of the ICULS until the Maturity Date
Mode of Conversion	The Conversion Price shall be satisfied by tendering the ICULS for cancellation by YNHB on the basis of RM1.00 nominal amount of ICULS for one (1) Share in YNHB credited as issued and fully paid-up in the share capital of YNHB during the Conversion Period
Ranking of the shares upon conversion of ICULS	Shares to be issued and allotted upon conversion of the ICULS shall rank pari passu in all respects with the existing ordinary shares of YNHB except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of new YNHB Shares arising from the conversion of the ICULS

8. WORKOUT PROPOSALS (Cont'd)

Conversion Rights	The registered holders of the ICULS will have the right to convert such nominal amount of ICULS at the Conversion Price, into new ordinary shares in YNHB during the Conversion Period
Listing	Application has been made on 2 October 2003 to the KLSE for admission to the Official List for the listing of and quotation for the ICULS and new Shares arising from the conversion of the ICULS.
Rights of ICULS holders on liquidation of the Company	In the event of liquidation of YNHB, the trustee shall, if so directed by a special resolution of the ICULS holders by giving notice to YNHB and to declare an event of default has occurred and notify the paying agent to act in accordance with the instructions of the trustee in relation to payment to be made by or on behalf of the trustee under the trust deed, hold all the ICULS on behalf of the ICULS holders and deliver all cancelled ICULS and all sums, records and other documents in respect of the ICULS to the trustee.
Automatic Conversion	Unless previously converted, all outstanding ICULS will be mandatorily converted by YNHB into new Shares of YNHB at the Conversion Price on the Maturity Date.
Governing Law	Governed by Malaysian Law
The arrangement for the adjustment in the subscription or purchase price and in the number of ICULS in the event of alternation to the share capital of YNHB	The adjustment in the subscription price and/or number of ICULS in the event of an alteration to the share capital of YNHB, if any shall be carried out in accordance with the provision as constituted in the trust deed which was executed by YNHB on 25 August 2003.
Trustee	AmTrustee Berhad
Trust Deed	The ICULS is constituted by a trust deed executed on 25 August 2003 between YNHB and the Trustee. The Trustee will be acting for the benefit of the ICULS holders.

There are no additional liabilities to be assumed by YNHB arising from the Acquisitions.

8.2.4 EXEMPTION

Upon completion of the Acquisitions, the vendors of KSB and YSSB, namely, Estate of Dato' Yu Neh Huat, Yu Kuan Seng, Yu Kuan Huat, Dato' Dr Yu Kuan Chon, Teh Nai Sim and Ling Mooi Hung collectively own 192,878,000 new YNHB Shares representing 97.38% of the enlarged issued and paid-up share capital of YNHB.

8. WORKOUT PROPOSALS (Cont'd)

Pursuant to Part II, Section 6 of the Code, upon completion of the Acquisitions, the vendors of KSB and YSSB will be required to extend an unconditional mandatory take-over offer for the remaining shares in YNHB not already owned by them.

An application to the SC for a waiver from the obligation to extend a mandatory general offer under Practice Note 2.9.3 of the Code has been made by the vendors of KSB and YSSB. The SC vide its letter dated 24 December 2002 had approved the Exemption.

8.2.5 RESTRICTED ISSUE

A restricted issue of 15,000,000 new YNHB Shares at an issue price of RM1.00 per YNHB Share has been issued to selected shareholders of YNHB to raise RM15 million cash for YNHB to pay TAHB as consideration for the transfer of the listing status of TAHB to YNHB.

Shareholders	No. of Shares issued to selected shareholders pursuant to the Restricted Issue
Estate of Dato' Yu Neh Huat	93,331
Yu Kuan Seng	3,024,916
Yu Kuan Huat	4,885,474
Dato' Dr Yu Kuan Chon	5,589,087
Teh Nai Sim	703,596
Ling Mooi Hung	703,596
	15,000,000

8.2.6 TRANSFER OF LISTING STATUS

In accordance with the workout proposal of TAHB, an application to the KLSE had been made on 2 October 2003 for the transfer of the listing status of TAHB to YNHB. 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 upon completion of the Proposals. The listing status of TAHB will be transferred to YNHB for a consideration of RM15.0 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 in accordance with the Workout Proposals.

The entire enlarged issued and paid-up share capital of YNHB comprising 213,068,190 YNHB Shares and RM48,220,000 nominal value of ICULS will be listed on the Main Board of the KLSE.

8.2.7 DISPOSAL OF TAHB SHARES

As part of the Restructuring Scheme of TAHB, YNHB will dispose the entire issued and paid-up share capital of TAHB (after the Share Swap with YNHB) to a special purpose vehicle nominated by the SA for a nominal sum of RM1.00. Upon completion of the Disposal of TAHB Shares, TAHB will not form part of the YNHB Group.

8. WORKOUT PROPOSALS (Cont'd)

8.2.8 OFFER FOR SALE AND PLACEMENT

As part of the Proposals, the Promoters shall participate to place / offer 52,000,000 YNHB Shares of which 50,000,000 YNHB Shares will be offered via a placement to public places and 2,000,000 YNHB Shares will be offered to the Malaysian public, which is the subject of this Prospectus.

Any offer or placement shares which are not subscribed will be made available for application by the Malaysian public, should there be an over subscription under the Offer for Sale. Similarly, any unsubscribed Offer Shares will be made available for the Placement. The Offer Shares and Placement Shares are not underwritten.

All the proceeds arising from the Offer for Sale and Placement shall accrue to the Offerors accordingly.

8.2.9 DISBURSEMENT OF RM100,000 NOMINAL VALUE OF ICULS

In accordance with the KLSE Listing Requirements, a listed issuer must have not less than 100 holders of such securities holding not less than one board lot of the convertible securities in order to be listed on the KLSE. Dato' Dr Yu Kuan Chon, one of the Promoters of YNHB will disburse RM100,000 nominal value of ICULS for free, to staff and service providers of the KSB Group and YSSB to ensure that YNHB meets the KLSE Listing Requirements.

8.2.10 LISTING

Upon completion of the Proposals, the entire issued and paid-up share capital of YNHB and all its ICULS will be listed on the Main Board of the KLSE. The new Shares in YNHB arising from the conversion of the ICULS and the new Shares in YNHB to be issued pursuant to the Proposed ESOS, shall be listed on the Main Board of the KLSE as and when the ICULS are converted/ESOS options are exercised.

8.2.11. PROPOSED ESOS

YNHB has proposed to establish and implement an employees' share option scheme of up to ten percent (10%) of the issued and paid-up share capital of YNHB at any one time for the benefit of eligible executive directors and employees of the YNHB Group. The Proposed ESOS will only be implemented after the Listing of YNHB once the approval of all the relevant authorities and shareholders of YNHB have been obtained.

8.2.12 PROPOSED DEBT SETTLEMENT

Details of the Proposed Debt Settlement to Scheme Creditors are as follows:

TAHB

- (a) On 16 October 2001, the SA, on behalf of TAHB and WOSB entered into a share purchase agreement with Cergas for the Proposed Disposal of WPKL which was announced on 23 October 2001 for a total cash consideration of USD\$15 million (or equivalent of RM57 million based on the exchange rate of USD\$1 = RM3.80) or USD\$0.27 (or RM1.02) per share to Cergas as part of the workout proposal of TAHB. However, the share purchase agreement was rescinded on 9 December 2002 by Cergas and duly acknowledged by TAHB and WOSB on 11 December 2002.

8. WORKOUT PROPOSALS (Cont'd)

Notwithstanding the above, the Proposed Disposal of WPKL and the Proposals are not inter-conditional upon each other.

- (b) After all interest and penalty charges arising after the Cut-Off Date have been completely waived, the debts of the secured creditors of TAHB will be settled via the proposed set-off and transfer of the charged assets to the secured creditors.
- (c) For the debenture holder, hire purchase and preferential and essential creditors, all interest and penalty charges arising after the Cut-Off Date, shall be completely waived. The amounts outstanding for the preferential and essential creditors as at the Cut-Off Date will be fully settled in cash, while the amounts outstanding for the debenture holder and the hire purchase creditors as at the Cut-Off Date shall be partly settled in cash from the surplus remaining, if any, after the settlement of preferential and essential creditors. The cash proceeds to be raised will be from the Restricted Issue of RM15 million by YNHB.
- (d) For the unsecured creditors including corporate guarantee creditors, all interest and penalty charges arising after the Cut-Off Date shall be completely waived and the liabilities shall be settled from any surplus recoveries after settlement of (b) and (c) above and any recovery from the liquidation of TAHB.

CSSB, GPPSB, LPSB, MAPSB, TAVCSB AND WDSB

The different classes of creditors will generally be settled in the following manner :-

- (a) Secured creditors
 - (i) After all interest and penalty charges arising after the Cut-Off Date have been completely waived, the secured creditors who had elected Option I will be fully or partially settled via the proposed set-off and transfer of the charged assets and/or substitute assets to them and the balance debts outstanding shall remain as debts owing by the respective principal borrowers and corporate guarantor, where applicable. The proposed set-off and transfer to the secured creditors for the plantation assets of CSSB, GPPSB and LPSB will be undertaken at a total transfer value of RM82.438 million. The proposed set-off and transfer to the secured creditors for the property development land of MAPSB will be undertaken at a total transfer value of RM327.818 million.
 - (ii) After all interest and penalty charges arising after the Cut-Off Date have been completely waived for the secured creditors who had elected Option II, the ownership of the charged assets and/or substitute assets shall remain with the respective companies and the amount of debts equivalent to the transfer values of the charged assets and/or substitute assets shall remain an obligation to be paid and settled by the respective companies, with any balance debts outstanding to remain as debts owing by the respective principal borrowers and corporate guarantor, where applicable. The secured creditors shall deal with the charged assets in accordance with the power vested upon them under the charge documents.

8. WORKOUT PROPOSALS (Cont'd)

- (b) For the hire purchase creditors, if any, all interest and penalty charges arising after the Cut-Off Date shall be completely waived and all subsisting securities granted under the existing facilities shall be retained by the hire purchase creditors at their net book values as at the Cut-Off Date and any balance debt remaining thereafter shall be included under settlement to unsecured creditors.
- (c) For the preferential and essential creditors, if any, all interest and penalty charges, arising after the Cut-Off Date shall be completely waived and the liabilities shall be settled from the recovery of the remaining unencumbered assets in the respective companies including amounts receivable from related companies, if any. To enable the respective companies to continue operations, liabilities incurred after the Cut-Off Date, shall be settled via proceeds from the operations and advances by related companies, if required, and any balance debt shall form part of preferential claims.
- (d) For the unsecured creditors, all interest and penalty charges arising after the Cut-Off Date shall be completely waived and the liabilities shall be settled from any surplus recoveries after settlement of (b) and (c) above and any recovery from liquidation of the companies.

PMMSB

- (a) There are no secured creditors for PMMSB.
- (b) The hire purchase creditors of PMMSB shall be settled as follows:
 - (i) all interest and penalty charges, if any, arising after the Cut-Off Date shall be completely waived;
 - (ii) the disposal proceeds attributable to PMMSB from the sale of assets to Multi Mould Hardware Sdn Bhd (which subsequently nominated CAHSB to complete the transaction) pursuant to the tender exercise, shall be used to settle the hire purchase liabilities as at the Cut-Off Date;
 - (iii) in the event that the disposal proceeds are insufficient to fully settle the respective hire purchase liabilities, the shortfall arising after item (ii) above shall be an unsecured claim against PMMSB and TAHB, the corporate guarantor. The unsecured claim against PMMSB shall form part of the settlement to unsecured creditors of PMMSB; and
 - (iv) the balance disposal proceeds remaining, if any, shall be retained by PMMSB to be distributed to its other creditors, accordingly.
- (c) As at the Cut-off Date, there are no preferential and essential creditors. However, should there be any amounts arising after the Cut-Off Date, the claims shall then be settled via advances by related companies to PMMSB, if required, and any balance debt shall remain as part of the preferential claims.
- (d) All interest and penalty charges, if any, for the unsecured creditors, arising after the Cut-Off Date shall be completely waived and the unsecured claims shall be settled from any surplus recoveries, including the surplus after settlement to the hire purchase and lease creditors and preferential and essential creditors, if any.

8. WORKOUT PROPOSALS (Cont'd)

GEOSB

- (a) There are no secured creditors for GEOSB.
- (b) For the hire purchase creditors, all interest and penalty charges, if any, arising after the Cut-Off Date shall be completely waived and all subsisting securities granted under the existing facilities shall be retained by the hire purchase creditors at their net book values at the Cut-Off Date and any balance debt remaining thereafter shall be included under settlement to unsecured creditors.
- (c) For the preferential and essential creditors, all interest and penalty charges, if any, arising after the Cut-Off Date shall be completely waived and the liabilities shall be settled from the recovery of the remaining unencumbered assets in GEOSB including all amounts receivable from related companies, if any.
- (d) For the unsecured creditors, all interest and penalty charges, if any, arising after the Cut-Off Date shall be completely waived and the liabilities shall be settled from any surplus recoveries after settlement to preferential and essential creditors and hire purchase creditors, if any.

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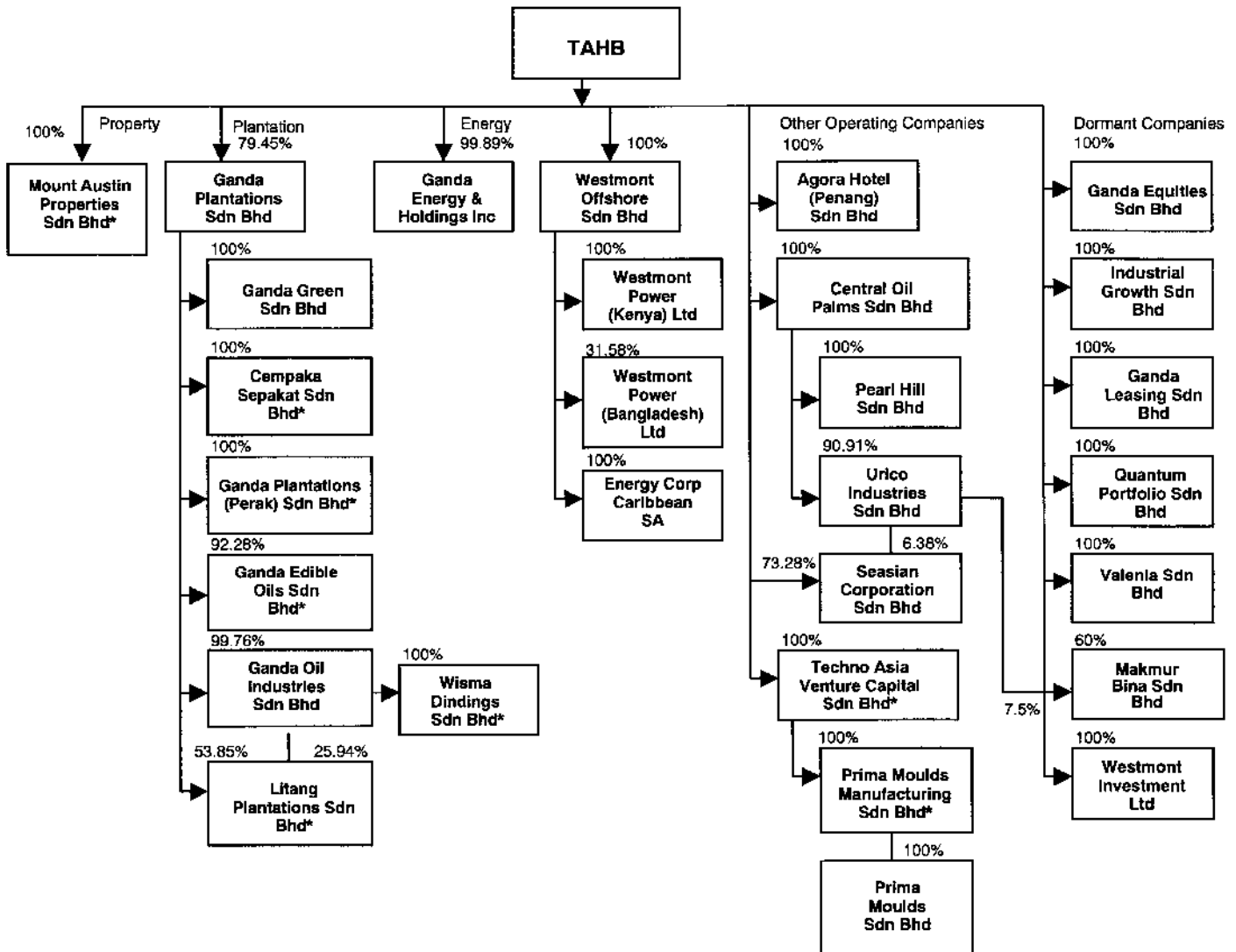
8. WORKOUT PROPOSALS (Cont'd)

8.3 COMPLETION OF THE WORKOUT PROPOSALS

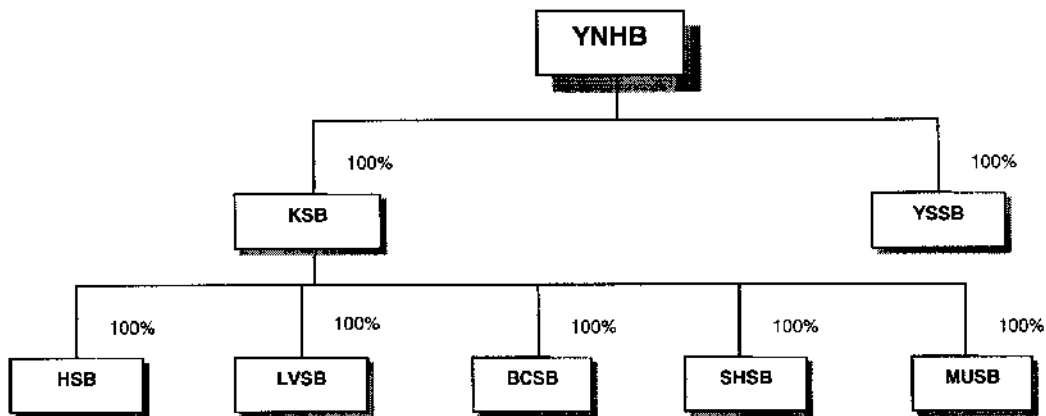
Upon completion of the Workout Proposals, YNHB will directly hold shares in TAHB, KSB Group and YNHB. However, as detailed in Section 8.2.7, TAHB will be sold to a special purpose vehicle by the SA for a nominal sum of RM1.00 after the completion of the Share Swap with YNHB.

8.3.1 THE STRUCTURE OF YNHB GROUP BEFORE AND AFTER THE COMPLETION OF PROPOSALS

Before completion of the Proposals



* SA Appointed Subsidiaries

8. WORKOUT PROPOSALS (Cont'd)**After completion of the Proposals**

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

8.3.2 SUBSIDIARY AND ASSOCIATED COMPANIES OF TAHB

Subsidiaries and associated companies of TAHB as at 30 September 2003 are as follows:-

Name of company	Date and place of incorporation	Issued and Paid-up Share Capital	Effective equity Interest (%)	Principal activities
Mount Austin Properties Sdn Bhd <i>(Special Administrators Appointed)</i>	25.04.1984 Malaysia	48,000,000	100	Property development
Ganda Plantations Sdn Bhd and its subsidiaries	24.11.1971 Malaysia	31,500,000	79	Investment holding and provision of management services
• Ganda Green Sdn Bhd (formerly known as Intan Minyak (Oil Mill) Sdn Bhd)	24.09.1974 Malaysia	2	79	Organic vegetable farming (ceased operations on 31 January 2002)
• Cempaka Sepakat Sdn Bhd <i>(Special Administrators Appointed)</i>	12.02.1990 Malaysia	8,500,000	79	Oil palm plantation
• Ganda Plantations (Perak) Sdn Bhd <i>(Special Administrators Appointed)</i>	30.01.1986 Malaysia	4,500,000	79	Oil palm plantation
• Ganda Edible Oils Sdn Bhd <i>(Special Administrators Appointed)</i>	15.11.1977 Malaysia	16,644,600	73	Palm oil milling
• Ganda Oil Industries Sdn Bhd	29.05.1973 Malaysia	8,428,000	79	Investment holding and provision of management services

8. WORKOUT PROPOSALS (Cont'd)

Name of company	Date and place of incorporation	Issued and Paid-up Share Capital	Effective equity Interest (%)	Principal activities
• Litang Plantations Sdn Bhd (Special Administrators Appointed)	02.04.1983 Malaysia	17,810,003	63	Cultivation and sale of oil palm fresh fruit bunches
• Wisma Dindings Sdn Bhd (Special Administrators Appointed)	11.05.1978 Malaysia	6,100,002	79	Holding investment property for rental
Ganda Energy and Holdings, Inc.	14.07.1994 Philippines	P1,820,000,000	100	Leasing of power barge
Westmont Offshore Sdn Bhd and its subsidiaries	01.08.1995 Malaysia	90,000,000	100	Investment holding
• Westmont Power (Kenya) Ltd	25.07.1996 Kenya	Ksh1,120,000,120	100	Power generation
• Energy Caribbean SA Corp	14.03.2000 Dominican Republic	RD\$150,000	100	Power generation
• Westmont Power (Bangladesh) Ltd	23.10.1997 Bangladesh	Taka205,220,200	32	Power generation (not treated as an associate company for accounting purposes)
Agora Hotel (Penang) Sdn Bhd	07.01.1995 Malaysia	2	100	Hotel operation
Central Oil Palms Sdn Bhd and its subsidiaries	14.07.1972 Malaysia	9,000,002	100	Investment holding
• Pearl Hill Sdn Bhd	17.11.1972 Malaysia	2,700,000	100	Property development and real estate management
• Urico Industries Sdn Bhd	21.04.1970 Malaysia	1,100,002	91	Investment holding and trading of fertilizer
Seasian Corporation Sdn Bhd	23.10.1985 Malaysia	45,000,000	79	Property development (inactive)
Techno Asia Venture Capital Sdn Bhd and its subsidiaries (Special Administrators Appointed)	03.05.1984 Malaysia	5,000,000	100	Money Lending
• Prima Moulds Manufacturing Sdn Bhd (Special Administrators Appointed)	20.01.1997 Malaysia	2,000,000	100	Manufacturing of standard and custom mould bases (ceased operations)
• Prima Moulds Sdn Bhd	03.12.1996 Malaysia	200,000	100	Trading of mould bases
Ganda Equities Sdn Bhd	12.02.1983 Malaysia	2,000,000	100	Investment holding

8. WORKOUT PROPOSALS (Cont'd)

Name of company	Date and place of incorporation	Issued and Paid-up Share Capital	Effective equity Interest (%)	Principal activities
Industrial Growth Sdn Bhd	17.03.1969 Malaysia	9,611,400	100	Dormant
Ganda Leasing Sdn Bhd	16.03.1970 Malaysia	3,800,000	100	Dormant
Quantum Portfolio Sdn Bhd	16.01.1996 Malaysia	2	100	Dormant
Valenia Sdn Bhd	11.03.1985 Malaysia	2	100	Dormant
Makmur Bina Sdn Bhd	18.04.1978 Malaysia	1,000,000	67	Dormant
Westmont Investment Ltd	31.07.1998 Malaysia	4.14	100	Dormant

Notes:-

P : Philippine Peso
Ksh : Kenya Shillings
RD\$: Dominican R. Peso
Taka : Bangladesh Taka

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