

Type : **Announcement**
Subject : **YNH Property Bhd (“YNH” or the Company”) Internal Group Re-organisation for acquisition of 2,300,000 ordinary shares of RM1.00 each respectively in YNH Hardware Sdn. Bhd., YNH Engineering Sdn. Bhd., YNH Communication Engineering Sdn. Bhd. and YNH Ready Mix Sdn. Bhd. (Collectively referred to as “the Subsidiaries”), representing 100% of the issued and paid-up share capital of the Subsidiaries from YNH Construction Sdn. Bhd. (“YNHC”) at a total consideration of RM8,517,771 (hereinafter referred to as "Internal Group Re-organisation")**

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1. INTRODUCTION

The Board of Directors of YNH (“the Board”) wishes to announce that the Company had on 20 December 2013 through its Internal Group Re-organisation acquired 2,300,000 ordinary shares of RM1.00 each respectively in the Subsidiaries, representing 100% of the issued and paid-up share capital of the Subsidiaries from YNHC at a total consideration of RM8,517,771(hereinafter referred to as “Re-organisation Consideration”).

2. DETAILS OF THE INTERNAL GROUP RE-ORGANISATION

2.1 Information on the Subsidiaries

YNH Construction Sdn. Bhd. (“YNHC”), bearing Company No. 173443-W, was incorporated as a private limited company on 27 August 1988. YNHC had changed its former name of Yu & Sons Sdn. Bhd. on 2 September 2005. The authorised share capital of YNHC is RM2,500,000 divided into 2,500,000 shares of RM1.00 each of which 2,500,000 ordinary shares have been issued and are fully paid-up or credited as fully paid up. The principal activities of YNHC are that of general contracting.

YNH Hardware Sdn. Bhd.(“YNHB”), bearing Company No. 793656-H, was incorporated as a private limited company on 30 October 2007. The authorised share capital of YNHB is RM5,000,000 divided into 5,000,000 shares of RM1.00 each of which 2,300,000 ordinary shares have been issued and are fully paid up or credited as fully paid up. The intended principal activities of YNHB are that of trading of properties and construction materials and contract works and YNHB had ceased its business operations since 2009.

YNH Engineering Sdn. Bhd.(“YESB”) , bearing Company No. 765187-A, was incorporated as a private limited company on 9 March 2007. The authorised share capital of YESB is RM5,000,000 divided into 5,000,000 shares of RM1.00 each of which 2,300,000 ordinary shares have been issued and are fully paid up or credited as fully paid up. The intended principal activities of YESB are that of contractor engineering works and during the year YESB has commenced business operation as piling contractor.

YNH Communication Engineering Sdn. Bhd.(“YCE”), bearing Company No. 765188-P, was incorporated as a private limited company on 9 March 2007. The authorised share capital of YCE is RM5,000,000 divided into 5,000,000 shares of RM1.00 each of which 2,300,000 ordinary shares have been issued and are fully paid up or credited as fully paid up. The intended principal activities of YCE are that of contractor of telephone and telegraph and YCE has not commenced business operations since its incorporation.

YNH Ready Mix Sdn. Bhd.(“YRM”), bearing Company No. 774600-U, was incorporated as a private limited company on 23 May 2007. The authorised share capital of YRM is RM5,000,000 divided into 5,000,000 shares of RM1.00 each of which 2,300,000 ordinary shares have been issued and are fully paid up or credited as fully paid up. The principal activities of YRM are that of rental of its plant and equipment.

2.2 Basis of arriving at Re-organisation Consideration

The Re-organisation Consideration was arrived based on the par value of the Subsidiaries' ordinary shares based on the net tangible assets of the Subsidiaries' latest management account as at 31 October 2013.

2.3 Source of funding

The Re-organisation Consideration is expected to be financed by internally generated funds.

2.4 Assumed Liabilities

Save for payment of the Re-organisation Consideration and other customary payments under the Internal Group Re-organisation, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by the Company arising from the Internal Group Re-organisation.

3. RATIONALE FOR THE INTERNAL GROUP RE-ORGANISATION

The Internal Group Re-organisation is to streamline the Group structure of YNH Group for ease of administration and reduction of administrative cost.

4. EFFECTS OF THE INTERNAL GROUP RE-ORGANISATION

Upon completion of the Internal Group Re-organisation, the Company's ultimate equity ownership of the Subsidiaries will remain unchanged but the Subsidiaries will become direct subsidiaries of the Company.

5. FINANCIAL EFFECTS OF THE INTERNAL GROUP RE-ORGANISATION

The Internal Group Re-organisation is not expected to have any material effect on the earnings, earnings per share, net assets, net assets per share, share capital, gearing and substantial shareholders' shareholdings of YNH for the financial year ending 31 December 2013.

6. APPROVALS REQUIRED

The Internal Group Re-organisation is not subject to the approval of any governmental authorities or the shareholders of YNH.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of the Company and/or persons connected to them have any interest, direct or indirect in the Internal Group Re-organisation.

8. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Internal Group Re-organisation, is of the opinion that the Internal Group Re-organisation is in the best interest of YNH Group.

This announcement is dated 20 December 2013.