

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF YIKON CORPORATION BHD ("YCB" OR "THE COMPANY") AND THE OFFERORS, AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD, BEING THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND OFFER FOR SALE, AND ARE SATISFIED THAT ANY PROFIT AND/OR CASHFLOW FORECAST FOR THE FINANCIAL YEAR ENDING 31 OCTOBER 2002 (FOR WHICH THE DIRECTORS OF YCB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF YCB AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE, AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE AND OFFER FOR SALE. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF YCB AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE KUALA LUMPUR STOCK EXCHANGE ("KLSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF THE KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF YCB OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA, MALAYSIA WHO TAKE NO RESPONSIBILITY FOR ITS CONTENTS.

Company No.: 527272-V

YIKON CORPORATION BHD
(Company No: 527272-V)
(Incorporated in Malaysia under the Companies Act, 1965)

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Company's entire issued and paid-up share capital on the Second Board of Kuala Lumpur Stock Exchange is set out below:-

Events	Date
	Year 2002
OPENING DATE OF THE PUBLIC ISSUE/OFFER FOR SALE	24 April
CLOSING OF THE PUBLIC ISSUE/OFFER FOR SALE	8 May
TENTATIVE BALLOTING DATE	15 May
TENTATIVE ALLOTMENT DATE	31 May
TENTATIVE LISTING DATE	6 June

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGE WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE PUBLIC ISSUE AND OFFER FOR SALE WILL CLOSE AT THE DATE AS STATED ABOVE OR SUCH LATER DATE AS THE DIRECTORS AND/OR OFFERORS OF YCB TOGETHER WITH THE UNDERWRITERS MAY DECIDE.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

DEFINITIONS

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

“YCB” or the “Company”	: Yikon Corporation Bhd (527272-V)
“YCB Group” or the “Group”	: YCB and its wholly-owned subsidiary companies, namely YJI, YG and YHK
“YG”	: Yikoni Gold Sdn Bhd (428018-P)
“YHK”	: Yikon (H.K.) Limited (540270)
“YJI”	: Yikon Jewellery Industry Sdn Bhd (225618-T)
“PESB”	: Profound Era Sdn Bhd (327315-V)
“Acquisition of YJI”	: Acquisition by YCB of the entire issued and paid-up share capital of YJI comprising 1,000,000 shares for a total purchase consideration of RM22,398,620 satisfied by the issue of 22,398,620 new shares in YCB at an issue price of RM1.00 per share, credited as fully paid
“Acquisitions of YG and YHK”	: Acquisitions by YCB of the entire issued and paid-up share capital of YG and YHK from YJI comprising of 2 shares each for cash considerations of RM2 and RM1 respectively
“Acquisitions”	: The Acquisition of YJI and Acquisitions of YG and YHK collectively
“ADA Code”	: ADA (Broker) Code
“ADA”	: Authorised Depository Agent
“ATM”	: Automated Teller Machine
“CCM”	: Companies Commission of Malaysia
“CDS”	: Central Depository System
“EGM”	: Extraordinary general meeting
“EPS”	: Earnings per share
“FIC”	: Foreign Investment Committee
“HK\$”	: Hong Kong Dollar
“KLSE”	: Kuala Lumpur Stock Exchange (30632-P)
“MCD”	: Malaysian Central Depository Sdn Bhd (165570-W)
“MIDFCCS”	: MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“MIMB”	: Malaysian International Merchant Bankers Berhad (10209-W)
“MITI”	: Ministry of International Trade and Industry
“NTA”	: Net tangible assets

DEFINITIONS

“Offer for Sale”	: The offer for sale by the Offerors of 4,020,000 shares in YCB at an offer price of RM1.80 per share to Bumiputera investors nominated by MITI and to Directors, eligible employees and persons who have contributed to the success of the YCB Group, subject to the terms and conditions of this Prospectus												
“Offer Shares”	: The 4,020,000 shares in YCB, which form the subject of the Offer for Sale												
“Offerors”	: The offerors of the Offer Shares and their respective Offer Shares, as follows:-												
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">No. of Offer Shares</th> </tr> </thead> <tbody> <tr> <td>PESB</td> <td style="text-align: right;">1,340,000</td> </tr> <tr> <td>Chin Kok On</td> <td style="text-align: right;">1,340,000</td> </tr> <tr> <td>Chin Poh On</td> <td style="text-align: right;">1,340,000</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>4,020,000</u></td> </tr> </tbody> </table>	Name	No. of Offer Shares	PESB	1,340,000	Chin Kok On	1,340,000	Chin Poh On	1,340,000		-----		<u>4,020,000</u>
Name	No. of Offer Shares												
PESB	1,340,000												
Chin Kok On	1,340,000												
Chin Poh On	1,340,000												

	<u>4,020,000</u>												
“PAT”	: Profit after taxation												
“PBT”	: Profit before taxation												
“PE Multiple”	: Price-earnings multiple												
“Public Issue”	: The issue of 6,000,000 new shares in YCB at an issue price of RM1.80 per share to the Directors, eligible employees and persons who have contributed to the success of the YCB Group and to the Malaysian investing public, subject to the terms and conditions of this Prospectus												
“Public Issue Shares”	: The 6,000,000 new shares to be issued by YCB pursuant to the Public Issue												
“Public Listing”	: The listing of and quotation for the issued and paid-up share capital of YCB comprising 40,000,000 shares on the Second Board of the KLSE												
“Rights Issue”	: The renounceable rights issue of 11,601,378 new shares in YCB at an issue price of RM1.12 per share on the basis of approximately 51.80 new shares for every 100 existing shares held in YCB												
“Rights Shares”	: The 11,601,378 new shares to be issued by YCB pursuant to the Rights Issue												
“RM” and “sen”	: Ringgit Malaysia and sen respectively												
“SC Guidelines”	: Policies and Guidelines on Public Issue/Offer of Securities issued by the Securities Commission as amended or expanded from time to time												
“SC”	: Securities Commission												
“share(s)”	: Ordinary share(s) of RM1.00 each												
“sq. ft.”	: Square feet												
“USD” or “US\$”	: United States of America Dollar												

CONTENTS

CORPORATE INFORMATION	1
1.0 SUMMARY OF INFORMATION	4
1.1 History and Business	4
1.2 Principal Activities	4
1.3 Promoters, Substantial Shareholders, Directors and Key Management.....	5
1.4 Financial Highlights of the YCB Group	7
1.5 Proforma Consolidated Balance Sheets of YCB as at 31 October 2001.....	9
1.6 Audit Qualification	10
1.7 Summary of Material Risk Factors	10
1.8 Principal Statistics Relating to the Public Issue and Offer for Sale	11
1.9 Class of Shares.....	12
1.10 Utilisation of Proceeds.....	13
1.11 Capital Commitments and Contingent Liabilities.....	13
1.12 Material Litigation	13
2.0 DETAILS OF THE PUBLIC ISSUE AND OFFER FOR SALE	14
2.1 Opening and Closing of Application Lists.....	15
2.2 Indicative Timetable	15
2.3 Purposes of the Public Issue and Offer for Sale	15
2.4 Number and Type of Securities to be Issued and Offered	16
2.5 Details of the Public Issue and Offer for Sale.....	16
2.6 Basis of Arriving at the Public Issue/Offer for Sale Price	17
2.7 Utilisation of Proceeds.....	17
2.8 Brokerage and Underwriting Commission	18
2.9 Salient Terms of the Underwriting Agreement.....	19
3.0 RISK FACTORS	23
3.1 No Prior Market for YCB Shares	23
3.2 Business Risk.....	23
3.3 Domestic Borrowings	23
3.4 Seasonality.....	23
3.5 Fluctuation in the Price of Gold.....	23
3.6 Non-existence of Long Term Contracts with Customers and Suppliers.....	24
3.7 Fluctuation in Exchange Rate/Currency Controls	24
3.8 Dependency on Key Personnel.....	24
3.9 Dependence on Skilled Craftsmen and Designers	25
3.10 Risk Associated with Security	25
3.11 Insurance Coverage	25
3.12 Competition	25
3.13 Competition from New Entrants.....	26
3.14 Threat of Substitute Products.....	26
3.15 Dependency on Particular Products, Markets or Geographical Locations.....	26
3.16 Changes in General Economic, Political, Legislative, Business and Credit Conditions.....	26
3.17 Control by Substantial Shareholders.....	26
3.18 Government Control or Regulations.....	27
3.19 Profit Forecast.....	27
3.20 Forward Looking Statements.....	27

CONTENTS

4.0	INFORMATION ON THE YCB GROUP	28
4.1	Incorporation and Principal Activities	28
4.2	History	28
4.3	Changes in Share Capital of YCB	28
4.4	The Restructuring and Listing Scheme	29
4.5	Business Overview on the YCB Group	31
4.6	Information on Subsidiary Companies	41
4.7	Industry Overview	43
4.8	Major Customers	49
4.9	Major Suppliers	49
4.10	Future Plans, Strategies and Prospects.....	50
5.0	INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT	52
5.1	Promoters.....	52
5.2	Substantial Shareholders.....	52
5.3	Knowledge and Experience of Promoters.....	52
5.4	Changes in Substantial Shareholders/Promoters.....	53
5.5	Board of Directors	53
5.6	Shareholdings of Directors	54
5.7	Directorship and Major Shareholdings in Other Public Corporations	55
5.8	Directors' Remuneration and Benefits.....	55
5.9	Audit Committee	56
5.10	Key Management.....	56
5.11	Shareholdings of the Key Management	58
5.12	Employees	58
5.13	Family Relationships	59
5.14	Declaration by the Directors and Key Management.....	59
5.15	Service Agreements	59
6.0	INFORMATION ON THE OFFERORS	60
6.1	Shareholdings of the Offerors.....	60
6.2	Brief Information on Coporate Offeror, i.e. PESB	60
7.0	MORATORIUM AND OTHER CONDITIONS	62
8.0	APPROVALS AND OTHER CONDITIONS	63
9.0	RELATED PARTY TRANSACTION	66
9.1	Related Party Transaction.....	66
9.2	Declaration of the Advisers	67
10.0	OTHER INFORMATION ON THE YCB GROUP	68
10.1	Approvals, Major Licences and Permits Obtained	68
10.2	Landed Properties	69
10.3	Acquisitions of Properties.....	70

CONTENTS

11.0	FINANCIAL INFORMATION	71
11.1	Segmental Analysis of Workmanship Charges and PBT.....	72
11.2	Directors' Declaration on the Financial Performance.....	74
11.3	Working Capital, Borrowings, Contingent Liabilities and Material Commitments	74
11.4	Consolidated Profit Forecast and Assumptions for the Financial Year Ending 31 October 2002.....	76
11.5	Reporting Accountants' Letter on the Consolidated Profit Forecast	77
11.6	Directors' Comments and Analysis on the Consolidated Profit Forecast for the Financial Year Ending 31 October 2002.....	81
11.7	Dividend Forecast.....	81
11.8	Sensitivity Analysis	82
11.9	Reporting Accountants' Letter on Proforma Consolidated Balance Sheets as at 31 October 2001.....	83
12.0	ACCOUNTANTS' REPORT	88
13.0	VALUATION CERTIFICATE	114
14.0	INDEPENDENT EXPERT OPINION REPORT	116
15.0	DIRECTORS' REPORT	134
16.0	ADDITIONAL INFORMATION	135
16.1	Share Capital.....	135
16.2	Articles of Association	135
16.3	Directors and Substantial Shareholders	139
16.4	General Information	141
16.5	Material Contracts	143
16.6	Material Litigation.....	145
16.7	Public Take-Overs.....	146
16.8	Responsibility Statements.....	146
17.0	CONSENTS	147
18.0	DOCUMENTS FOR INSPECTION	148
19.0	PROCEDURE FOR APPLICATION AND ACCEPTANCE	149
19.1	Opening and Closing of Application Lists.....	149
19.2	General Conditions for Application.....	149
19.3	Applications and Acceptances.....	151
19.4	CDS Accounts	152
19.5	Notice of Allotment.....	152
19.6	Formalising CDS Accounts.....	152
19.7	Terms and Conditions for Applications Using Application Forms	153
19.8	Terms and Conditions of Electronics Share Applications	155
19.9	Application Via Electronic Share Application	158
19.10	List of ADA.....	160

CORPORATE INFORMATION

YIKON CORPORATION BHD

(Company No: 527272-V)

(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Dato' Noor Ahmad Mokhtar Bin Haniff <i>(Chairman/ Independent Non-Executive Director)</i>	7, Solok Bukit Jambul Dua 11950 Penang	Malaysian	Company Director
Chin Kok On <i>(Managing Director)</i>	41, Kampung Malabar 10000 Penang	Malaysian	Company Director
Chin Poh On <i>(Executive Director)</i>	41, Kampung Malabar 10000 Penang	Malaysian	Company Director
Lai Kwang Hooi @ Lai Bah Eng <i>(Independent Non-Executive Director)</i>	7, Gerbang Midlands 10250 Penang	Malaysian	Chartered Accountant

AUDIT COMMITTEE:

Name	Designation	Directorship
Dato' Noor Ahmad Mokhtar Bin Haniff	Chairman	Chairman/ Independent Non-Executive Director
Chin Kok On	Member	Managing Director
Lai Kwang Hooi @ Lai Bah Eng	Member	Independent Non-Executive Director

COMPANY SECRETARY

: Lam Voon Kean (MIA 4793)
9, Reservoir
5th Avenue
11500 Penang

REGISTERED OFFICE

: Suite 2-1, 2nd Floor, Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang
Telephone No. : 04 – 2294390
Facsimile No. : 04 – 2265860
E-mail : mcsvpg@tm.net.my

YCB HEAD/MANAGEMENT OFFICE

: Plot 36, Bayan Lepas Industrial Estate
Phase 4
11900 Penang
Telephone No. : 04 – 6429888
Facsimile No. : 04 – 6429988
E-mail : info@yikon.com.my
Website : www.yikon.com.my

CORPORATE INFORMATION

- AUDITORS AND REPORTING ACCOUNTANTS** : KPMG
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
- SOLICITORS FOR THE PUBLIC ISSUE AND OFFER FOR SALE** : Ong and Manecksha
Suite 503, 5th Floor, Penang Plaza
Jalan Burma
10050 Penang
- VALUERS** : Pakatan Property Consultancy Sdn Bhd (405011-U)
Suite 1401B, 14th Floor
Campbell Complex
Jalan Dang Wangi
50100 Kuala Lumpur
- SHARE REGISTRAR** : M&C Services Sdn Bhd (3775-X)
Suite 2-1, 2nd Floor, Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang
Telephone No. : 04-2294390
Facsimile No. : 04-2265860
E-mail address : mcsvpg@tm.net.my
- PRINCIPAL BANKERS** : Alliance Bank Malaysia Berhad (88103-W)
(formerly known as Multi-Purpose Bank Berhad)
Ground & Mezzanine Floor, Wisma Malvest
20 & 20A Jalan Tun Dr. Awang
Sungai Nibong Kecil
11900 Bayan Lepas
Penang
- EON Bank (92351-V)
2nd Floor, Wisma Wang
251-A, Jalan Burma
10350 Penang
- Malayan Banking Berhad (3813-K)
8K - 8L, Jalan Tun Dr. Awang
11900 Bayan Lepas
Penang
- Public Bank Berhad (6463-H)
87, Lebuhr Bishop
10200 Penang
- Southern Bank Berhad (5303-W)
90, Jalan Mayang Pasir
Bandar Bayan Baru
11950 Bayan Lepas
Penang
- United Overseas Bank (Malaysia) Bhd (271809-K)
86, Lebuhr Pantai,
10300 Penang

CORPORATE INFORMATION

- ISSUING HOUSE*** : MIDF Consultancy and Corporate Services Sendirian Bhd (11324-H)
12th Floor, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur
- ADVISER AND MANAGING UNDERWRITER*** : Malaysian International Merchant Bankers Berhad (10209-W)
12th Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
- UNDERWRITER*** : Mercury Securities Sdn Bhd (113193-W)
Ground, 1st, 2nd & 3rd Floor
Wisma UMNO, Lorong Bagan Luar Dua
12000 Butterworth
Seberang Perai
Penang
- INDEPENDENT EXPERT OPINION CONSULTANT*** : MIDF Sisma Securities Sdn Bhd (423833-U)
17th & 18th Floor, Empire Tower
182, Jalan Tun Razak
50400 Kuala Lumpur
- LISTING SOUGHT*** : Second Board of the Kuala Lumpur Stock Exchange

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.0 SUMMARY OF INFORMATION**YIKON CORPORATION BHD**

(Company No: 527272-V)

(Incorporated in Malaysia under the Companies Act, 1965)

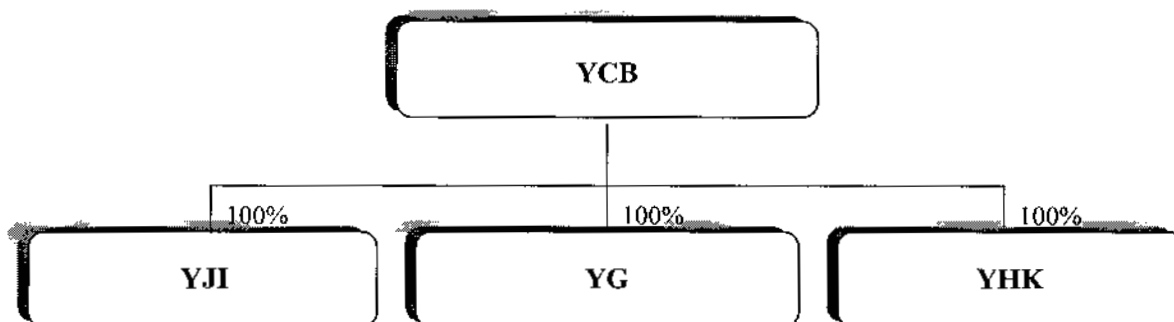
The Summary Information is only a summary of the salient information about the Company. Investors should read and understand the whole Prospectus prior to deciding whether to invest in the shares of the Company.

The summary information set out below is derived from the full text of this Prospectus and should be read in conjunction with the full text of the Prospectus.

1.1 History and Business

YCB was incorporated in Malaysia under the Companies Act, 1965 on 26 September 2000 as a private company limited by shares under the name of Yikon Corporation Sdn Bhd. It was subsequently converted to a public limited company and assumed its present name on 16 October 2000. The Company's principal role is to function as an investment holding company.

The corporate structure of the YCB Group is illustrated below:-

**1.2 Principal Activities**

YCB is an investment holding company whilst the principal activities of its subsidiary companies are as follows:-

Subsidiary Companies	Date and Place of Incorporation	Effective Equity Interest (%)	Principal Activities
YJI	28.09.1991/ Malaysia	100.00	Manufacturer and exporter of gold jewellery and ornaments
YG	17.04.1997/ Malaysia	100.00	Trading of gold jewellery and ornaments
YHK	28.02.1996/ Hong Kong	100.00	Jewellery distributor

1.0 SUMMARY OF INFORMATION**1.3 Promoters, Substantial Shareholders, Directors and Key Management****1.3.1 Promoters**

The promoters of YCB and their respective shareholdings in YCB upon the completion of the Public Issue and Offer for Sale are as follows:-

Names	Nationality/ Place of Incorporation	Designation/ Principal Activities	<-After Public Issue and Offer for Sale->			
			<-----Direct----->		<-----Indirect----->	
			No. of Shares	%	No. of Shares	%
PESB	Malaysia	Investment holding company	15,660,000	39.15	-	-
Chin Kok On	Malaysian	Managing Director	3,160,000	7.90	15,660,000*	39.15
Chin Poh On	Malaysian	Executive Director	3,160,000	7.90	15,660,000*	39.15

Note:-

* Deemed interest by virtue of them holding more than 15.00% in PESB pursuant to Section 6A of the Companies Act, 1965.

1.3.2 Substantial Shareholders

The substantial shareholders of YCB and their respective shareholdings in YCB upon the completion of the Public Issue and Offer for Sale are as follows:-

Names	Nationality/ Place of Incorporation	Designation/ Principal Activities	<-After Public Issue and Offer for Sale->			
			<-----Direct----->		<-----Indirect----->	
			No. of Shares	%	No. of Shares	%
PESB	Malaysia	Investment holding company	15,660,000	39.15	-	-
Chin Kok On	Malaysian	Managing Director	3,160,000	7.90	15,660,000*	39.15
Chin Poh On	Malaysian	Executive Director	3,160,000	7.90	15,660,000*	39.15
Wan Mohd. Ismail Bin Wan Hussain	Malaysian	Substantial shareholder	6,040,000	15.10	-	-

Note:-

* Deemed interest by virtue of them holding more than 15.00% in PESB pursuant to Section 6A of the Companies Act, 1965.

1.0 SUMMARY OF INFORMATION**1.3.3 Directors**

The Directors of YCB and their respective shareholding in YCB upon the completion of the Public Issue and Offer for Sale are as follows:-

Names	Designation	<-After Public Issue and Offer for Sale->			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Dato' Noor Ahmad Mokhtar Bin Haniff	Chairman/Independent Non-Executive Director	10,000*	0.03	-	-
Chin Kok On	Managing Director	3,160,000	7.90	15,660,000 [#]	39.15
Chin Poh On	Executive Director	3,160,000	7.90	15,660,000 [#]	39.15
Lai Kwang Hooi @ Lai Bah Eng	Independent Non-Executive Director	10,000*	0.03	-	-

Notes:-

* Based on their respective entitlement pursuant to the allocation of Public Issue Shares and Offer Shares to eligible Directors and employees of the YCB Group.

[#] Deemed interest by virtue of them holding more than 15.00% in PESB pursuant to Section 6A of the Companies Act, 1965.

1.3.4 Key Management

The key management of the YCB Group and their respective shareholdings in YCB upon the completion of the Public Issue and Offer for Sale are as follows:-

Names	Designation/ Nationality	<After Public Issue and Offer for Sale>			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Lew Woo Sang	General Manager/ Malaysian	480,000*	1.41	-	-
Lim Chun Thang	Senior Corporate Planning Manager/ Malaysian	420,000*	1.24	-	-
Ho Thin Chow	Senior Office Manager/ Malaysian	275,000*	0.81	-	-
Loo Chee Hin	Senior Finance & Administration Manager/ Malaysian	275,000*	0.81	-	-
Ng Kok Seng	Production Manager/ Malaysian	25,000*	0.07	-	-
Othman Bin Desa	Human Resource Manager/ Malaysian	25,000*	0.07	-	-

Note:-

* Based on their respective entitlement pursuant to the allocation of Public Issue Shares and Offer Shares to eligible Directors and employees of the YCB Group

Detailed information on the Promoters, Substantial Shareholders, Directors and Key Management is set out in Section 5.0 of this Prospectus.

1.0 SUMMARY OF INFORMATION

1.4 Financial Highlights of the YCB Group

A summary of the proforma consolidated turnover and profit records of the YCB Group for the past five (5) financial years ended 31 October 1997 to 31 October 2001, which were prepared based on the audited financial statements of the Company and its subsidiary companies after making adjustments considered necessary and on the assumption that the Group has been in existence since 1 November 1996. The proforma consolidated profit records of the YCB Group are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Report set out in Section 12.0 of this Prospectus.

	-----Proforma Group----->				
	<-----Financial Year Ended 31 October----->				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
- Sales of gold	24,320	8,876	11,376	21,876	36,590
- Workmanship charges	11,094	9,877	8,821	15,819	21,148
	<u>35,414</u>	<u>18,753</u>	<u>20,197</u>	<u>37,695</u>	<u>57,738</u>
Profit before interest, depreciation, amortisation and taxation	6,395	2,934	3,005	7,371	10,823
Less: Interest expenses	(313)	(354)	(375)	(588)	(619)
Less: Depreciation	(679)	(758)	(809)	(883)	(830)
PBT	<u>5,403</u>	<u>1,822</u>	<u>1,821</u>	<u>5,900</u>	<u>9,374</u>
Less: Taxation	(394)	(198)	(136)	(1,753)	(2,663)
PAT	<u>5,009</u>	<u>1,624</u>	<u>1,685</u>	<u>4,147</u>	<u>6,711</u>
Number of shares in issue ⁽ⁱ⁾ ('000)	34,000	34,000	34,000	34,000	34,000
Gross EPS ^(vii) (sen)	15.89	5.36	5.36	17.35	27.57
Net EPS ^(viii) (sen)	14.73	4.78	4.96	12.20	19.74
Fully diluted gross EPS ^(ix) (sen)	13.51	4.56	4.55	14.75	23.44
Fully diluted net EPS ^(x) (sen)	12.52	4.06	4.21	10.37	16.78
Gross dividend rate (%)	-	-	-	-	(xi)

Notes:-

- (i) Based on the issued and paid-up share capital of YCB of 34,000,000 shares after the Acquisitions and Rights Issue.
- (ii) The proforma consolidated results of the YCB Group are prepared for illustrative purposes only and are based on the audited financial statements of YCB, YJI, YG and YHK.
- (iii) There was no extraordinary or exceptional item for all the years under review.
- (iv) In 1997, the turnover increased approximately 55.19% from RM22.82 million in 1996 due to a subsidiary company's expansion of its export market in the Middle East. The increase is also attributable to the depreciation of Ringgit Malaysia.

1.0 SUMMARY OF INFORMATION

In 1998 and 1999, the decrease in turnover was mainly due to the decrease in sales of gold. The banking facilities enjoyed by a subsidiary company had been reduced due to the economic crisis. Consequently, the business activities of the said subsidiary company has been reduced due to the lower working capital. In addition, the Group had been prudent by selling only to selective good customers.

In 2000, the increase in turnover of approximately 86.64% was mainly due to the expansion of the Group's export market to other countries and the Group's new product mix and designs.

In the year 2001, the Group achieved approximately 53.17% increase in turnover. The increase was mainly attributable to the Group's improved design concept for its gold jewellery products and also increase of sales to its existing as well as new customers.

- (v) *The low effective tax rate in 1997, 1998 and 1999 was due to the following:-*
- (a) *The Pioneer Status enjoyed by a subsidiary under which 70% of the statutory income was exempted from income tax in 1997 and 1998. The Pioneer Status available to the subsidiary expired on 30 October 1998; and*
 - (b) *There was no tax charge in relation to 1999 results mainly due to the tax waiver on profit earned in 1999.*
- (vi) *In view of the higher sales achieved in 1997, a subsidiary company benefited from economies of scale in its business operation which resulted in improved PBT for the year.*
- PBT dropped to RM1.82 million in 1998 and 1999 respectively mainly because of the decrease in turnover and the increase in the cost of imported raw materials.*
- PBT improved to RM5.90 million and RM9.37 million in 2000 and 2001 respectively mainly due to increase in turnover and higher workmanship charges for white gold and cubic zirconia gold products.*
- (vii) *The gross EPS has been calculated based on PBT and on the assumption that the issued and paid-up share capital of the Group of 34,000,000 shares (after Acquisitions and Rights Issue but before Public Issue) had been in issue throughout the years under review.*
- (viii) *The net EPS has been calculated based on the PAT and on the assumption that the issued and paid-up share capital of the Group of 34,000,000 shares (after Acquisitions and Rights Issue but before Public Issue) had been in issue throughout the years under review.*
- (ix) *The fully diluted gross EPS has been calculated based on PBT and on the assumption that the issued and paid-up share capital of the Group of 40,000,000 shares (after Public Issue) had been in issue throughout the years under review.*
- (x) *The fully diluted net EPS has been calculated based on the PAT and on the assumption that the issued and paid-up share capital of the Group of 40,000,000 shares (after Public Issue) had been in issue throughout the years under review.*
- (xi) *An interim tax exempt dividend totalling RM3.80 million in respect of the financial year ended 31 October 2001 was paid to the existing shareholders of YJI on 21 August 2001 prior to the acquisition of YJI by YCB.*

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.0 SUMMARY OF INFORMATION

1.5 Proforma Consolidated Balance Sheets of YCB as at 31 October 2001

The proforma consolidated balance sheets of the YCB Group as at 31 October 2001 as set out below have been prepared solely to illustrate the proforma effects of the Acquisitions, Rights Issue, Public Issue and the utilisation of proceeds from the Rights Issue and Public Issue on the assumption that these transactions were effected on that date and should be read with the accompanying notes and assumptions to the proforma consolidated balance sheets included in the Reporting Accountants' Letter set out in Section 11.9 of this Prospectus.

	Company Audited RM'000	Proforma Group After Acquisitions RM'000	After Acquisitions and Rights Issue RM'000	After Acquisitions, Rights Issue, Public Issue and Estimated Listing Expenses RM'000
PROPERTY, PLANT AND EQUIPMENT	-	10,101	10,101	10,101
CURRENT ASSETS				
Inventories	-	102	102	102
Trade and other receivables	-	28,395	28,395	28,395
Cash and cash equivalents	*	1,634	4,943	14,393
	*	30,131	33,440	42,890
CURRENT LIABILITIES				
Sundry payables	16	1,529	1,529	1,529
Borrowings	-	9,684	-	-
Provision for taxation	-	3,290	3,290	3,290
	16	14,503	4,819	4,819
NET CURRENT (LIABILITIES)/ASSETS	(16)	15,628	28,621	38,071
	(16)	25,729	38,722	48,172
Financed by:				
SHARE CAPITAL	*	22,399	34,000	40,000
ACCUMULATED LOSS RESERVE ON CONSOLIDATION	(16)	-	-	-
SHARE PREMIUM	-	2,912	2,912	2,912
	-	-	1,393	4,843
	(16)	25,311	38,305	47,755
BORROWINGS	-	1	-	-
DEFERRED TAXATION	-	417	417	417
	(16)	25,729	38,722	48,172
Net Tangible (Liabilities)/Assets per share (RM)	(8,000.00)	1.13	1.13	1.19

Note:-

* These denote cash in hand and share capital of RM2.00 each respectively.

1.0 SUMMARY OF INFORMATION

1.6 Audit Qualification

The audited financial statements of YCB and its subsidiary companies, namely YJI, YG and YHK were not subject to any Auditors' qualifications for the past five (5) financial periods/years ended 31 October 2001.

1.7 Summary of Material Risk Factors

Applicants should consider carefully the risks factors summarised from Section 3.0 herein (which may not be exhaustive), in addition to the other information contained in this Prospectus, before subscribing to any of the shares, which are the subject of this Prospectus. The order in which the risk factors are presented should not be construed as a ranking of the risk factors. The investment considerations that should be considered include, but not limited to, the following:-

- (a) No prior market for YCB shares;
- (b) Business risk;
- (c) Domestic borrowings;
- (d) Seasonality;
- (e) Fluctuation in the price of gold;
- (f) Non-existence of long-term contracts with customers and suppliers;
- (g) Fluctuation in exchange rate/currency controls;
- (h) Dependency on key personnel;
- (i) Dependence on skilled craftsmen and designers;
- (j) Risk associated with security;
- (k) Insurance coverage;
- (l) Competition;
- (m) Competition from new entrants;
- (n) Threat of substitute products;
- (o) Dependency on particular products, markets or geographical locations;
- (p) Changes in general economic, political, legislative, business and credit conditions;
- (q) Control by substantial shareholders;
- (r) Government control or regulations;
- (s) Profit forecast; and
- (t) Forward looking statements.

Details of the risk factors are set out in Section 3.0 of this Prospectus.

1.0 SUMMARY OF INFORMATION

1.8 Principal Statistics Relating to the Public Issue and Offer For Sale**1.8.1 Share Capital**

<i>Authorised:-</i>	RM
50,000,000 shares of RM1.00 each	50,000,000
<i>Issued and fully paid-up:-</i>	
34,000,000 shares of RM1.00 each	34,000,000
<i>To be issued pursuant to the Public Issue:-</i>	
6,000,000 new shares of RM1.00 each	6,000,000
<i>Enlarged Issued and Paid-up Share Capital</i>	<u>40,000,000</u>

1.8.2 Public Issue/Offer for Sale Price Per Share

Public Issue/Offer for Sale price per share	RM1.80
---	--------

1.8.3 Consolidated Profit Forecast

Financial Year Ending 31 October	Forecast 2002 RM'000
Turnover	<u>61,693</u>
Consolidated PBT	10,602
Less: Taxation	<u>(1,676)</u>
Consolidated PAT	8,926
Less: Pre-acquisition profits	<u>(3,116)</u>
Profit attributable to shareholders	<u>5,810</u>
Enlarged number of shares in issue	('000) 40,000
Fully diluted gross EPS	(sen) 26.51
Fully diluted net EPS (before pre-acquisition profits)	(sen) 22.32
Fully diluted net EPS (after pre-acquisition profits)	(sen) 14.53
Gross PE Multiple*	(times) 6.79
Net PE Multiple (before pre-acquisition profits)*	(times) 8.06
Net PE Multiple (after pre-acquisition profits)*	(times) 12.39

Note:

* Based on the Public Issue/Offer for Sale price of RM1.80 per share.

Further notes and assumptions on the consolidated profit forecast are set out in Section 11.5 of this Prospectus.

1.0 SUMMARY OF INFORMATION

1.8.4 Proforma Group NTA as at 31 October 2001

	Note	NTA RM'000	NTA Per Share RM
Proforma Group NTA (after the Acquisitions)	(a)	25,311	1.13
Proforma Group NTA (after the Acquisitions and Rights Issue)	(b)	38,305	1.13
Proforma Group NTA (after the Acquisitions, Rights Issue, Public Issue and after deducting estimated listing expenses of RM1,350,000)	(c)	47,755	1.19

Notes:-

- (a) Based on the enlarged issued and paid-up share capital of 22,398,622 shares after the Acquisitions.
- (b) Based on the enlarged issued and paid-up share capital of 34,000,000 shares after the Acquisitions and Rights Issue.
- (c) Based on the enlarged issued and paid-up share capital of 40,000,000 shares after the Acquisitions, Rights Issue, Public Issue and after deducting estimated listing expenses of RM1,350,000.

Detailed calculations of the Proforma Group NTA are set out in Section 11.9 of this Prospectus.

1.8.5 Dividend Forecast

Financial Year Ending 31 October		Forecast 2002
Tax-exempt dividend per share	(sen)	8.00
Effective gross dividend per share (assuming 28% tax imputed thereon)	(sen)	11.11
Effective gross dividend yield (based on the Public Issue/Offer for Sale price of RM1.80 per share)	(%)	6.17
Net dividend cover (based on the forecast tax-exempt dividend of 8 sen per share)	(times)	1.82

Details of the dividend forecast are set out in Section 11.7 of this Prospectus.

1.9 Class of Shares

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each. The Public Issue Shares and Offer Shares rank pari passu in all respects with the existing issued and fully paid-up shares of the Company, including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of this Prospectus.

Further details of the class of shares are set out in Section 2.4 of this Prospectus.

1.0 SUMMARY OF INFORMATION**1.10 Utilisation of Proceeds**

The total gross proceeds of RM23,793,543 arising from the Rights Issue and Public Issue of RM12,993,543 and RM10,800,000 respectively, all of which accrue to the Company, will be utilised in the following manner:-

Purposes	RM'000	Expected Completion of the Utilisation of Proceeds	Total Period After Listing
(a) Repayment of bank borrowings	8,000	December 2002	6 months
(b) Construction of a factory building	5,600	June 2003	12 months
(c) Purchase of plant and machinery	3,200	June 2003	12 months
(d) Investment in research & development	500	December 2002	6 months
(e) Working capital	5,144	December 2002	6 months
(f) Estimated listing expenses	1,350	December 2002	6 months
	<u>23,794</u>		

The Offer for Sale will raise gross proceeds of RM7,236,000, which will accrue entirely to the Offerors.

Details of the proposed utilisation of proceeds are set out in Section 2.7 of this Prospectus.

1.11 Capital Commitments and Contingent Liabilities

YCB Group as at 16 April 2002*	RM
Approved but not contracted for	8,800,000
Contracted but not provided for	454,000

Total capital commitments	9,254,000
	=====
Contingent liabilities	-
	=====

Note:-

* Being the latest practicable date prior to the registration of this Prospectus.

Details of the above are set out in Section 11.3 of this Prospectus.

1.12 Material Litigation

Save as disclosed below, as at 16 April 2002 (being the latest practicable date prior to the registration of this Prospectus), neither YCB nor any of its subsidiary companies is engaged in any material litigation, either as plaintiff or defendant and the Directors of YCB are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of the YCB Group.

On 30 October 1997, YJI filed a suit against Malaysian Airline System Berhad ("Defendant") claiming a sum of USD99,172 plus interest for inter-alia, the failure by the Defendant to exercise proper and reasonable care in carrying out its duty to ensure that proper procedures and instructions by YJI are carried out before the Defendant released a shipment of gold jewellery to a customer.

The case is still pending and the case has been fixed for decision on 26 April 2002 .

Details of the above are set out in Section 16.6 of this Prospectus.