

COMPANY NAME : YNH PROPRTY BERHAD
STOCK NAME : YNHPROP
STOCK CODE : 3158

SUBJECT:

**ACQUISITION OF A WHOLLY-OWNED SUBSIDIARY COMPANY
- YNH Hospitality Sdn. Bhd.**

1. Introduction

The Board of Directors of YNH Property Bhd (“YNHProp” or “the Company”) wishes to announce that the Company has on 23 October 2013 acquired the entire issued and paid-up share capital of YNH Hospitality Sdn. Bhd. (“YHSB”) comprising two (2) ordinary shares of RM1.00 each from Datin Teh Nai Sim and Madam Yu Chong Hua (collectively hereinafter referred to as “the Vendor”) for a total consideration of RM2.00 (“the Acquisition”).

2. Information on YHSB

YHSB was incorporated on 25 June 2009 as a limited company with an authorised capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each, and the issued and fully paid-up share capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

There is no change in the issued and paid-up share capital of YHSB since its incorporation.

The intended principal activity of YHSB is hospitality services. As at the date of this announcement, YHSB has yet to commence operation.

The Board of Directors of YHSB and their interest in shares in YHSB based on the Register of Directors’ Shareholdings as at 23 October 2013 are as follows:

Name	Nationality	No of shares held in YHSB			
		Direct	%	Indirect	%
Datin Teh Nai Sim	Malaysian	1	50.00	-	-
Madam Yu Chong Hua	Malaysian	1	50.00	-	-
Total:		2	100.00	-	-

3. The Vendors

The details of the Vendors are as follows:

- (a) Datin Teh Nam Sim, Malaysian, aged 51, is the spouse of Dato’ Yu Kuan Huat and is also the Director of the following subsidiary companies of YNHProp:
 - (i) Bay Clubhouse Sdn. Bhd.
 - (ii) Mesra Unggul Sdn. Bhd.
 - (iii) YNH Land Sdn. Bhd.
 - (iv) YNH Realty Sdn. Bhd.

Datin Teh Nai Sim is also a shareholder of YNHProp via her direct and indirect shareholdings in YNHProp of 8,068,797 (1.92%) and 50,961,277 (12.10%) respectively.

- (b) Madam Yu Chong Hua, Malaysian, aged 60, is the sister of Dato' Yu Kuan Huat and Dato' Dr. Yu Kuan Chon, the directors and major shareholders of YNHProp.

Madam Yu Chong Hua is also a shareholder of YNHProp via her direct shareholdings in YNHProp of 443,571 (0.11 %).

4. Rationale for the Acquisition

The Acquisition is to streamline the business structure of YNHProp Group.

5. Source of funds

The Acquisition is funded through internally generated funds.

6. Approval Required

The Acquisition is not subject to the approval of the shareholders of YNHProp or any relevant governmental authorities.

7. Effects of the Acquisition

The Acquisition is not expected to have any material impact on the share capital, gearing, consolidated earnings, net assets and substantial shareholders' shareholdings of YNHProp for the current financial year ending 31 December 2013.

8. Highest Percentage Ratio Applicable

- a) The value of assets in relation to the Acquisition, compared with the net asset of YNHProp is 0.00%
- b) The aggregate value of the consideration given and liabilities assumed, compared with the net assets of YNHProp is 0.00%

9. Directors' and/or major shareholders' interests

Save for Dato' Dr. Yu Kuan Chon, Dato' Yu Kuan Huat, Datin Teh Nai Sim and Madam Yu Chong Hua, none of the Directors and/or major shareholders of YNHProp and/or person connected to the Directors and/or major shareholders of YNHProp have any interest, direct and indirect, in the Acquisition.

10. Directors' Statement

The Board, after due consideration of all the aspects of the proposal, is of the opinion that the Acquisition is in the best interest of YNHProp Group.

This announcement is dated 23 October 2013.