

Annual Report 2009



YNH PROPERTY BHD
(561986-V)

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NOTICE OF EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Company will be held at Lead View Hotel, 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Wednesday, 30 June 2010 at 11.45 a.m.

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2009, together with the Directors' and Auditors' Reports thereon.
2. To sanction the declaration of a share dividend of one (1) Treasury Share for every existing ninety (90) Ordinary Shares of RM1.00 each held and a final dividend of 1.5% single tier in respect of the year ended 31 December 2009.
3. To approve payment of Directors' Fees in respect of the year ended 31 December 2009.
4. To re-elect the following Director retiring pursuant to the Articles of Association of the Company:

Ching Nye Mi @ Chieng Ngie Chay
5. To consider and if thought fit, pass a resolution pursuant to Section 129(6) of the Companies Act, 1965 to re-appoint Dato' Robert Lim @ Lim Git Hooi, DPMP, JP as a Director of the Company to hold office until the next Annual General Meeting of the Company.
6. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.
7. To transact any other business appropriate to an Annual General Meeting.
8. As Special Business:
To consider and, if thought fit, pass the following Resolutions:

Ordinary Resolution No. 1 -

Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965

"That, subject to the Companies Act, 1965 and the Articles of Association of the Company and approvals from the Bursa Malaysia Securities Berhad, the Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution No. 2 -

Authority to Allot and Issue Shares Pursuant to the Employees' Share Option Scheme

"That, subject to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue such number of new ordinary shares of RM1.00 each in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Employees' Share Option Scheme which was approved by an Ordinary Resolution passed at the Extraordinary General Meeting of the Company on 29 June 2009."

NOTICE OF EIGHTH ANNUAL GENERAL MEETING (cont'd)**Ordinary Resolution No. 3 -
Proposed Renewal of Share Buy Back Authority**

"That, subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorized, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:-

- i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on the Bursa Securities as at the point of purchase;
- ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of Retained Profits and/or the Share Premium Accounts of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. As at 31 December 2009, the audited Retained Profits and Share Premium Account of the Company were RM252,181,934 and RM40,009,809 respectively; and
- iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):-
 - a) the shares so purchased may be cancelled; and/or
 - b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

And that any authority conferred by this resolution may only continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Main LR and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities."

NOTICE OF EIGHTH ANNUAL GENERAL MEETING (cont'd)**Ordinary Resolution No. 4 -
Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

"That, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or person connected with Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") as specified in Section 5.2 of the Circular to Shareholders dated 7 June 2010, provided that such arrangements and/or transactions are:

- i) recurrent transactions of a revenue or trading nature;
- ii) necessary for the day-to-day operations;
- iii) carried out on an arm's length basis, in the ordinary course of business and on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public; and
- iv) are not to the detriment of the minority shareholders.

And that the shareholders' mandate, unless revoked or varied by the Company in a general meeting, shall take effect from the date of the passing of this Ordinary Resolution and will continue in force until:

- i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless authority is renewed by a resolution passed at the next Annual General Meeting;
- ii) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting.

whichever is earlier.

And that the Directors of the Company be authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Mandate."

By Order of the Board

CHAN YOKE YIN
CHENG GHEE CHENG

Secretaries

Ipoh
7 June 2010

NOTICE OF EIGHTH ANNUAL GENERAL MEETING (cont'd)**NOTE:**

A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company, 55, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

EXPLANATORY NOTES TO SPECIAL BUSINESS**1) Ordinary Resolution No. 1 -
Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965**

Pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company may, subject to the approval of the shareholders of the Company, exercise any power to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

**2) Ordinary Resolution No. 2 -
Authority to Allot and Issue Shares Pursuant to the Employees' Share Option Scheme**

On 29 June 2009, the Shareholders of the Company had approved the Employees' Share Option Scheme ("ESOS"). According to Section 132D of the Companies Act, 1965, the approval given by the Shareholders to the Directors of the Company to allot and issue shares pursuant to the ESOS expires at the forthcoming 2010 Annual General Meeting. As such, the Directors seek the Shareholders' renewed approval to allot and issue the shares for the ESOS.

**3) Ordinary Resolution No. 3 -
Proposed Renewal of Share Buy Back Authority**

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company.

**4) Ordinary Resolution No. 4 -
Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company.

2009 ANNUAL REPORT

The 2009 Annual Report is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders within 4 market days from the date of receipt of the request. Shareholders who wish to receive the printed copy of the Annual Report and who require assistance with the viewing of the CD-ROM, kindly contact Madam Cheng at Tel. No.: 605-5451945

**STATEMENT ACCOMPANYING
NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING
OF YNH PROPERTY BHD
PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

1. Director who is standing for re-election

Ching Nye Mi @ Chieng Ngie Chay, who retires pursuant to the Articles of Association of the Company is standing for re-election at the forthcoming Annual General Meeting.

The details of individual standing for re-election as Director is set out in the Profile of Directors and Statement of Shareholdings on pages 9 to 11 and page 97 of this Annual Report.

2. Details of attendance of Directors at Board Meetings

Four (4) Board Meetings were held during the financial year from 1 January 2009 till 31 December 2009:

23 February 2009
19 May 2009
25 August 2009
23 November 2009

Details of attendance of directors at the Board Meetings are as follows:

Name of Directors	Number of Meetings	Number of Meetings Attended
Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS	4	4
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	4	4
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	4	4
Ching Nye Mi @ Chieng Ngie Chay	4	4
Ding Ming Hea	4	4

CORPORATE INFORMATION

Directors

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS
(Chairman, Executive Director)
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Managing Director)
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director)
Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director)
Ding Ming Hea
(Independent Non-Executive Director)

Audit Committee

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Chairman
Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member
Ding Ming Hea
(Independent Non-Executive Director) - Member

Remuneration Committee

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Chairman
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Executive Director) - Member
Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member

Nominating Committee

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Chairman
Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member

ESOS Committee

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Executive Director) - Member
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS
(Executive Director) - Member
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Member
Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member
Ding Ming Hea
(Independent Non-Executive Director) - Member
Chan Yan Meng
(Financial Controller) - Member

Secretaries

Chan Yoke Yin (MAICSA 7043743)
Cheng Ghee Cheng (LS 04598)

Registrars

Symphony Share Registrars Sdn. Bhd.
55, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5474833
Fax No.: 05-5474363

Registered Office

55, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5474833
Fax No.: 05-5474363

Principal Place Of Business and Head Office

38, Jalan PPMP 7
Pusat Perniagaan Manjung Point 1
32040 Seri Manjung
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-6881128
Fax No.: 05-6881388
Email: karsin@streamyx.com
Website: www.ynhb.com.my

Sales Office – Kuala Lumpur

20th Floor
UBN Tower
10 Jalan P. Ramlee
50250 Kuala Lumpur
Telephone No.: 03-20706993
Fax No.: 03-20707223

Sales Office – Mont' Kiara

Suite D-05-07
Plaza Mont Kiara
Jalan Kiara
50480 Kuala Lumpur
Telephone No: 03-62019213
Fax: 03-62018213

Sales Office – Ipoh

10, Jalan Medan Ipoh 3
Bandar Medan Ipoh Baru
31400 Ipoh
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5451945
Fax No.: 05-5451945

Auditors

Ernst & Young
21 & 23, Jalan Hussein
30250 Ipoh
Perak Darul Ridzuan, Malaysia

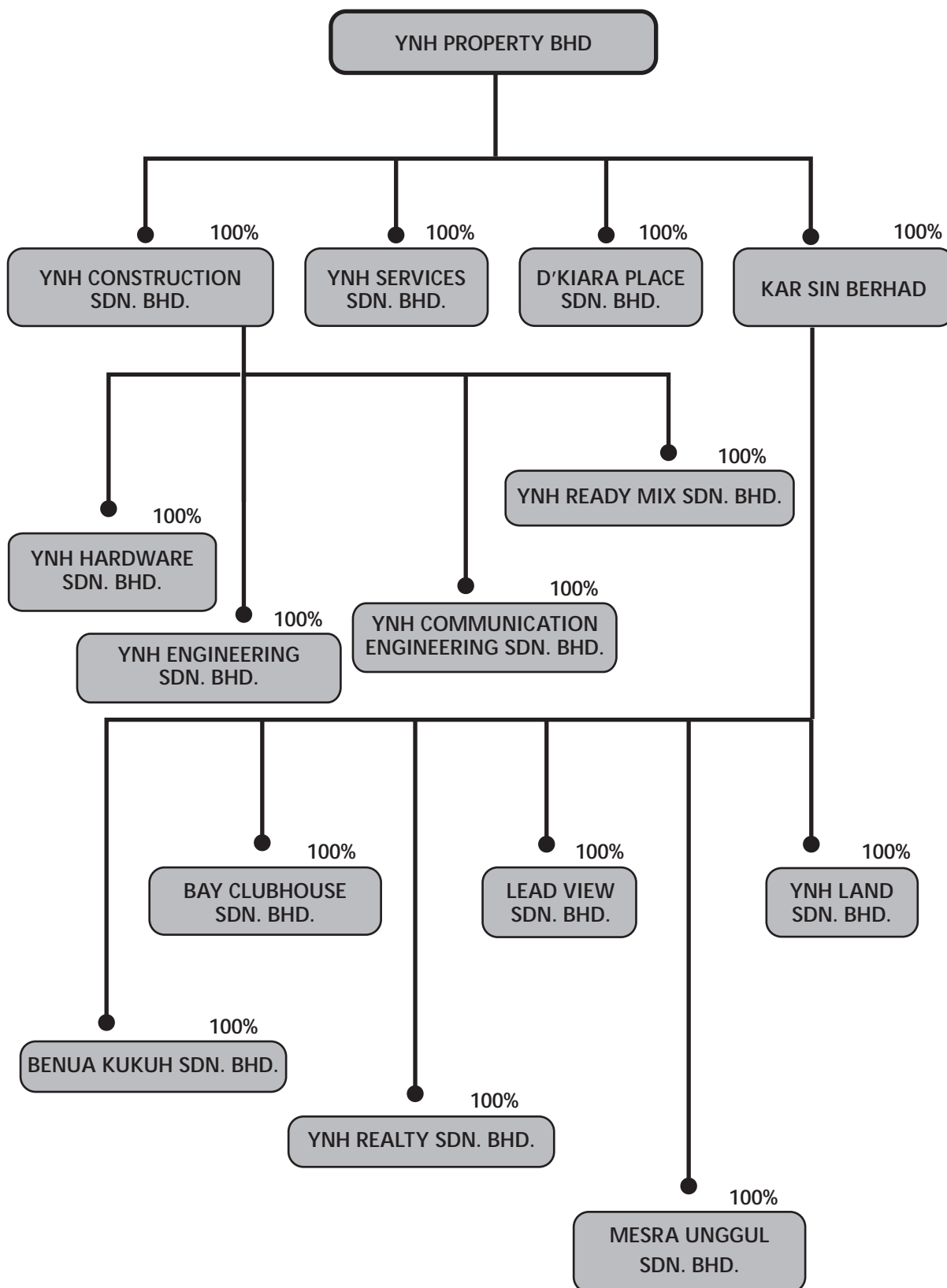
Principal Bankers

Alliance Bank Malaysia Berhad
AmBank (M) Berhad
CIMB Bank Berhad
EON Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
Public Investment Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd.

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Market

CORPORATE STRUCTURE



PROFILE OF THE BOARD OF DIRECTORS

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS

48 years of age

Malaysian

Chairman, Executive Director

Member, ESOS Committee

He was appointed to the Board of the Company on 3 September 2003 and subsequently as Chairman of the Company on 20 February 2004. After graduating with a medical degree in 1988, he started work as a houseman in Klang and continued as a medical officer a year later. Subsequently, he has also served as a medical officer in Ipoh and Taiping hospital, Perak. In 1995 he left the government service and started assisting the family business.

He is also a Non-Executive and Non-Independent Director of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all the four (4) Board of Directors' Meetings held during the financial year ended 31 December 2009.

He is the brother of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT. He is also a substantial shareholder of the Company.

He has not been convicted of any offences in the last ten years.

DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT

52 years of age

Malaysian

Managing Director

Member, Remuneration Committee

Member, ESOS Committee

He was appointed to the Board of the Company on 3 September 2003 and subsequently as Managing Director on 8 October 2003. Prior to his appointment to the Board of the Company, he was a Managing and Founder Director of Kar Sin Berhad, which is now a wholly owned subsidiary of the Company. He has over 17 years of experience in property development, construction, money lending and aquaculture.

He has attended all the four (4) Board of Directors' Meetings held during the financial year ended 31 December 2009.

He does not hold any directorship in any other public listed company. He is also a substantial shareholder of the Company. He and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS are brothers.

He has not been convicted of any offences in the last ten years.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)**DATO' ROBERT LIM @ LIM GIT HOOI**, DPMP, JP

71 years of age

Malaysian

Senior Independent and Non-Executive Director

Chairman, Audit Committee

Chairman, Nominating Committee

Chairman, Remuneration Committee

Member, ESOS Committee

He was appointed to the Board of the Company on 3 September 2003 and subsequently appointed as the Senior Independent and Non-Executive Director of the Company on 17 May 2004. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Prior to his appointment to the Board of the Company, he was a partner in Ernst & Young. He also sits on the Board of Gopeng Berhad and Seloga Holdings Berhad as an Independent Director. He is a director in Hektar Asset Management Sdn. Bhd., a management company for Hektar REIT which is listed on the Bursa Malaysia Securities Berhad. He also holds directorships in several other private limited companies.

He has attended all the four (4) Board of Directors' Meetings held during the financial year ended 31 December 2009.

He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences in the last ten years.

CHING NYE MI @ CHIENG NGIE CHAY

63 years of age

Malaysian

Independent and Non-Executive Director

Member, Audit Committee

Member, Nominating Committee

Member, Remuneration Committee

Member, ESOS Committee

He was appointed to the Board and Audit Committee of the Company on 3 September 2003. He has graduated with a Bachelor of Arts (Econs) from University Malaya in 1971. Prior to his appointment to the Board of the Company, he was a bank manager of Public Bank Berhad before his retirement in August 2002. He has over 31 years of professional experience in all aspects of the banking industry.

He does not hold any directorship in any other public listed company.

He has attended all the four (4) Board of Directors' Meetings held during the financial year ended 31 December 2009.

He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences in the last ten years.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)**DING MING HEA**

46 years of age

Malaysian

Independent and Non-Executive Director

Member, Audit Committee

Member, ESOS Committee

He was appointed to the Board and Audit Committee of the Company on 1 December 2007. He obtained a Bachelor of Science in Mathematics from Universiti Kebangsaan Malaysia and a Degree in Law in the United Kingdom. He was called to the Bar of England and Wales by the Honourable Society of Gray's Inn, London in 1990 and was admitted as an advocate and solicitor of the High Court of Malaya in 1992. In 1993, he obtained a Master of Laws (LL.M)-Corporate and Commercial Law from King's College London, University of London, United Kingdom. Presently, he is a partner of a legal firm, Nor Ding & Co.

He is also an Independent and Non-Executive Director of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all the four (4) Board of Directors' Meetings held during the financial year ended 31 December 2009.

He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences in the last ten years.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of YNH Property Berhad ("YNHP" or the "Company"), I have the pleasure of presenting to you the Annual Report and audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2009.

The year under review started on a cautious note amidst reports of a global financial meltdown. The advent of the crisis in September 2008 affected consumer confidence which resulted in slower sales for the Group throughout this financial year. The Company had been busy with the development and construction of existing projects both in our township development in Manjung and high-end development in Klang Valley pending the recovery of the macro economy. However considering the tough economic environment of the global economy, the Company can be considered to have performed considerably well. Below are the key highlights for the FY2009:

- Group sales decreased 29% from RM349 mil to RM247 mil in FY2009
- Group GP margin is at a very healthy level of 45% for the FY 2009
- Group profit before taxation is at RM70.5 mil in FY2009
- Net gearing has gone down to below 30%

Review Of Operations

For FY2009, sales contribution are mainly derived from the Fraser Place Kuala Lumpur development (previously known as Lot 163 suites) located in Kuala Lumpur city centre, Ceriaan Kiara (Mont' Kiara, Kuala Lumpur), Manjung Point Township, and other Manjung projects.

The completion of Fraser Place Kuala Lumpur, has given a boost to the image of the Group as this is the first high-end development completed by YNHP in KL city centre. This project is located in Kuala Lumpur city centre and has a gross development value (GDV) of approximately RM341 million. Frasers Hospitality Pte Ltd, the hospitality arm of Fraser Centerpoint Limited, is providing the consultancy, management and other services in relation to Fraser Place KL. Fraser Place KL is over 97% sold and had been completed and handed over to the purchasers.

Another development by YNHP in the Klang Valley is the Ceriaan Kiara development which consists of 238 units of high-end condominium in the exclusive Mont Kiara enclave. The construction works for Ceriaan Kiara had been just completed and units are being handed over to the purchasers within the first quarter of 2010.

YNHP will continue to develop affordable and high quality homes and ensure the Group's continued growth and success in its operations. The Group's adaptability in selectively timing its launches to cater to prevailing market conditions and buyers demand will still be the group motto going forward into the future.

CHAIRMAN'S STATEMENT (cont'd)

Prospect For The Year 2010

Despite the weak economic conditions up to the third quarter of 2009, the Company's projects such as Fraser Place Kuala Lumpur (Kuala Lumpur city centre), Ceriaan Kiara (Mont Kiara, Kuala Lumpur) as well as the on-going development projects at Seri Manjung, Perak is expected to continue to contribute consistently to the Group's income. As such, the Board is optimistic of the Group's prospect for the subsequent financial year.

Another project in the pipeline for the Group is Kiara 163. YNHP is the registered and full beneficial owner of the 6 acres freehold development properties (named as Kiara 163) which is located in Mont' Kiara, Kuala Lumpur, besides McDonald's outlet at Plaza Mont' Kiara. The approved development order is for the proposed commercial development comprising of:

- i) 2 Blocks of 42 storey of Service Apartment (584 units), 6 storey of multi-storey car park, 4 storey of basement car park and 1 storey of basic facilities
- ii) 1 Office block of 23 storey
- iii) 1 block of 7 storey podium comprises 3 storey of retail centre and 4 storey of auditorium.

The total secured sales to-date for the commercial podium of D'Kiara currently known as Kiara 163 is approximately RM200 million and the Group had received RM20 million deposit for the secured sales. Kiara 163 is expected to contribute positively to the Group's earnings for the coming few years.

Fraser Residence Kuala Lumpur, of which, YNHP had on 5 March 2009, entered into a second agreement with Frasers Hospitality Pte Ltd to manage this Gold-Standard serviced residences. Fraser Residence KL is located at PT No. 6, Seksyen 44, situated along Jalan Sultan Ismail, Kuala Lumpur.

Fraser Residence Kuala Lumpur is part of a mixed development project comprising serviced residences, office suites and also retail mall with a total gross development value of approximately RM535 million. Fraser Residence Kuala Lumpur will be constructed on a piece of land facing both Jalan Ampang and Jalan Sultan Ismail. Key features includes two towers with one and two-bedroom serviced apartments, a sky gymnasium, infinity lap pool, whirl pool and sauna and is scheduled to contribute positively to the Group's income for the next five years.

In addition, YNHP had on 19 February 2009 entered into a Memorandum of Understanding with Pantai Holdings Bhd to build and lease a private hospital in the Manjung Point township development located in Seri Manjung, Perak. The Pantai Hospital in Seri Manjung will add value and provide first class medical facilities and services to our existing and future developments in the Manjung Point Township in Seri Manjung, Perak. The Ministry of Health had given a letter of no objection to Pantai Group to develop a hospital in this location as announced on 26 April 2010. This project will contribute positively to YNHP's future earnings.

The Group had also acquired 95 acres of development land in Genting Highlands in 2008. The land is located strategically next to the Genting Highlands Resort and was acquired for RM16.05 million. This piece of land was purchased with some infrastructure costs already sunk in. In addition to that, the land is freehold and has been converted to building title. The cool weather and easy access (forty-five minutes by highway from KL city centre) will make this an attractive development. The proposed development comprises of commercial, retail, condominium, bungalows etc. The estimated gross development value is RM 1.96 billion, which is expected to contribute to the Group's earnings in the next 20 years.

Lastly, the Group's township development in Seri Manjung (near Lumut Navy Town and Pangkor Island) of approximately 1,000 acres will continue to contribute to the Group's profit for the next 20 to 30 years. With the investment of Vale International SA in Manjung, Perak, the Group believes that our township projects will have stronger future contributions as compared to previous years.

CHAIRMAN'S STATEMENT (cont'd)**Awards, Achievements and Acknowledgement**

I am also delighted to note that we have once again been honored by Forbes Asia for being the Region's top 200 small and midsize companies under "Best Under A Billion" companies on 11 November 2009.

I would also like to congratulate the management team for making this recognition possible for a second time since our first award in 2007.

On behalf of the Board, I would like to thank the management team and all employees for their continuous effort, commitment and support during the year. I would also like to express my appreciation to our valued customers, bankers and other business associates for their support and co-operation. To our valued shareholders, I would like to thank them for their faith in us.

Last but not least, I would like to extend my sincere appreciation to my fellow Board members for their support, guidance and contribution to the Group.

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS

Chairman

CORPORATE GOVERNANCE STATEMENT

The Board is committed to ensuring that good corporate governance is practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the long-term financial performance of the Group. The Board acknowledged and welcome the implementation towards achieving the objectives of the Code.

The Board is therefore pleased to report on the manner the Group has applied the principles, and the extent of compliance with the Best Practices of good governance as set out in Part 1 and Part 2 respectively of the Code pursuant to Paragraph 15.25 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("the Main Market Listing Requirements") as follows:-

1. Board of Directors

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group. The following are specific areas of responsibilities of the Board:-

- Strategic plan of the Group
- Monitoring the conduct and management of the Group's business
- Identification of risks and ensure appropriate systems for risk management
- Succession planning for senior management
- Internal control system
- Developing and implementing an investor and shareholders communication policy

The Board shall meet at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Four (4) Board Meetings were held during the financial year ended 31 December 2009. Details of attendance of Directors at the Board Meetings are presented in the Statement Accompanying the Notice of the Eighth Annual General Meeting.

Supply of information

All Directors have unhindered access to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. All Directors also have access to all information within the Group.

A formal procedure shall be implemented to enable the full Board or in their individual capacity to take independent professional advice at Group's expense in furtherance of their duties.

Committees of the Board

Four committees namely the Audit Committee, Nominating Committee, Remuneration Committee and Employees' Share Option Scheme (ESOS) Committee were established in 2004 to assist the Board in managing the Group's businesses.

The Audit Committee, Nominating Committee, Remuneration Committee and ESOS Committee have the authority to examine particular issues and report back to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters rests with the entire Board. Directors, whether executive or non-executive, shall not participate in decisions on their own remuneration packages.

2. Board balance

The Company is currently led by a Board comprising five (5) members, one (1) of whom is the Executive Chairman and one (1) is the Managing Director whilst the remaining three (3) are Independent Non-Executive Directors. The Board has reviewed the composition of its members which comprised five (5) and has decided to keep the Board members to five (5) having regards to the current level of activities.

CORPORATE GOVERNANCE STATEMENT (cont'd)

2. Board balance (cont'd)

There is a Board balance of Executive Directors and Independent Non-Executive Directors with at least half (1/2) of the Board consisting of Independent Non-Executive Directors. Together, the Directors bring a wide range of business and financial experience relevant to the direction of the Group.

There is a clear division of responsibility between the Chairman and Managing Director to ensure a proper balance of power and authority. The Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions. The Chairman's responsibility is to ensure effectiveness and conduct of the Board. The presence of three (3) Independent Non-Executive Directors fulfil a pivotal role in corporate accountability. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors are particularly important as they provide unbiased and independent views, advice and judgment.

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP acts as the Senior Independent Non-Executive Director. Any concerns relating to the Group may be conveyed to him.

3. Appointments to the Board

The Board has set up a Nominating Committee on 20 February 2004 with the responsibility for proposing new nominees for the Board and for assessing Directors on an on-going basis. Nevertheless, the actual decision as to who shall be appointed should be the responsibility of the entire Board after considering the recommendations of the Nominating Committee.

4. Directors training

All Directors have attended the Mandatory Accreditation Programmes as required under the Listing Requirements of Bursa Securities. The following in house trainings had been conducted and attended by all Directors during the Financial year:

- (a) Financial Instrument
- (b) 2010 Budget and Tax Management

The Directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

5. Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to re-election at the next Annual General Meeting immediately after appointment and at least one-third (1/3) of the Directors are subject to re-election by rotation at each Annual General Meeting. The Articles of Association also provide that all Directors shall retire at least once in each three (3) years.

6. Investor relations and shareholder communication

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations. These are available in the Bursa Malaysia Securities Berhad website and provides an avenue to its shareholders to receive information about the Group electronically.

7. The AGM

The Annual General Meeting which is held each year (not later than 30 June each year), provides a means of communication with shareholders. A copy of the Annual Report and notice of AGM are sent to all shareholders at least twenty-one (21) days before the AGM. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting.

CORPORATE GOVERNANCE STATEMENT (cont'd)

7. The AGM (cont'd)

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

Shareholders are also informed and invited to attend any Extraordinary General Meetings through circulars and notice of meeting where the Board is available to respond to shareholders' questions during the meeting.

At all times shareholders may contact the Company through the Company Secretary for information.

8. Corporate social responsibility statement

In the midst of pursuing business objective and striving to enhance shareholders' value of the Company, the Board of Directors has also dedicated to assist the local community and the general public to create a harmonious and pleasant living environment. The Company has ensured that, in achieving such objectives, the benefit shall not only include its shareholders but also its employees, the community and the environment. The Group has contributed RM1,000,000.00 during the year 2009 to the local community through Dato' Yu Neh Huat Foundation which is a trust maintained and operated by the controlling shareholder of the Company.

Dato' Yu Neh Huat Foundation ("the Foundation") is dedicated to the advancement of education and religion, relief of poverty, promotion of activities for the benefit and advancement of the sports, culture and art and for the benefit and preservation of the environment, nature and wildlife and specific for purposes beneficial to the local community mainly in the District of Manjung, Perak.

The Foundation has pledged to contribute and to assist Eng Ling School to acquire a piece of land valued at approximately RM980,000.00 in Seri Manjung for the purpose of constructing a primary school for the local community. The Foundation has also donated to an Old Folks Home in Kg Cina, Community Centre, Chinese Temples, Hindu Temples, Sports Associations and various local schools in the District of Manjung. The Foundation has also provided scholarships to qualified students from the lower income group of society.

During the year 2009, the Group has also sponsored an amount of RM200,000.00 to the Sultan Azlan Shah Cup Tournament. The Group emphasizes the need for safety and ethics not only in the work place but also in the products that it delivers. The Group also provide industrial training to technical students from various colleges and universities for a period of three to six months.

9. Financial reporting

The Company's financial statements are prepared in accordance with the requirements of applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Board is responsible to ensure that the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy and adequacy. In this respect, it is the Board's policy to ensure the accurate and timely dissemination of financial and corporate announcements for greater accountability and transparency. Such announcements are made to Bursa Malaysia Securities Berhad promptly upon the Board's approval.

10. Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial period and of their profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE STATEMENT (cont'd)

11. Internal control

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems.

The Statement on Internal Control furnished on page 22 of the Annual Report provides an overview on the state of internal controls within the Group.

12. Relationship with the auditors

The Company has always maintained a formal and transparent relationship with the external auditors in seeking professional advice and ensuring compliance with approved accounting standards. Both the external and internal auditors will meet the Board at least twice a year for the presentation of audit plan and results of audit when the annual financial statements are presented to the Directors. Annual appointment or re-appointment of the external auditors is by shareholders' resolution at the AGM on the recommendation of the Board. Annual appointment or re-appointment of the internal auditors is made by the Board on the Audit Committee's recommendation.

13. Board Committees

The Board has established four committees to assist the Board in discharging certain responsibilities and duties. The establishment of these Board Committees further enhance the effectiveness of the Board in decision making.

a) Audit Committee

The Audit Committee is made up of three (3) Independent Non-Executive Directors. The Terms of Reference of the Audit Committee regulates the conduct of the members. The members are empowered to review the financial statements of the Group and deliberate on any audit finding from both the external and internal auditors arising from the Group's financial statements and any issues raised by the external and internal auditors.

The Committee has full access to both internal and external auditors. These auditors in turn have access at all times to the Chairman of the Audit Committee.

The Audit Committee Report is set out on pages 23 to 25 of the Annual Report.

b) Nominating Committee

The members of the Nominating Committee are:-

Chairman : Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director)

Members : Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director)

Terms of Reference

Composition

The Nominating Committee comprised two (2) members all of which are non-executive directors.

CORPORATE GOVERNANCE STATEMENT (cont'd)

13. Board Committees (cont'd)

b) Nominating Committee (cont'd)

Functions

The functions of the Nominating Committee shall include the following:

- a) recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- b) consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder.
- c) recommend to the Board, Directors to fill the seats on Board Committees.
- d) the Board, through the Nominating Committee, should review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. This should be disclosed in the Annual Report.
- e) the Board should implement a process, to be carried out by the Nominating Committee annually, for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual Director.
- f) training and orientation of directors.
- g) in connection with the Remuneration Committee, succession plan for senior officers and key group managers.

c) Remuneration Committee

The members of the Remuneration Committee are:

Chairman : Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director)

Members : Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director)

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Managing Director)

Terms of Reference

Composition

The Remuneration Committee comprise three (3) members, the majority of whom are Non-Executive Directors.

Functions

The functions of the Committee shall include the following:

- a) to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary. Executive Directors should play no part in decisions on their own remuneration.

CORPORATE GOVERNANCE STATEMENT (cont'd)

13. Board Committees (cont'd)

c) Remuneration Committee (cont'd)

Functions (cont'd)

- b) to recommend to the Board the determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman. The individuals concerned should abstain from discussion on their own remuneration.
- c) establish a formal and transparent procedure for developing policy on executive directors remuneration and for fixing the remuneration packages of individual Director.
- d) disclose in the Annual Report the details of the remuneration of each Director.
- e) compensation policies and programme.
- f) in conjunction with the Nominating Committee, succession planning for senior officers, key group managers and staff.
- g) employee compensation and benefits programme.

During the last financial year, a Remuneration Committee Meeting was held on 23 February 2009.

The remuneration of each Director reflects the level of responsibility and commitment, which goes with Board membership. The Board determines the remuneration of each Director. It is the Board's or Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The Executive Directors play no parts in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

The fees for Directors, are endorsed by the Board for approval by the shareholders at the Annual General Meeting prior to payment to the Directors.

The details of the remuneration for Directors of the Company received or receivable for the financial year ended 31 December 2009 by category and in bands of RM50,000 and RM500,000 are as described below:-

Range of remuneration per annum	No. of Directors (Executive)	No. of Directors (Non-Executive)
RM50,001 to RM100,000	-	3
RM5,000,001 to RM5,500,000	2	-

The remuneration packages of the Directors are as follows:-

Remuneration packages	Total per annum for the financial year ended 31 December 2009	
	Executive Directors RM	Non-Executive Directors RM
Fees	-	114,000
Salaries & other emoluments	10,504,944	112,200
Benefits-in-kind	1,200	-
TOTAL	10,506,144	226,200

d) Employees' Share Option Scheme (ESOS) Committee

The ESOS Committee was established on 23 June 2004. The ESOS Committee is given full power to administer the Scheme in such manner as it shall in its entire discretion deem fit and in accordance with the terms and conditions as set out in the bye-laws of the Scheme including setting and amending any regulations as allowed under the bye-laws. The ESOS Committee comprises Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS, Dato' Robert Lim @ Lim Git Hooi, DPMP, JP, Ching Nye Mi @ Chieng Ngie Chay, Ding Ming Hea and Chan Yan Meng.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The Company did not raise funds through any corporate proposal during the financial year.

2. Share Buy Back

The information on share buy back for the financial year is presented in the Directors' Reports.

3. Options, Warrants or Convertible Securities

The amount of options exercised in respect of the financial year is presented in the Directors' Report. The Audit Committee has verified that the allocation of the Employees' Shares Options during the year is in accordance with the criteria set out in the ESOS bye-laws.

The Company did not issue any warrants or convertible securities during the financial year.

4. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

5. Sanctions and/or Penalties

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

6. Non-Audit Fees

Non-audit fees paid to external auditors for the financial year ended 31 December 2009 amounted to RM11,000.

7. Variation in Results

There was no materials variance between the audited results for the financial year ended 31 December 2009 and unaudited results previously released for the financial quarter ended 31 December 2009.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

9. Material Contracts

There were no material contracts, entered into or loan made by the Company and its subsidiaries, involving Directors' and substantial shareholders' either still subsisting at the end of the financial year 31 December 2009 or entered into since the end of the previous financial year.

10. Revaluation of Landed Properties

There were no revaluations of landed properties during the financial year.

STATEMENT ON INTERNAL CONTROL

Introduction

Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements require the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issuer as a group".

The Board of Directors is committed to maintain a sound system of internal control in the Group and is pleased to provide the following statement which has been prepared in accordance with the Guidance for Directors of Public Listed Companies on the Statement on Internal Control.

Responsibilities

The Board has overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and Group's assets. The Board's responsibility covers not only financial controls, but also relating to operational risk management and compliance with applicable laws and regulations and guidelines set by the authorities.

However, because of the limitations that are inherent in any internal control, it should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide a reasonable assurance against material misstatement. The Directors have established the following operational framework to provide an adequate internal control system.

- (a) The Group operates within an organizational structure with defined lines of responsibilities and accountabilities. A procedural and hierarchical reporting has been established which provides for a documented and auditable trail of accountability.
- (b) The Group's Enterprise Risk Management ("ERM") framework defines the Group's risk profile to increase awareness and ownership of risk by Management of the Group. The Management is responsible for the identification and evaluation, on a continuous basis, of significant risks inherent to the business. Appropriate action plans are developed to mitigate the key risk areas. Management meetings will be conducted to schedule available resources to rectify the identified risks within an acceptable timeframe.
- (c) The Audit Committee provides assistance to the Board of Directors in fulfilling its overall responsibilities. The Audit Committee reviews the internal audit plan for the year, and reviews the action taken on internal control issues identified in the reports prepared by the internal auditor.
- (d) The Group outsourced its Internal Audit Function to an accounting firm during the current year and the internal auditors, which report directly to the Audit Committee, performed reviews on the effectiveness of the current controls in place and highlighted key risk areas affecting the Group as well as made practical recommendations to the address any potential weaknesses. The Audit Committee, together with the Management, reviewed the issues identified by the internal auditors and external auditors and ensured that all practical recommendations, agreed to by the Management, are implemented. In year 2009, the Internal Audit Function had covered the following areas:
 - Sales Processing Function
 - Audit focus: To evaluate the adequacy of internal controls over sales of a property development project.
 - Human Resource
 - Audit focus: To evaluate the adequacy of the system of internal control over the following areas of the human resource function in particular recruitment, annual performance evaluation, leave administration and maintenance of human resource records.

The Group has implemented a new Management Information System that generates comprehensive management reports on a regular and consistent basis to facilitate the Board and the Management to perform financial and operational reviews.

The Board concurs that the system of internal control will continue to be reviewed, added on or updated in line with the changes in the operating environment. The Board will continue to seek regular assurance on the effectiveness of the internal control system through the work carried out by both internal and external auditors. The Board is of the view that the existing system of internal control is adequate to safeguard the Group's assets at the existing level of operations of the Group.

This statement has been reviewed by the external auditors in compliance with Paragraph 15.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE

Name of Members	Directorship	Designation
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	Senior Independent Non-Executive Director	Chairman of Committee
Ching Nye Mi @ Chieng Ngie Chay	Independent Non-Executive Director	Committee Member
Ding Ming Hea	Independent Non-Executive Director	Committee Member

TERMS OF REFERENCE

Constitution

The Audit Committee was established on 3 September 2003. The terms of reference of the Audit Committee are as follows:

Composition of the Audit Committee

The Committee shall be appointed by the Board from among its Directors (except alternate directors) and shall fulfill the following requirements:

- (a) the Committee must be composed of no fewer than three (3) members;
- (b) all the Committee members must be non-executive directors, with a majority of them being independent directors; and
- (c) at least one member of the Committee:
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
 - (iii) fulfils such other requirements as prescribed or approved by the Exchange.

The members of the Committee shall elect a Chairman from among their number who shall be an independent director.

The Board shall, within three (3) months of any vacancy occurring in the Committee which results in the non-compliance of the composition of the Committee, appoint such number of new members as may be required to comply with the required composition.

The Board shall review the term of office and performance of the Committee and each of its members at least once every three years.

Rights

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

AUDIT COMMITTEE REPORT (cont'd)

Functions

The functions of the Committee shall include the following:

- (1) review the following and report the same to the Board:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report, management letter and management's response;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors of the Company; and
 - (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors.

Meetings

Meetings of the Committee shall be held not less than four (4) times a year. The Committee shall meet with the external auditors without executive board members present at least twice a year. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable. The quorum for a meeting of the Committee shall be two (2) provided always that the majority of members present must be independent directors and any decision shall be by a simple majority.

Other Board members and employees may attend any particular meeting only at the Committee's invitation.

The Company Secretary shall be the Secretary of the Committee.

Reporting Procedures

The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Board.

AUDIT COMMITTEE REPORT (cont'd)

Attendance of Meetings

During the financial year, a total of four (4) meetings were held.

The details of the attendance of the Committee members are as follows:

Name	Number of Meetings Attended
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	4/4
Ching Nye Mi @ Chieng Ngie Chay	4/4
Ding Ming Hea	4/4

Summary of Activities

The activities of the Audit Committee during the financial year under review are as summarised below:

- Reviewed and approved the Internal Audit's plan and programmes;
- Reviewed the internal audit reports and considered the findings by the auditors and management's responses thereto;
- Reviewed, prior to the recommencement of audit, the external auditors' scope of engagement, their audit plan and approach;
- Reviewed with the external auditors the results of their audit, their audit report and management letters relating to the audit, their internal control recommendations in respect of control weaknesses noted in the cause of their audit and the management's responses thereto;
- Reviewed the annual and quarterly financial statements and reporting to Bursa Malaysia Securities Berhad and ensured compliance with additional disclosure requirements in accordance with the Main Market Listing Requirements of Bursa Securities;
- Reviewed the related party transactions and conflict of interest situations that arose within the Company or Group during the year.

Internal Audit Function

The Internal Audit Function was established in 2004 with the initial engagement of a major audit firm to provide the internal audit services. The role of the internal audit team is to provide independent and objective reports on the state of internal control and compliance to policies and procedures. The internal audit team will assist the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

The Internal Audit Function is currently outsourced to another professional services firm which reports directly to the Audit Committee. The scope of work covered by the Internal Audit Function is determined by the Audit Committee after discussion of the audit plan with the Board. The costs incurred for the Internal Audit Function for the financial year ended 31 December 2009 were RM20,000.

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal activities

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit/(Loss) for the year attributable to equity holders of the Company	<u>51,911,637</u>	<u>(588,735)</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 27 to the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the allowance for doubtful debts made of RM6,622,133.

Dividends

The amounts paid or declared by way of dividends by the Company since 31 December 2008 were as follows:

	RM
(a) A final dividend by way of distribution of treasury shares as share dividend at the ratio of 1 treasury share for every 30 existing ordinary shares of RM1 each held was approved at the Annual General Meeting on 29 June 2009, and distributed on 28 September 2009.	24,987,665
(b) An interim dividend by way of distribution of treasury shares as share dividend at the ratio of 1 treasury share for every 60 existing ordinary shares of RM 1 each held was declared on 25 August 2009 and distributed to the entitled shareholders on 24 November 2009.	12,904,773
	<u>37,892,438</u>

The Board of Directors have recommended the following:

- (a) a final share dividend at the ratio of one (1) treasury share for every ninety (90) ordinary shares of RM1 each held, to be approved by the shareholders at the forthcoming Annual General Meeting. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date. Such share dividend, if approved by the shareholders, will be accounted for in shareholders' equity as a distribution of treasury shares in the next financial year ending 31 December 2010.
- (b) a final single tier dividend in respect of the financial year ended 31 December 2009, of 1.5% (2008 - Nil) on 403,232,129 ordinary shares, amounting to a dividend payable of RM6,048,482 (0.2 sen single tier per ordinary share) will be proposed for shareholder's approval. The financial statement for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010. The actual net amount payable will depend on the issued share capital on the entitlement date.

DIRECTORS' REPORT (cont'd)

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS
 Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
 Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
 Ching Nye Mi @ Chieng Ngie Chay
 Ding Ming Hea

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			Balance as at 31.12.2009
	Balance as at 1.1.2009	Bought During the year	Sold	
The Company				
Direct interest				
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS *	56,499,398	9,874,883	-	66,374,281
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT *	34,227,168	8,056,961	-	42,284,129
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	356,500	11,300	(200,000)	167,800
Ching Nye Mi @ Chieng Ngie Chay	666,500	-	-	666,500
Ding Ming Hea	493,933	-	-	493,933
Deemed interest				
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS **	50,960,405	5,057,879	-	56,018,284
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT **	69,305,969	10,669,398	-	79,975,367
Ching Nye Mi @ Chieng Ngie Chay ***	517,803	-	-	517,803

* Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, by virtue of their interests in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent that the Company has an interest.

** Deemed interested through spouse, sibling, spouse of sibling and Neh Huat & Sons Sdn Bhd.

*** Deemed interested through spouse.

DIRECTORS' REPORT (cont'd)

Issue of shares

The Company increased its issued and paid up share capital by way of the issuance of 5,795,400 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at a weighted average exercise price of RM1.14 per ordinary share.

Treasury shares

The shareholders of the Company, by a resolution passed in the 7th Annual General Meeting held on 29 June 2009, renewed the approval for the Company to repurchase its own shares. The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 1,556,000 of its issued ordinary shares from the open market at an average price of RM1.98 per share. The total consideration paid for the repurchase including transaction costs was RM1,704,881 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

On 28 September 2009, the Company distributed a final dividend by way of distribution of treasury shares as share dividend at the ratio of one (1) treasury share for every thirty (30) existing ordinary shares of RM1 each held. A total of 12,636,018 treasury shares were distributed to the entitled shareholders in relation to the share dividend. On 24 November 2009, the Company distributed an interim dividend at a ratio of one (1) treasury share for every sixty (60) existing ordinary shares of RM1 each held. A total of 6,525,817 treasury shares were distributed to the entitled shareholders in relation to the share dividend.

As at 31 December 2009, the Company held as treasury shares a total of 4,808,055 of its 403,232,129 issued ordinary shares. Such treasury shares are held at a carrying amount of RM9,507,905 and further relevant details are disclosed in Note 27 to the financial statements.

Employee share options scheme ("ESOS")

The YNH Property Bhd employee share options scheme ("YNHPB ESOS") is governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting held on 10 June 2004.

The Company's existing ESOS expired on 22 June 2009. The Company had, at the Extraordinary General Meeting held on 29 June 2009, established a new ESOS up to 10% of the issued and paid up share capital of the Company for eligible employees and directors of YNH Property Berhad's group. The Company had on 5 January 2010, granted 39,840,000 shares to the eligible employees of the Group. The new ESOS was implemented on 5 January 2010 and is to be in force for a period of 5 years from the date of implementation, expiring on 4 August 2014. The ESOS of the Company is governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting.

The salient features and other terms of the old and new ESOS are disclosed in Note 28 to the financial statements.

DIRECTORS' REPORT (cont'd)**Other statutory information**

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (cont'd)

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2010.

Dato' Yu Kuan Huat,

DPMP, PMP, AMP, PPT

Ipoh, Perak Darul Ridzuan, Malaysia

Dato' Dr. Yu Kuan Chon,

DIMP, PPT, MBBS

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS being two of the directors of YNH Property Bhd, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 34 to 87 are drawn up in accordance with applicable Financial Reporting Standards and the provisions of the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results of the business and of the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2010.

Dato' Yu Kuan Huat,

DPMP, PMP, AMP, PPT

Ipoh, Perak Darul Ridzuan, Malaysia

Dato' Dr. Yu Kuan Chon,

DIMP, PPT, MBBS

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS, being the director primarily responsible for the financial management of YNH Property Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 87 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Dato' Dr. Yu Kuan Chon,
DIMP, PPT, MBBS at Ipoh in the
State of Perak Darul Ridzuan
on 28 April 2010

Dato' Dr. Yu Kuan Chon,

DIMP, PPT, MBBS

Before me,

MOHD YUSOF BIN HARON, KPP, PNPBB, PJK
No. 112
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YNH PROPERTY BHD
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of YNH Property Bhd, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 87.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YNH PROPERTY BHD
(Incorporated in Malaysia) (cont'd)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Ipoh, Perak Darul Ridzuan, Malaysia

Date: 28 April 2010

Loke Siew Heng
No. 2871/07/11 (J)
Chartered Accountant

INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	3	246,584,062	348,666,396	-	28,864,865
Cost of sales	4	(135,750,146)	(193,930,678)	-	-
Gross profit		110,833,916	154,735,718	-	28,864,865
Other income		4,799,723	1,739,673	-	-
Selling and distribution expenses		(187,287)	-	-	-
Administrative expenses		(34,547,108)	(35,803,012)	(687,224)	(519,172)
Profit/(Loss) from operations		80,899,244	120,672,379	(687,224)	28,345,693
Finance costs	5	(10,356,263)	(9,567,426)	-	-
Profit/(Loss) before taxation	6	70,542,981	111,104,953	(687,224)	28,345,693
Income tax expense	9	(18,631,344)	(30,210,334)	98,489	(7,504,865)
Profit/(Loss) for the year		51,911,637	80,894,619	(588,735)	20,840,828
Earnings per share (sen)					
- Basic	10(a)	13.63	21.52		
- Diluted	10(b)	13.63	21.21		

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Assets					
Non-current assets					
Property, plant and equipment	11	77,185,487	71,329,572	-	-
Prepaid land lease payments	12	599,441	601,154	-	-
Investments in subsidiaries	13	-	-	343,996,009	344,311,275
Land held for property development	14	292,952,627	295,245,292	-	-
Deferred tax assets	15	13,368,135	10,183,562	-	-
Goodwill on consolidation	16	17,621,512	17,621,512	-	-
		<u>401,727,202</u>	<u>394,981,092</u>	<u>343,996,009</u>	<u>344,311,275</u>
Current assets					
Property development costs	17	334,941,925	332,030,813	-	-
Inventories	18	58,319,234	17,958,101	-	-
Trade receivables	19	69,463,779	83,967,263	-	-
Other receivables, dividend receivable, deposits and prepayments	20	251,850,211	277,437,612	2,077	21,362,077
Amounts due from customers for contract works	21	11,071,497	39,607,995	-	-
Amounts owing by subsidiaries	22	-	-	102,587,598	86,169,688
Tax recoverable	23	14,862,421	11,888,341	69,816	5,400
Term deposits and fixed income trust fund	24	471,948	20,459,162	-	-
Cash and bank balances	25	28,377,290	19,265,229	140,596	135,597
		<u>769,358,305</u>	<u>802,614,516</u>	<u>102,800,087</u>	<u>107,672,762</u>
Total assets		<u>1,171,085,507</u>	<u>1,197,595,608</u>	<u>446,796,096</u>	<u>451,984,037</u>

BALANCE SHEETS AS AT 31 DECEMBER 2009 (cont'd)

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	26	403,232,129	397,436,729	403,232,129	397,436,729
Reserves	27	309,261,892	257,688,698	43,501,453	44,428,631
Total equity		<u>712,494,021</u>	<u>655,125,427</u>	<u>446,733,582</u>	<u>441,865,360</u>
Non-current liabilities					
Borrowings	29	11,274,712	25,433,631	-	-
Deferred tax liabilities	15	48,205,803	49,079,618	-	-
		<u>59,480,515</u>	<u>74,513,249</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade payables	30	61,736,925	85,935,006	-	-
Other payables, deposits and accruals	31	123,743,191	134,998,042	62,514	203,573
Provision for rectification works	32	7,381,626	4,521,485	-	-
Amount owing to directors		15,000	-	-	-
Amount owing to a subsidiary	22	-	-	-	9,915,104
Amount due to customers for contract works	21	2,814,295	6,264,924	-	-
Taxation		6,367,460	6,044,625	-	-
Borrowings	29	197,052,474	230,192,850	-	-
		<u>399,110,971</u>	<u>467,956,932</u>	<u>62,514</u>	<u>10,118,677</u>
Total liabilities		<u>458,591,486</u>	<u>542,470,181</u>	<u>62,514</u>	<u>10,118,677</u>
Total equity and liabilities		<u>1,171,085,507</u>	<u>1,197,595,608</u>	<u>446,796,096</u>	<u>451,984,037</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

Group	Note	Share capital RM	Non-distributable		Distributable			Total equity RM
			Share premium RM	Share option reserve RM	Treasury shares RM	Capital reserve RM	Retained earnings RM	
As at 1 January 2008		395,217,729	101,095,356	726,946	(243,708)	26,578,054	140,276,015	663,650,392
Issue of ordinary shares:								
- Pursuant to ESOS	26	2,219,000	196,320	-	-	-	-	2,415,320
Profit for the year, representing total recognised income and expense for the year		-	-	-	-	-	80,894,619	80,894,619
Share options granted under ESOS		-	-	948,680	-	-	-	948,680
Share buy back	27	-	-	-	(70,754,900)	-	-	(70,754,900)
Dividends	33	-	-	-	-	-	(22,028,684)	(22,028,684)
Share dividends	33	-	(25,303,146)	-	25,303,146	-	-	-
At 31 December 2008		397,436,729	75,988,530	1,675,626	(45,695,462)	26,578,054	199,141,950	655,125,427
Issue of ordinary shares:								
- Pursuant to ESOS	26	5,795,400	833,038	-	-	-	-	6,628,438
Profit for the year, representing total recognised income and expense for the year		-	-	-	-	-	51,911,637	51,911,637
Share options granted under ESOS		-	-	533,400	-	-	-	533,400
ESOS vested but not exercised, transferred to retained earnings		-	-	(1,128,347)	-	-	1,128,347	-
ESOS exercised, transferred to share premium		-	1,080,679	(1,080,679)	-	-	-	-
Share buy back	27	-	-	-	(1,704,881)	-	-	(1,704,881)
Share dividends	33	-	(37,892,438)	-	37,892,438	-	-	-
As at 31 December 2009		403,232,129	40,009,809	-	(9,507,905)	26,578,054	252,181,934	712,494,021

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009 (cont'd)

Company	Note	Share capital RM	Non-distributable		Distributable		Total equity RM
			Share premium RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	
As at 1 January 2008		395,217,729	101,095,356	726,946	(243,708)	13,647,793	510,444,116
Issue of ordinary shares:							
- Pursuant to ESOS	26	2,219,000	196,320	-	-	-	2,415,320
Profit for the year, representing total recognised income and expense for the year		-	-	-	-	20,840,828	20,840,828
Share options granted under ESOS		-	-	948,680	-	-	948,680
Share buy back	27	-	-	-	(70,754,900)	-	(70,754,900)
Dividends	33	-	-	-	-	(22,028,684)	(22,028,684)
Share dividends		-	(25,303,146)	-	25,303,146	-	-
As at 31 December 2008		397,436,729	75,988,530	1,675,626	(45,695,462)	12,459,937	441,865,360
Issue of ordinary shares:							
- Pursuant to ESOS	26	5,795,400	833,038	-	-	-	6,628,438
Loss for the year, representing total recognised income and expense for the year		-	-	-	-	(588,735)	(588,735)
Share options granted under ESOS		-	-	533,400	-	-	533,400
ESOS vested but not exercised, transferred to retained earnings		-	-	(1,128,347)	-	1,128,347	-
ESOS exercised, transferred to share premium		-	1,080,679	(1,080,679)	-	-	-
Share buy back	27	-	-	-	(1,704,881)	-	(1,704,881)
Share dividends	33	-	(37,892,438)	-	37,892,438	-	-
As at 31 December 2009		403,232,129	40,009,809	-	(9,507,905)	12,999,549	446,733,582

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities				
Profit/(Loss) before taxation	70,542,981	111,104,953	(687,224)	28,345,693
Adjustments for:				
Allowance for doubtful debts	6,622,133	6,606,121	-	-
Allowance for doubtful debts written back	(844,021)	-	-	-
Amortisation for prepaid land lease payments	8,326	5,454	-	-
Depreciation	2,391,051	1,807,668	-	-
Dividend income	-	-	-	(28,864,865)
Loss on disposal of property, plant and equipment	5,918	40,222	-	-
Interest expense	11,849,088	11,827,350	-	-
Interest income	(850,350)	(379,161)	-	-
Property, plant and equipment written off	-	89	-	-
Provision for rectification works	3,069,883	2,654,993	-	-
Share options granted under ESOS	533,400	948,680	-	-
Operating profit/(loss) before working capital changes	93,328,409	134,616,369	(687,224)	(519,172)
Changes in working capital:				
Property development costs	(40,181,931)	(20,641,614)	-	-
Inventories	9,128,799	12,393,619	-	-
Receivables	55,740,301	(529,273)	21,360,000	-
Contract work-in-progress	23,803,817	(23,055,536)	-	-
Payables	(56,756,164)	110,620,777	(141,059)	39,416
Directors' account	(5,000)	-	-	-
Subsidiaries' accounts	-	-	(26,333,014)	191,853,772
	(8,270,178)	78,787,973	(5,114,073)	191,893,188
Cash generated from/(used in) operations	85,058,231	213,404,342	(5,801,297)	191,374,016
Utilisation of provision for rectification works	(209,741)	(393,145)	-	-
Interest paid	(11,849,088)	(11,827,350)	-	-
Interest received	850,350	379,161	-	-
Recharge of share options under ESOS to subsidiaries received	-	-	948,680	726,960
Tax (paid)/refund	(25,340,995)	(49,727,455)	34,059	-
Net cash generated from/(used in) operating activities	48,508,757	151,835,553	(4,818,558)	192,100,976

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from investing activities				
Land held for property development - net of disposals	(8,510,770)	(73,206,659)	-	-
Placement of pledged fixed deposits	(12,472)	(201,525)	-	-
Increase in prepaid land lease payments	(6,613)	-	-	-
Proceeds from disposal of property, plant and equipment	2,502	52,490	-	-
Acquisition of a subsidiary (Note 34(c))	-	(101,764,607)	(100,000)	(101,764,609)
Purchase of property, plant and equipment (Note 34(a))	(8,255,386)	(1,471,918)	-	-
Net cash used in investing activities	(16,782,739)	(176,592,219)	(100,000)	(101,764,609)
Cash flows from financing activities				
Dividends paid	-	(22,028,684)	-	(22,028,684)
Shares buy back (Note 27)	(1,704,881)	(70,754,900)	(1,704,881)	(70,754,900)
Proceeds from issue of shares	6,628,438	2,415,320	6,628,438	2,415,320
Short term revolving credit drawn down	(7,712,626)	70,072,657	-	-
Bridging loan drawn down	-	22,800,000	-	-
Repayments of term loans	(14,194,750)	(15,088,209)	-	-
Net cash (used in)/generated from financing activities	(16,983,819)	(12,583,816)	4,923,557	(90,368,264)
Net increase/(decrease) in cash and cash equivalents	14,742,199	(37,340,482)	4,999	(31,897)
Cash and cash equivalents as at 1 January	(37,197,876)	142,606	135,597	167,494
Cash and cash equivalents as at 31 December (Note 34(b))	(22,455,677)	(37,197,876)	140,596	135,597

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are stated in Note 13 to the financial statements.

The registered office and principal place of business of the Company are as follows:

Registered office	Principal place of business
No. 55, Medan Ipoh 1A Medan Ipoh Bistari 31400 Ipoh Perak Darul Ridzuan	No. 38, Jalan PPMP 7 Pusat Perniagaan Manjung Point 1 32040 Sri Manjung Perak Darul Ridzuan

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2010.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared on a historical basis and comply with the provisions of the Companies Act 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Summary of significant accounting policies

(a) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

	%
Buildings	1 - 2
Plant and machinery	20
Motor vehicles	20
Tennis court	10
Office equipment, furniture, fittings and renovations	10 - 20
Crockery, glassware, cutlery, carpet and linen	12.5 - 25

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(a) Property, plant and equipment, and depreciation** (cont'd)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the income statement.

(b) Subsidiaries and basis of consolidation**(i) Subsidiaries**

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(c) Land held for property development and property development costs****(i) Land held for property development**

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(d) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(e) Inventories**

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of building materials and consumables comprise costs of purchase. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, deposits at call and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are stated after off-set against overdraft balances where appropriate. Cash and cash equivalents in the cash flow statements exclude fixed deposits pledged to financial institutions and thus not available for use by the Group.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

(iv) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(f) Financial instruments** (cont'd)**(v) Equity instruments**

Ordinary shares are classified as equity. Dividends payable on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided. Cost of issuing equity securities in connection with a business combination is included in the cost of acquisition. When the share capital of the Company is repurchased, the consideration paid, including any attributable transaction costs, is presented as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of treasury shares. Consideration received is presented in the financial statements as a change in equity.

(g) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in income statement in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(i) Impairment of non-financial assets**

The carrying amounts of assets, other than property development costs, construction contract assets, inventories, deferred tax assets and financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the income statement in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

(j) Leases**(i) Classification**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property, is accounted for as if held under a finance lease; and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, which is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(j) Leases** (cont'd)**(ii) Operating leases - the Group as lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iii) Operating leases - the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(k)(vi)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of properties under development

Revenue from sale of properties under development is accounted for by the stage of completion method as described in Note 2.2(c)(ii).

(ii) Sale of land held for property development and completed property units

Revenue is recognised when the risks and rewards associated with ownership has transferred to the purchaser with no further substantial contractual acts to complete.

(iii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(g).

(iv) Sales of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)**2. Significant accounting policies** (cont'd)**2.2 Summary of significant accounting policies** (cont'd)**(k) Revenue recognition** (cont'd)**(v) Revenue from services**

Revenue from rental of service apartments, hotel rooms and sales of food and beverage are recognised when services are rendered.

(vi) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(vii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(viii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(l) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the periods, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(n) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(iii) Share based compensation

The YNH Property Bhd ("YNHPB") Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium accounts when the options are exercised.

(o) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(o) Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are recognised in profit or loss in the Group's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.3 Standards and IC interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (amended)	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to FRS 139 and FRS 7	Financial Instruments: Recognition and Measurement and Financial Instruments: Disclosures	1 January 2010
Amendments to FRSs	'Improvements to FRSs (2009)'	1 January 2010
IC Interpretation 9 and Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010 and 1 July 2010

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.3 Standards and IC interpretations issued but not yet effective (cont'd)

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
TR i – 3	Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

FRS 8: Operating Segment

FRS 8 replaces FRS 114²⁰⁰⁴: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.3 Standards and IC interpretations issued but not yet effective (cont'd)

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group exposure to risks, enhanced disclosure regarding components of the Group financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group is exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments to FRS 1 allow first-time adopters to use costs, determined in accordance with FRS 127, or deemed cost of either fair value (in accordance with FRS 139) or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate opening FRS balance sheet. In the amendment to FRS 127, there is no longer a distinction between pre-acquisition and post-acquisition dividends. The amendment also requires the cost of the investment of a new parent in a group (in a reorganisation meeting certain criteria) to be measured at the carrying amount of its share of equity as shown in the separate financial statements of the previous parent. The amendments also remove the definition of the cost method from FRS 127 and will be applied prospectively that affect only the financial statements of the Company and do not have an impact on the financial statements of the Group.

Amendments to FRS138: Intangible Assets

The amendments clarify that an intangible asset must be recognised separately from goodwill even if it is separable only together with a related contract, identifiable asset, or liability. Also, if an intangible asset is separable only together with another intangible asset, those assets can be recognised together as a single asset, and if the individual assets in a group of complementary intangible assets have similar useful lives, those assets can be recognised together as a single asset.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.3 Standards and IC interpretations issued but not yet effective (cont'd)

Amendments to FRSs 'Improvements to FRSs (2009)'

FRS 107 Statement of Cash Flows (formerly known as Cash Flow Statements): Clarifies that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

FRS 116 Property, Plant and Equipment: The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

FRS 123 Borrowing Costs: The definition of borrowing costs is aligned with FRS 139 by referring to the use of effective interest rate as a component of borrowing cost.

FRS 136 Impairment of Assets: Clarifies that when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. The amendment further clarifies that the largest cash-generating unit for group of units to which goodwill should be allocated for purposes of impairment testing is an operating segment as defined in FRS 8.

IC Interpretation 15 : Agreements for the Construction of Real Estate

This IC requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit. The Group is currently in the process of making an assessment of the impact of this Interpretation on the results and financial position of the Group.

2.4 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.4 Significant accounting estimates and judgements (cont'd)

(a) Critical judgements made in applying accounting policies (cont'd)

(i) Classification between investment properties and property, plant and equipment (cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Due to the commercial buildings rented out could not be sold separately from its hotel building, the Group has treated the whole property as property, plant and equipment.

(ii) Operating lease arrangement - the group as lessor

The Group has entered into commercial property leases on its landed properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. It is impractical to ascertain the sensitivity analysis for the estimated total property development revenue or cost against the actual Group revenue and cost of sales due to material price fluctuation.

(ii) Construction contract

The Group recognises contract revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. It is impractical to ascertain the sensitivity analysis for the estimated total contracted revenue or cost against the actual Group revenue and cost of contract due to material price fluctuation.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

2. Significant accounting policies (cont'd)

2.4 Significant accounting estimates and judgements (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Provision for rectification works

A provision is recognised for expected rectification works on contracts completed. It is expected that most of these costs will be incurred within one year after the completion of construction contracts. Based on management's past experience, provision for rectification works are computed at 2% on the total contract sum of completed contracts. It is impractical to ascertain the sensitivity analysis for the estimated provision against the actual cost.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed capital allowances and provision for rectification works to the extent that it is probable that taxable profit will be available against which the capital allowances can be utilised and that the provision can be realised upon actual works being carried out. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies and rectification works required. The total carrying value of recognised capital allowances and provision for rectification works of the Group amounted to RM10,421,956 (2008 - RM7,130,332).

3. Revenue

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Revenue comprise the following:				
Sale of				
- development properties	177,292,953	188,362,527	-	-
- land held for future development	7,166,846	95,333,501	-	-
- completed property units	2,263,673	23,715,708	-	-
- ready mixed concrete	4,159,654	-	-	-
Dividend income from a subsidiary	-	-	-	28,864,865
Income from estates	4,161,129	5,905,684	-	-
Revenue from room sales, food and beverages	1,262,719	1,053,059	-	-
Proceeds from contract work	48,715,092	33,022,116	-	-
Rental income	1,561,996	1,273,801	-	-
	246,584,062	348,666,396	-	28,864,865

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

4. Cost of sales

	Group	
	2009 RM	2008 RM
Property development costs (Note 17)	113,117,131	97,139,970
Costs of land held for property development sold (Note 14)	2,959,206	53,799,658
Cost of inventories sold	1,760,176	12,652,352
Cost of production	4,149,395	-
Profit attributed to joint development partners	133,418	223,154
Construction contract costs	8,707,369	26,754,866
Estates costs	1,219,170	1,851,088
Hotel and other operation costs	3,704,281	1,509,590
	135,750,146	193,930,678

5. Finance costs

	Group	
	2009 RM	2008 RM
Finance costs comprise interest expenses on:		
- term loans	2,185,692	1,386,807
- bank overdraft	3,111,455	3,604,799
- short term revolving credit	6,551,941	6,651,254
- others	-	184,490
	11,849,088	11,827,350
Interest expense capitalised in qualifying assets:		
- Property development costs (Note 17)	(1,492,825)	(2,259,924)
	10,356,263	9,567,426

Borrowing costs capitalised in the qualifying assets during the financial year arose on the general borrowing pool and have been calculated by applying a capitalisation rate of 13% (2008 - 19%) per annum to expenditure on such assets.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

6. Profit/(loss) before taxation

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit/(loss) before taxation is arrived at after charging:				
Allowance for doubtful debts	6,622,133	6,606,121	-	-
Auditors' remuneration				
- audit fee				
- current year	126,300	98,400	32,500	32,500
- under provision in prior year	-	70	-	-
- non-audit fee	11,000	10,000	5,000	5,000
Amortisation for prepaid land lease payments	8,326	5,454	-	-
Depreciation	2,391,051	1,807,668	-	-
Directors' remuneration (Note 8)	10,732,344	10,188,836	226,200	183,000
Employees benefits expense (Note 7)	10,569,796	9,562,158	-	-
Loss on disposal of property, plant and equipment	5,918	40,222	-	-
Provision for rectification works	3,069,883	2,654,993	-	-
Property, plant and equipment written off	-	89	-	-
Rental of land	56,950	-	-	-
Rental of plant and machinery	778,652	1,473,173	-	-
Rental of premises	209,150	114,674	-	-
and crediting:				
Allowance for doubtful debts written back	844,021	-	-	-
Rental income from properties	1,561,996	1,273,801	-	-
Interest income	850,350	379,161	-	-

7. Employees benefits expense

	Group	
	2009 RM	2008 RM
Salaries, bonus and other staff related costs	9,100,576	7,664,305
Employees Provident Fund	935,820	949,173
Share options granted under ESOS (Note 28)	533,400	948,680
	10,569,796	9,562,158

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

8. Directors' remuneration

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	9,380,280	8,933,680	-	-
Employees Provident Fund contribution	1,125,864	1,072,156	-	-
	10,506,144	10,005,836	-	-
Non-Executive:				
Fees and allowances	226,200	183,000	226,200	183,000
Total	10,732,344	10,188,836	226,200	183,000

The number of directors of the Company whose total remuneration during the financial year fall within the following bands are as follows:

	Number of directors	
	2009 RM	2008 RM
Executive directors:		
RM5,000,001 – RM5,500,000	2	2
Non-executive directors:		
Below RM50,000	-	1
RM50,001 – RM100,000	3	2

9. Income tax expense

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current tax:				
- Malaysian income tax	23,767,282	34,232,975	-	7,504,865
- (Over)/Under provided in prior years	(1,077,550)	5,513	(98,489)	-
- Arising from tax investigations in respect of prior years				
- Additional tax assessments	-	5,831,984	-	-
- Recoverable in relation to additional tax assessments	-	(5,831,984)	-	-
	22,689,732	34,238,488	(98,489)	7,504,865
Deferred tax (Note 15):				
- Relating to origination and reversal of temporary differences	(4,070,222)	(3,743,716)	-	-
- Under/(Over) provided in prior years	11,834	(284,438)	-	-
	(4,058,388)	(4,028,154)	-	-
	18,631,344	30,210,334	(98,489)	7,504,865

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

9. Income tax expense (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008 - 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act 1967 as follows:

On the first RM500,000 of chargeable income - 20%
 In excess of RM500,000 of chargeable income - 25%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rates to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit/(Loss) before taxation	70,542,981	111,104,953	(687,224)	28,345,693
Taxation at applicable statutory tax rate	17,635,745	28,887,288	(171,806)	7,369,880
Effect of income subject to tax at 20%	-	(90,000)	-	-
Deferred tax assets not recognised	-	14,065	-	-
Expenses not deductible for tax purposes	2,063,315	1,571,721	171,806	133,684
Current tax (over)/under provided in prior years	(1,077,550)	5,513	(98,489)	-
Current tax under provided in prior years in relation to additional tax assessments	-	5,831,984	-	-
Current tax recoverable in relation to additional tax assessments	-	(5,831,984)	-	-
Deferred tax under/(over) provided in prior years	11,834	(284,438)	-	-
Others	(2,000)	106,185	-	1,301
Tax expense for the year	18,631,344	30,210,334	(98,489)	7,504,865

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

10. Earnings per share
(a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009	2008
Net profit for the year (RM)	51,911,637	80,894,619
Weighted average number of ordinary shares in issue	380,853,399	375,934,789
Basic earnings per share (sen)	<u>13.63</u>	<u>21.52</u>

(b) Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Special Bumiputera Issue and share options granted to employees.

	Group	
	2009	2008
Net profit for the year (RM)	51,911,637	80,894,619
Weighted average number of ordinary shares in issue	380,853,399	375,934,789
Effect of dilution:		
Adjustments for share options	-	5,401,205
Adjusted weighted average number of ordinary shares in issue and issuable	<u>380,853,399</u>	<u>381,335,994</u>
Diluted earnings per share (sen)	<u>13.63</u>	<u>21.21</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

11. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Tennis court RM	Office equipment, furniture, fittings and renovations RM	Crockery, glassware, cutlery, carpet and linen RM	Total RM
2009								
Cost								
As at 1 January 2009	57,204,612	9,826,746	9,206,956	2,139,776	70,004	1,960,777	461,784	80,870,655
Additions	-	935,714	1,372,855	438,546	-	5,418,976	89,295	8,255,386
Disposals/Written off	-	-	-	(28,061)	-	-	-	(28,061)
As at 31 December 2009	57,204,612	10,762,460	10,579,811	2,550,261	70,004	7,379,753	551,079	89,097,980
Accumulated depreciation								
As at 1 January 2009	-	893,021	5,483,800	1,580,665	70,002	1,193,607	319,988	9,541,083
Charge for the year	-	130,342	1,405,396	208,060	-	536,571	110,682	2,391,051
Written back	-	-	-	(19,641)	-	-	-	(19,641)
As at 31 December 2009	-	1,023,363	6,889,196	1,769,084	70,002	1,730,178	430,670	11,912,493
Net carrying amount								
As at 31 December 2009	57,204,612	9,739,097	3,690,615	781,177	2	5,649,575	120,409	77,185,487

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

11. Property, plant and equipment (cont'd)

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Tennis court RM	Office equipment, furniture, fittings and renovations RM	Crockery, glassware, cutlery, carpet and linen RM	Total RM
2008								
Cost								
As at 1 January 2008	66,378,222	9,826,746	8,789,276	1,921,460	70,004	1,780,191	461,784	89,227,683
Additions	21,600	-	1,003,159	218,316	-	228,843	-	1,471,918
Disposals/Written off	(92,712)	-	(585,479)	-	-	(48,257)	-	(726,448)
Transfer to property development costs (Note 17)	9,102,498	-	-	-	-	-	-	(9,102,498)
As at 31 December 2008	57,204,612	9,826,746	9,206,956	2,139,776	70,004	1,960,777	461,784	80,870,655
Accumulated depreciation								
As at 1 January 2008	-	781,393	4,880,416	1,372,597	70,002	1,049,330	213,324	8,367,062
Charge for the year	-	111,628	1,188,801	208,068	-	192,507	106,664	1,807,668
Written back	-	-	(585,417)	-	-	(48,230)	-	(633,647)
As at 31 December 2008	-	893,021	5,483,800	1,580,665	70,002	1,193,607	319,988	9,541,083
Net carrying amount								
As at 31 December 2008	57,204,612	8,933,725	3,723,156	559,111	2	767,170	141,796	71,329,572

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

11. Property, plant and equipment (cont'd)

Included in property, plant and equipment is the carrying amount of freehold land and buildings of RM31,584,796 (2008 - RM66,138,339) pledged as securities for borrowings granted to the Group.

12. Prepaid land lease payments

	Group	
	2009 RM	2008 RM
Long term leasehold land		
As at 1 January	601,154	606,608
Addition	6,613	-
Amortisation for the year	(8,326)	(5,454)
As at 31 December	599,441	601,154

The leasehold land expires on 29 September 2081.

13. Investments in subsidiaries

	Company	
	2009 RM	2008 RM
Unquoted shares at cost	343,996,009	344,311,275

The details of the subsidiaries which are incorporated in Malaysia, are as follows:

Name of company	Principal activities	Proportion of ownership interest	
		2009 %	2008 %
Direct subsidiaries			
Kar Sin Berhad	Property development and cultivation and sale of oil palm produce	100	100
YNH Construction Sdn Bhd	General contracting	100	100
D'Kiara Place Sdn Bhd	Property development and provision of consultancy services	100	100
YNH Services Sdn Bhd	Provision of management services and lodging facilities	100	-

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

13. Investments in subsidiaries (cont'd)

Name of company	Principal activities	Proportion of ownership interest	
		2009 %	2008 %
Indirect subsidiaries through Kar Sin Berhad			
Lead View Sdn Bhd	Operation and management of a hotel and its related business and property investment	100	100
Mesra Unggul Sdn Bhd	Property investment and development	100	100
Bay Clubhouse Sdn Bhd	Property investment	100	100
YNH Land Sdn Bhd	Property investment and development	100	100
YNH Realty Sdn Bhd	Property development	100	100
Benua Kukuh Sdn Bhd	Property investment	100	100
Indirect subsidiaries through YNH Construction Sdn Bhd			
YNH Hardware Sdn Bhd	Trading of properties and construction materials and contract works	100	100
YNH Ready Mix Sdn Bhd	Supply ready mixed concrete and related construction materials	100	100
YNH Communication Engineering Sdn Bhd	Dormant	100	100
YNH Engineering Sdn Bhd	Dormant	100	100

14. Land held for property development

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Cost				
2009				
As at 1 January 2009	226,699,961	56,234,391	12,310,940	295,245,292
Additions	5,892,684	3,508,349	2,068,840	11,469,873
Transfer to property development costs (Note 17)	(7,855,828)	(2,150,000)	(797,504)	(10,803,332)
Disposals (Note 4)	(2,738,967)	-	(220,239)	(2,959,206)
As at 31 December 2009	221,997,850	57,592,740	13,362,037	292,952,627

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

14. Land held for property development (cont'd)

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Cost				
2008				
As at 1 January 2008	179,122,605	39,478,141	6,124,273	224,725,019
Reclassification	(395,223)	-	395,223	-
Additions	80,014,722	40,766,856	6,218,031	126,999,609
Transfer to property development costs (Note 17)	(2,404,393)	-	(257,285)	(2,661,678)
Transfer to other receivables	-	-	(18,000)	(18,000)
Disposals (Note 4)	(29,637,750)	(24,010,606)	(151,302)	(53,799,658)
As at 31 December 2008	<u>226,699,961</u>	<u>56,234,391</u>	<u>12,310,940</u>	<u>295,245,292</u>

Freehold land and leasehold land of the Group with carrying values of RM69,544,045 (2008 - RM86,518,174) and RM27,883,667 (2008 - RM35,816,615) respectively are pledged as securities for banking facilities granted to the Group.

Titles to certain freehold land and leasehold land of the Group with the following carrying amounts have yet to be registered in the respective subsidiaries' name pending processing by the relevant authorities:

	Group	
	2009 RM	2008 RM
Freehold land	94,368,999	90,306,845
Leasehold land	14,330,141	14,413,194
	<u>108,699,140</u>	<u>104,720,039</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

15. Deferred tax assets/(liabilities)

	Group	
	2009 RM	2008 RM
As at 1 January	(38,896,056)	(14,107,731)
Acquisition of a subsidiary (Note 34(c))	-	(28,816,479)
Recognised in income statements (Note 9)	4,058,388	4,028,154
	<u>(34,837,668)</u>	<u>(38,896,056)</u>
As at 31 December	(34,837,668)	(38,896,056)
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	(48,205,803)	(49,079,618)
Deferred tax assets	13,368,135	10,183,562
	<u>(34,837,668)</u>	<u>(38,896,056)</u>

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment RM	Fair value adjustment on consolidation RM	Total RM
As at 1 January 2008	(410,341)	(21,920,020)	(22,330,361)
Acquisition of a subsidiary	-	(28,816,479)	(28,816,479)
Recognised in income statements	(165,640)	1,656,881	1,491,241
	<u>(575,981)</u>	<u>(49,079,618)</u>	<u>(49,655,599)</u>
As at 31 December 2008	(575,981)	(49,079,618)	(49,655,599)
Recognised in income statements	44,210	873,815	918,025
	<u>(531,771)</u>	<u>(48,205,803)</u>	<u>(48,737,574)</u>
As at 31 December 2009	(531,771)	(48,205,803)	(48,737,574)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

15. Deferred tax assets/(liabilities) (cont'd)

Deferred tax assets of the Group:

	Interest attributable to property development cost RM	Allowance for doubtful debt RM	Unabsorbed capital allowances RM	Unrealised profit on development properties RM	Provision for rectification works RM	Other payables and accruals RM	Property development costs RM	Total RM
As at 1 January 2008	-	397,761	678,392	6,080,444	564,909	501,124	-	8,222,630
Recognised in income statement	1,706,461	1,529,190	(26,180)	(736,896)	565,462	(501,124)	-	2,536,913
As at 31 December 2008	1,706,461	1,926,951	652,212	5,343,548	1,130,371	-	-	10,759,543
Recognised in income statement	1,497,459	928,739	107,870	(289,661)	715,036	-	180,920	3,140,363
As at 31 December 2009	3,203,920	2,855,690	760,082	5,053,887	1,845,407	-	180,920	13,899,906

A subsidiary has available unutilised investment tax allowance of RM2,201,000 (2008 - RM2,201,000) available for off-set against future taxable income. Deferred tax assets have not been recognised in respect of this item as it may not be probable that future taxable profits will be available against which the assets can be utilised.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

16. Goodwill on consolidation

	Group	
	2009 RM	2008 RM
As at 1 January and 31 December	17,621,512	17,621,512

The carrying amounts of goodwill allocated to the Group's CGUs are based on the respective CGUs' excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets and liabilities.

The recoverable amount of a CGU is determined based on fair value less costs to sell, fair value being the CGU's net tangible assets or earnings potential.

17. Property development costs

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
2009				
Cumulative property development costs				
As at 1 January 2009	262,063,824	9,218,106	248,857,562	520,139,492
Reclassification	-	-	133,601	133,601
Cost incurred during the year	1,492,825	-	153,885,628	155,378,453
Transfer from land held for property development (Note 14)	7,855,828	2,150,000	797,504	10,803,332
Reversal of completed projects	(20,142,716)	(985,716)	(160,896,784)	(182,025,216)
Unsold units transferred to inventories	(4,504,906)	(9,762)	(45,772,475)	(50,287,143)
As at 31 December 2009	246,764,855	10,372,628	197,005,036	454,142,519
Cumulative costs recognised in income statement				
As at 1 January 2009	(26,331,199)	(2,297,600)	(159,479,880)	(188,108,679)
Recognised during the year (Note 4)	(10,907,100)	32,422	(102,242,453)	(113,117,131)
Reversal of completed projects	20,142,716	985,716	160,896,784	182,025,216
As at 31 December 2009	(17,095,583)	(1,279,462)	(100,825,549)	(119,200,594)
Property development costs as at 31 December 2009	229,669,272	9,093,166	96,179,487	334,941,925

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

17. Property development costs (cont'd)

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
2008				
Cumulative property development costs				
As at 1 January 2008	149,367,057	437,641	115,590,568	265,395,266
Reclassification	(16,609,316)	1,405,867	22,320,323	7,116,874
Cost incurred during the year	4,363,724	7,451,792	102,292,113	114,107,629
Acquisition of a subsidiary (Note 34(c))	121,765,917	-	16,276,399	138,042,316
Transfer from property, plant and equipment (Note 11)	8,996,659	-	105,839	9,102,498
Transfer from land held for property development (Note 14)	2,404,393	-	257,285	2,661,678
Reversal of completed projects	(8,223,146)	(77,194)	(7,901,525)	(16,201,865)
Unsold units transferred to inventories	(1,464)	-	(83,440)	(84,904)
As at 31 December 2008	262,063,824	9,218,106	248,857,562	520,139,492
Cumulative costs recognised in the income statement				
As at 1 January 2008	(40,744,262)	1,238,236	(60,547,674)	(100,053,700)
Reclassification	18,236,305	(3,032,856)	(22,320,323)	(7,116,874)
Recognised during the year (Note 4)	(12,046,388)	(580,174)	(84,513,408)	(97,139,970)
Reversal of completed projects	8,223,146	77,194	7,901,525	16,201,865
	(26,331,199)	(2,297,600)	(159,479,880)	(188,108,679)
Property development costs as at 31 December 2008	235,732,625	6,920,506	89,377,682	332,030,813

Included in property development costs incurred during the financial year are:

	Group	
	2009 RM	2008 RM
Rental of equipment	2,365,547	2,103,568
Interest expenses (Note 5)	1,492,825	2,259,924

Freehold land with carrying values of RM82,826,506 (2008 - RM86,569,750) are pledged as securities for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

18. Inventories

	Group	
Cost	2009 RM	2008 RM
Building materials and consumables	532,406	264,209
Properties held for sale	57,707,696	17,693,892
Raw materials	60,753	-
Stationery and housekeeping supply	18,379	-
	58,319,234	17,958,101

Inventories amounting to RM38,855,670 (2008 - RM1,744,727) are pledged as securities for banking facilities granted to the Group.

19. Trade receivables

	Group	
	2009 RM	2008 RM
Trade receivables		
- non interest bearing	25,380,850	67,942,077
- interest bearing	23,786,684	-
	49,167,534	67,942,077
Accrued billings in respect of property development costs	33,074,007	23,024,837
	82,241,541	90,966,914
Allowance for doubtful debts	(12,777,762)	(6,999,651)
	69,463,779	83,967,263

The Group's primary exposure to credit risk arises through its trade receivables. The Group's normal trade credit terms range from 14 to 180 (2008 - 14 to 180) days. Credit terms for sales of commercial properties range from 14 to 270 (2008 - 14 to 270) days. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The interest bearing trade receivables bear interest at 10% (2008 - Nil) per annum.

Included in interest bearing trade receivables is an amount of RM1,070,800 (2008 - RM850,470) owing by persons connected with the directors.

Also included in non interest bearing trade receivables is an amount of RMNil (2008 - RM8,396,266) owing by certain directors of the Company.

The amounts owing by certain directors and persons connected with directors of the Company are in respect of purchase of properties from the Group and is within the normal credit period granted to customers.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

20. Other receivables, dividend receivable, deposits and prepayments

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other receivables	8,249,723	7,138,091	2,077	2,077
Dividend receivable	-	-	-	21,360,000
	8,249,723	7,138,091	2,077	21,362,077
Deposits and prepayments	244,308,641	271,007,674	-	-
Allowance for doubtful debts	(708,153)	(708,153)	-	-
	243,600,488	270,299,521	-	-
	251,850,211	277,437,612	2,077	21,362,077

Included in deposits of the Group are security deposits for joint venture transactions amounting to RM237,162,392 (2008 - RM263,100,156) of which RM237,014,392 (2008 - 262,942,156) are for development work which has yet to commence. The directors are reasonably optimistic that these development works will commence in the future and therefore ensure the recovery of the security deposits.

Deposits of the Group with an aggregate value of RM2,377,950 (2008 - RM3,451,281) have been paid for the acquisitions of freehold land for which the transactions remain incomplete at balance sheet date.

Also included in deposits of the Group are mobilisation deposits of RM2,368,166 (2008 - RM3,183,553) paid to architects and for professional services for future development projects. The directors, after considering all relevant and available information, are of the opinion that these amounts are fully recoverable.

21. Amount due for contract works

	Group	
	2009 RM	2008 RM
Construction contract cost incurred to date	150,909,442	85,948,922
Attributable profits	58,022,438	49,229,606
Less: Provision for foreseeable losses	-	(270,946)
	208,931,880	134,907,582
Progress billings received and receivable	(200,674,678)	(101,564,511)
	8,257,202	33,343,071
Due from customers on contracts	11,071,497	39,607,995
Due to customers on contracts	(2,814,295)	(6,264,924)
	8,257,202	33,343,071

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

22. Amount owing by/(to) subsidiaries
Company

The amounts owing by/(to) subsidiaries are unsecured, non-interest bearing and repayable on demand in cash.

23. Tax recoverable

Included in tax recoverable of the Group are amounts recoverable from provisions of additional tax assessments and tax penalties amounting to RM6,654,056 (2008 - RM5,831,984) for the Years of Assessment 1998 and 1999 arising from tax investigations on Kar Sin Berhad and YNH Construction Sdn Bhd. The Board of Directors, in consultation with their lawyers, is of the opinion that there are cogent and valid grounds of appeal and that the additional tax provisions should be discharged in full.

24. Term deposits and fixed income trust fund

	Group	
	2009 RM	2008 RM
Licensed fund management company		
- Fixed income trust fund	15,420	15,105
Deposits with licensed banks:		
- Fixed deposits	456,528	444,057
- Short term deposit	-	20,000,000
	456,528	20,444,057
	471,948	20,459,162

The interest rates and the maturities of deposits as at balance sheet date are as follows:

	Maturities		Interest rates	
	2009 Days	2008 Days	2009 %	2008 %
Licensed fund management company				
- Fixed income trust fund	30 - 31	30 - 31	2.00	3.10
Licensed banks				
- Short term deposit	-	2	-	3.23
- Fixed deposit	30 - 365	30 - 365	2.00 - 3.70	3.00 - 3.70

The fixed deposits are pledged as security for bank guarantee facilities granted to the Group.

Included in fixed deposits is an amount of RM121,627 (2008 - RM121,627) held in trust by a director of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

25. Cash and bank balances
Group

Included in cash at banks of the Group are amounts of RM20,946,415 (2008 - RM17,836,035) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

26. Share capital

	← Group and Company →			
	Number of ordinary shares of RM1 each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
As at 1 January	397,436,729	395,217,729	397,436,729	395,217,729
Issued and paid-up during the year				
- Employee Share Options Scheme (Note 28)	5,795,400	2,219,000	5,795,400	2,219,000
As at 31 December	403,232,129	397,436,729	403,232,129	397,436,729

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) Ordinary shares issued pursuant to ESOS

During the financial year, the Company issued 5,795,400 (2008 - 2,219,000) ordinary shares at an average issue price of RM1.14 (2008 - RM1.09) per ordinary share for cash, pursuant to the Company's ESOS. The share premium of RM833,038 (2008 - RM196,320) arising therefrom have been included in the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

27. Reserves

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Distributable				
Capital reserve	26,578,054	26,578,054	-	-
Retained earnings	252,181,934	199,141,950	12,999,549	12,459,937
Treasury shares	(9,507,905)	(45,695,462)	(9,507,905)	(45,695,462)
	269,252,083	180,024,542	3,491,644	(33,235,525)
Non-distributable				
Share premium	40,009,809	75,988,530	40,009,809	75,988,530
Share option reserve	-	1,675,626	-	1,675,626
	40,009,809	77,664,156	40,009,809	77,664,156
	309,261,892	257,688,698	43,501,453	44,428,631

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

27. Reserves (cont'd)

The nature and purpose of each category of reserves are as follows:

Share premium

Share premium arose from the issue of ordinary shares and can be utilised for distribution to the members of the Company by way of bonus share issue.

Share option reserve

Share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

Treasury shares

	Group and Company	
	2009	2008
	RM	RM
As at 1 January	45,695,462	243,708
Shares purchased during the year	1,704,881	70,754,900
Distributed as share dividend (Note 33)	(37,892,438)	(25,303,146)
As at 31 December	9,507,905	45,695,462

Amount relates to the acquisition cost of treasury shares net of proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased 1,556,000 of its issued ordinary shares from the open market at an average price of RM1.98 per share. The total consideration paid for the repurchase including transaction costs was RM1,704,881 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

On 28 September 2009, the Company distributed a final dividend by way of distribution of treasury shares as share dividend at the ratio of one (1) treasury share for every thirty (30) existing ordinary shares of RM1 each held. A total of 12,636,018 treasury shares were distributed to the entitled shareholders in relation to the share dividend. On 24 November 2009, the Company distributed an interim dividend by way of distribution of treasury shares as share dividend at the ratio of one (1) treasury share for every sixty (60) existing ordinary shares of RM1 each held. A total of 6,525,817 treasury share were distributed to the entitled shareholders in relation to the share dividend.

Distributable capital reserve

This arose from the changes in fair value of the subsidiaries acquired.

Distributable retained earnings

The Company has elected for the irrevocable option under the Finance Act 2007 to disregard the Section 108 balance as at 31 December 2007. Hence, the Company will be able to distribute dividends out of its entire retained earnings as at 31 December 2009 and 2008 under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

28. Employee benefits

Employee share options scheme ("ESOS")

The YNH Property Bhd's ESOS is governed by the bye-laws approved by its shareholders at an Extraordinary General Meeting held on 10 June 2004. The ESOS was implemented on 23 June 2004 and is to be in force for a period of 5 years from the date of implementation expiring on 22 June 2009. The Company has, on the Extraordinary General meeting held on 29 June 2009, established a new ESOS up to 10% of the issued and paid up share capital of the Company for the eligible employees and directors for YNH Property Berhad's group. The Company had on 5 January 2010, granted 39,840,000 new shares to the eligible employees of the Group. The new ESOS was implemented on 5 January 2010 and is to be in force for a period of 5 years from the date of implementation expiring on 4 August 2014. The ESOS of the Company is governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting.

The salient features of the ESOS are as follows:

- (i) The total number of options to be offered under the ESOS shall be subject to a maximum of 10% of the issued and paid-up share capital of the Company at any point in time;
- (ii) Any natural person who is employed full-time by and on the payroll of the Company (YNH Property Bhd) and its subsidiaries and who fulfils the conditions of eligibility stipulated in the bye-laws shall be eligible to participate in the ESOS. Employees include the directors of the Group;
- (iii) The subscription price for each new share shall be based on the weighted average of the market price of YNH Property Bhd shares for the five (5) market days immediately preceding the date on which the option is granted less a discount of up to 10% or the par value of YNH Property Bhd share, whichever is the higher;
- (iv) The ESOS shall be in force for a duration of five (5) years from its commencement and may, if the Board deems fit and upon the recommendation of the options committee, be extended for a further five (5) years;
- (v) The options granted may be exercised according to the following scale in respect of a maximum of the following:

Maximum percentage of options exercisable from date of acceptance				
Year 1	Year 2	Year 3	Year 4	Year 5
20%	20%	20%	20%	20%

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the option period. All unexercised options shall be exercisable in the last year of the option period. Any options which remain unexercised at the expiry date of the option period shall be automatically terminated; and

- (vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company except that the shares so issued will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to shareholders prior to the date of allotment of the new shares.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

28. Employee benefits (cont'd)

Employee share options scheme ("ESOS") (cont'd)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the financial year:

Grant date	Options Exercise Price	Number of Share Options					Outstanding as at 31 December	Exercisable as at 31 December
		Outstanding as at 1 January	Granted	Movement During the Year Exercised	Lapsed	Outstanding as at 31 December		
2009								
17.08.2004	1.06	3,410,400	-	(2,275,400)	(1,135,000)	-	-	
17.10.2005	1.08	606,000	-	(400,000)	(206,000)	-	-	
01.11.2006	1.24	6,552,000	-	(2,750,000)	(3,802,000)	-	-	
01.12.2006	1.45	30,000	-	(10,000)	(20,000)	-	-	
05.02.2007	1.75	143,000	-	-	(143,000)	-	-	
21.08.2007	2.00	625,000	-	-	(625,000)	-	-	
11.04.2008	1.86	9,290,000	-	-	(9,290,000)	-	-	
04.11.2008	1.00	1,800,000	-	(360,000)	(1,440,000)	-	-	
		22,456,400	-	(5,795,400)	(16,661,000)	-	-	
WAEP		1.47	-	1.14	1.58	-	-	
2008								
17.08.2004	1.06	5,377,400	-	(1,967,000)	-	3,410,400	3,410,400	
17.10.2005	1.08	609,000	-	(3,000)	-	606,000	350,000	
01.11.2006	1.24	6,766,000	-	(214,000)	-	6,552,000	2,972,000	
01.12.2006	1.45	40,000	-	(10,000)	-	30,000	10,000	
05.02.2007	1.75	143,000	-	-	-	143,000	53,000	
21.08.2007	2.00	630,000	-	(5,000)	-	625,000	235,000	
11.04.2008	1.86	-	12,600,000	(20,000)	(3,290,000)	9,290,000	1,842,000	
04.11.2008	1.00	-	1,800,000	-	-	1,800,000	360,000	
		13,565,400	14,400,000	(2,219,000)	(3,290,000)	22,456,400	9,232,400	
WAEP		1.20	1.75	1.09	1.86	1.47	1.30	

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

28. Employee benefits (cont'd)

Employee share options scheme ("ESOS") (cont'd)

(i) Details of share options outstanding at the end of the financial year:

2008	Exercise price	Exercise period
17.08.2004	1.06	17.08.2004 - 22.06.2009
07.10.2005	1.08	07.10.2005 - 22.06.2009
01.11.2006	1.24	01.11.2006 - 22.06.2009
01.12.2006	1.45	01.12.2006 - 22.06.2009
05.02.2008	1.75	05.02.2008 - 22.06.2009
21.08.2008	2.00	21.08.2008 - 22.06.2009
11.04.2009	1.86	11.04.2009 - 22.06.2009
04.11.2009	1.00	04.11.2009 - 22.06.2009

(ii) Share options exercised during the financial year

As disclosed in Note 26, options exercised during the financial year resulted in the issuance of 5,975,400 (2008 - 2,219,000) ordinary shares at an average price of RM1.14 (2008 - RM1.09) each.

(iii) Fair value of share options granted during the financial year

	2009	2008
Weighted average share price	-	1.80
Weighted average exercise price	-	1.75
Expected volatility	-	39%
Expected life (years)	-	0.47
Risk free rates	-	3.46% - 3.91%
Expected dividend yields (%)	-	9.24% - 9.41%

The fair value of share options granted last year was estimated by an external valuer using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected life of the share option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

29. Borrowings

	Group	
	2009 RM	2008 RM
Long term borrowings		
Secured:		
Term loans	11,274,712	25,433,631
Short term borrowings		
Secured:		
Bank overdrafts	50,848,387	76,478,210
Revolving credits	143,360,032	151,072,657
Term loans	2,844,055	2,641,983
	197,052,474	230,192,850
Total borrowings		
Bank overdrafts (Note 36(b))	50,848,387	76,478,210
Revolving credits	143,360,032	151,072,657
Term loans (Note 36(e))	14,118,767	28,075,614
	208,327,186	255,626,481

The bank overdrafts of the Group are secured by the following:

- (a) Legal charges over certain property, plant and equipment, land held for property development and inventories of the Group; and
- (b) Corporate guarantee from the Company and joint and several guarantees by certain directors of the Company.

The short term revolving credit facilities of the Group are secured by the following:

- (a) Legal charges over certain property, plant and equipment and land held for property development of the Group; and
- (b) Corporate guarantee by the Company.

The terms and conditions of the term loans of the Group are as follows:

	Interest rate	Securities	Amounts outstanding	
			2009 RM	2008 RM
(i) Repayable by 60 monthly instalments of RM41,082 commencing one month after date of full disbursement	1.00% above banker's base lending rate	First legal charge over certain property, inventories of the Group*	21	21

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

29. Borrowings (cont'd)

Repayment terms	Interest rate	Securities	Amounts outstanding	
			2009 RM	2008 RM
(ii) Repayable by 120 monthly instalments of RM284,017 each commencing one month after date of full disbursement	0.60% above banker's base lending rate	Third party charge over a freehold property of the Group*#	8,775,669	11,538,006
(iii) Repayable by 36 monthly instalments of RM634,000 each commencing thirty months after date of full disbursement	1.00% above banker's cost of funds	First legal charge over a freehold development property of the Group*	5,343,077	16,537,587
			14,118,767	28,075,614

* The term loans are also guaranteed by the Company.

The term loans are also jointly and severally guaranteed by certain directors of the Company.

30. Trade payables

	Group	
	2009 RM	2008 RM
Trade payables	11,672,548	9,338,886
Progress billings in respect of property development costs	50,064,377	76,596,120
	61,736,925	85,935,006

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2008 - 30 to 60) days.

Included in the progress billings are 10% deposits of RM50,000,000 (2008 - RMNil) received from the buyers.

31. Other payables, deposits and accruals

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	119,509,898	127,450,365	40,096	93,937
Deposits	777,846	3,462,898	-	-
Accruals	3,455,447	4,084,779	22,418	109,636
	123,743,191	134,998,042	62,514	203,573

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

31. Other payables, deposits and accruals (cont'd)

Included in other payables of the Group is an amount of RMNil (2008 - RM20,000) owing to certain directors of the Company.

Also included in other payables are unsecured advances to the Group amounting to RM83,122,063 (2008 - RM41,899,590) which are owing to persons connected with certain directors of the subsidiaries.

The amounts owing are non-interest bearing and without fixed terms of repayment.

32. Provision for rectification works

	Group	
	2009 RM	2008 RM
As at 1 January	4,521,484	2,259,637
Provision during the year	3,069,883	2,654,993
Utilisation of provision during the year	(209,741)	(393,145)
As at 31 December	7,381,626	4,521,485

A provision is recognised for expected rectification works on contracts completed. It is expected that most of these costs will be incurred within one year after the completion of the construction contract.

Based on management's past experience, provision for rectification works are computed at 2% on the total contracted sum of completed contracts.

33. Dividends

	Group and Company	
	2009 RM	2008 RM
Dividends paid:		
Dividend proposed for financial year 2007 paid in year 2008 - final single tier dividend of 6.0%	-	22,028,684
Interim dividend in kind of treasury shares (Note 27)	12,904,773	-
Dividend proposed for financial year 2008, paid in year 2009 - final dividend in kind of treasury shares (Note 27)	24,987,665	25,303,146
	37,892,438	47,331,830
Net dividend per share (sen)	9.40	11.91

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

33. Dividends (cont'd)

The total dividend declared to-date for the current financial year 31 December 2009 is as follows:

- (a) In respect of the financial year ended 31 December 2008, a distribution of treasury shares as final dividend at the ratio of one (1) treasury share for every thirty (30) ordinary shares of RM 1 each held, has been approved in the AGM held on 29 June 2009. The entitlement date and payment date of the final share dividend are 1 September 2009 and 28 September 2009 respectively. A total of 12,636,018 treasury shares were distributed to the entitled shareholders in relation to the dividend.
- (b) On 25 August 2009, the Company announced to distribute treasury shares to the entitled shareholders at the ratio of one (1) treasury shares for every sixty (60) ordinary shares of RM 1 each held. A total of 6,525,817 treasury shares were distributed to the entitled shareholders in relation to the share dividend. The entitlement date and distribution date on the treasury shares are on 26 October 2009 and 24 November 2009 respectively.

The directors had also proposed that a dividend policy of at least 30% of profit after taxation be fixed for future declarations of dividend.

34. Notes to cash flow statements
(a) Purchase of property, plant and equipment

Purchase of property, plant and equipment during the year were fully paid for in cash.

(b) Cash and cash equivalents as at 31 December

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
These comprise:				
Fixed income trust fund	15,420	15,105	-	-
Deposits with licensed banks	456,528	20,444,057	-	-
Cash and bank balances	28,377,290	19,265,229	140,596	135,597
Bank overdrafts (Note 29)	(50,848,387)	(76,478,210)	-	-
	(21,999,149)	(36,753,819)	140,596	135,597
Fixed deposits pledged	(456,528)	(444,057)	-	-
	(22,455,677)	(37,197,876)	140,596	135,597

On 31 July 2009, the Group incorporated YNH Services Sdn Bhd as a wholly-owned subsidiary for a cash consideration of RM100,000 consisting of 100,000 ordinary shares of RM1 each. The acquisition did not have any effect on the financial position and results of the Group for the year ended 31 December 2009.

During the last financial year, the Group acquired 100% equity interest in D'Kiara Place Sdn Bhd, an unlisted company incorporated in Malaysia which is involved in property development and provision of consultancy services.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

34. Notes to cash flow statements (cont'd)

(b) Cash and cash equivalents as at 31 December (cont'd)

The acquired subsidiary has contributed the following results to the Group:

	2008 RM
Loss after taxation	<u>54,577</u>

(c) Acquisitions of subsidiaries

If the acquisition had occurred on 1 January 2008, the Group's profit for the year would have been RM80,893,863.

The assets and liabilities arising from the acquisition are as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Property development costs (Note 17)	138,042,316	22,776,399
Prepayment	21,000	21,000
Tax recoverable	411	411
Cash in hand	2	2
	<u>138,063,729</u>	<u>22,797,812</u>
Trade payables	(14,050)	(14,050)
Other payables	(7,468,591)	(7,468,591)
Deferred tax liabilities (Note 15)	(28,816,479)	-
	<u>(36,299,120)</u>	<u>(7,482,641)</u>
Fair value of net assets, representing purchase consideration settled by cash	101,764,609	
Cash and cash equivalents of the subsidiary acquired	(2)	
	<u>101,764,607</u>	
Cash flow on acquisition of a subsidiary	<u>101,764,607</u>	

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

35. Related party transactions
(a) Transactions with non-group enterprises

Non-group enterprises are considered to be related parties where the directors have control over the financial and operating decisions of the enterprises or where the directors have significant financial interest. Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT are directors/members of the enterprises listed below which had the following transactions with the Group:

Related party	Transactions	Amount	
		2009 RM	2008 RM
Kar Sin Hardware Sdn Bhd	Rental of equipment and transportation payable	3,260,467	2,599,744
N.A.B. Holdings Sdn Bhd	Rental of equipment and transportation payable	258,960	258,960
Kar Sin Ready Mix Sdn Bhd	Purchase of construction materials	1,393,263	2,373,092
	Rental of property	108,000	108,000

(b) Transactions with persons connected with Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT

Related party	Transactions	Amount	
		2009 RM	2008 RM
Yu Chong Choo	Sales of property	756,250	-
Yu Chuan Choo	Sales of property	581,250	-
Yu Chon Lan	Sales of property	3,446,750	-
	Legal fee payable	2,395,155	2,794,976

(c) Transactions with directors

Other than directors' remuneration disclosed in Note 8 to the financial statements and the Corporate Governance Statement, the directors had the following transactions with the Group:

Directors	Transactions	Amount	
		2009 RM	2008 RM
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	Sale of properties	2,979,100	2,377,666
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	Sale of properties	2,039,700	2,166,640
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT Yu Chong Hua (joint buyer) Yu Chong Choo (joint buyer)	Sale of properties	-	17,232,000
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS Yu Choon Geok (joint buyer) Yu Chon Moy (joint buyer)	Sale of properties	-	17,232,000

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

35. Related party transactions (cont'd)

(c) Transactions with directors (cont'd)

The directors are of the opinion that the above transactions were in the normal course of business and on terms mutually agreed between the parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2009 are disclosed in the notes to the financial statements.

(d) Compensation of key management personnel

The remuneration of the Directors, being the key management personnel of the Group, are disclosed in Note 8 to the financial statements and the Corporate Governance Statement.

36. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk (both fair value and cash flow), liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The Group manages its interest rate exposures by maintaining floating rate borrowings.

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for term loans which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are not subject to interest rate risk.

36. Financial instruments (cont'd)

(b) Interest rate risk (cont'd)

The following sets out the carrying amount, the interest rates as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	Interest Rate %	Within 1 RM	1-2 RM	2-3 Years RM	3-4 RM	4-5 RM	More than 5 RM	Total RM
As at 31 December 2009									
Fixed rate									
Fixed income trust fund	24	2.00	15,420	-	-	-	-	-	15,420
Fixed deposits	24	2.00 - 3.70	456,528	-	-	-	-	-	456,528
Floating rate									
Bank overdrafts	29	6.15 - 7.30	(50,848,387)	-	-	-	-	-	(50,848,387)
Revolving credits	29	3.22 - 3.97	(143,360,032)	-	-	-	-	-	(143,360,032)
Term loans	29	7.15	(2,844,055)	(3,061,562)	(2,870,073)	(3,333,077)	(2,010,000)	-	(14,118,767)
As at 31 December 2008									
Fixed rate									
Fixed income trust fund	24	3.10	15,105	-	-	-	-	-	15,105
Fixed deposits	24	3.00 - 3.70	444,057	-	-	-	-	-	444,057
Short term deposits	24	3.23	20,000,000	-	-	-	-	-	20,000,000
Floating rate									
Bank overdrafts	29	6.75 - 7.75	(76,478,210)	-	-	-	-	-	(76,478,210)
Revolving credits	29	5.06 - 5.31	(151,072,657)	-	-	-	-	-	(151,072,657)
Term loans	29	5.05 - 7.75	(2,641,983)	(2,844,034)	(3,061,562)	(9,958,035)	(7,560,000)	(2,010,000)	(28,075,614)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

36. Financial instruments (cont'd)

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(d) Credit risk

The Group's credit risk is primarily attributable to trade receivables and amounts owing from related parties. The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and an investment, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentrations of credit risk related to any financial assets.

(e) Fair values

The carrying amounts of the Group's and Company's financial assets and financial liabilities at the balance sheet date approximated their fair values except for the following:

	2009		2008	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Term loans	13,880,865	12,959,255	28,075,614	24,329,983

The fair value of term loans are determined using discounted cash flow analysis, based on the timing of the amounts payable at the applicable rates of interests levied over the tenure of these loans.

37. Operating lease arrangements

(a) The Group as lessee

The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease has a life of 12 months remaining as at year end. There are no restrictions placed upon the Group by entering into the lease.

The future aggregate minimum lease payments under non-cancellable operating lease contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group	
	2009 RM	2008 RM
Future minimum rental payments:		
Not later than 1 year	59,250	3,250

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009 (cont'd)

37. Operating lease arrangements (cont'd)

(b) The Group as lessor

The Group has entered into a non-cancellable operating lease agreement on its landed properties. The leases have remaining non-cancellable lease term range from 7 to 24 months as at year end.

The future minimum lease payments receivable under non-cancellable operating lease contracted for as at the balance sheet date but not recognised as receivables, is as follows:

	Group	
	2009 RM	2008 RM
Not later than 1 year	1,671,239	1,187,220
Later than 1 year and not later than 5 years	2,838,043	532,755
	4,509,282	1,719,975

38. Capital commitments

	Group	
	2009 RM	2008 RM
Approved but not contracted for		
- property, plant and equipment	9,650,089	11,356,507

39. Segmental information

Segment information is not presented as the Group operates solely in Malaysia and combined revenues, operating results and assets employed of business segments other than the property segment represent less than 10% of the Group's revenues, operating results and assets employed respectively.

40. Contingent liabilities

Group

A subsidiary company has sold a piece of land to a petrol station operator. As title to the property has yet to be transferred to the operator, the petrol station is operating under the subsidiary's name. The financial impact arising from any adverse event is not ascertainable.

LIST OF PROPERTIES

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut (Old Lot No.1557 & 1932)						
- Portion for own investment (PT2781-2782)	Planted with palm oil	27.9423	Agricultural / for investment	Freehold	4,988,000	2001
- Portion for fixed asset (G28082,G28079, PT2772-2780, 2785, 2806, 2822-2823)	Planted with palm oil	138.5100	Agricultural / for investment	Freehold	24,964,000	2001
HS (D) Dgs 11772 PT8073 Mukim Lumut	Vacant Land and approved for development	6.9277	Proposed development – residential	Freehold	2,388,000	2001
Lot 6555 – PT2834-2841 Mukim of Lumut	Vacant Land and approved for development	35.0000	Proposed mixed development – commercial and residential	Freehold	6,222,000	2001
Lot 6555-4 acres of PT2797 Mukim Lumut	Vacant Land and approved for development	4.0000	Proposed development – commercial	Freehold	717,000	2001
Lot 6555 – PT2791-2795, 2800-2805, 2810-2821 & 2827-2831 Mukim Lumut Portion for own investment (PT2791-2795)	Planted with palm oil and approved for development	100.0000	Proposed mixed development – commercial and residential	Freehold	20,710,000	2001
Portion for future development (PT2800-2805, 2810-2821, 2827-2831)	Planted with palm oil and approved for development	56.1900	Pinggiran Manjung Point – commercial and residential	Freehold	11,637,000	2001
Entry No.1577 Lot 712 Mukim Lumut	Planted with palm oil and approved for development	4.8370	Proposed mixed development – commercial and residential	Freehold	960,000	2001
Entry No. 1380 Lot 1387 Mukim Lumut		4.7750		Freehold		
HS (D) Dgs 1203/78 Lot 2740 Mukim Pengkalan Bharu,	Planted with palm oil and approved for development	4.8020	Taman Suria, Pantai Remis – commercial and residential	Freehold	1,156,000	2001
HS (D) Dgs 1204/78 Lot 2741 Mukim Pengkalan Bharu		4.8020		Freehold		
Geran 36493, Lot 495 & Geran 36944, Lot 496, Town of Lumut, Daerah Manjung	Vacant Land and approved for development	0.7013	Proposed mixed development – commercial and residential	Freehold	1,230,000	2001
CT 17320 Lot 117 Town of Lumut	Vacant Land and approved for development	0.8343	Proposed mixed development – commercial and residential	Freehold	541,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
EMR 379 Lot 380 Mukim Pengkalan Bharu HS (M) 24/75 Lot 3813 Mukim Pengkalan Bharu	Vacant Land and approved for development	1.3713	Proposed mixed development – commercial and residential	Freehold	334,000	2001
HS (D) Dgs 1042/78 Lot 5493 Mukim Lumut	Planted with palm oil and approved for development	8.6551	Taman Layar, Kg. Acheh, Sitiawan – commercial and residential	Freehold	2,847,000	2001
EMR 9714 Lot 10054 Mukim Sitiawan	Planted with palm oil and approved for development	3.0813	Proposed mixed development – commercial and residential	Freehold	409,000	2001
EMR 5198 Lot 4622 Mukim Sitiawan	Planted with palm oil and approved for development	5.0375	Proposed mixed development – commercial and residential	Freehold	987,000	2001
Geran 7585 Lot 16050 Mukim Sitiawan	Planted with palm oil and approved for development	9.4932	Taman Sejati III, Sitiawan – commercial and residential	Freehold	2,257,000	2001
Geran 7419 Lot 15655 Mukim Sitiawan	Planted with palm oil and approved for development	3.0378	Proposed development – residential	Freehold	1,366,000	2001
HS(D)Dgs1673/83 PT10382 & (Lot No. 25893 25900) HS(D)Dgs 1680/83 PT10389 Mukim Sitiawan	Vacant Land	0.0406	Proposed mixed development – residential and commercial	99 years (23.9.2082)	45,000	2001
HS(D)Dgs 830/89 PT625 Bandar Lumut	Vacant Land	0.7500	Proposed development – residential	60 years (7.6.2049)	273,000	2001
Lot 1983, Lot 1984 (GM1246, GM1247) Mukim Lumut, Daerah Manjung	Vacant Land	3.4199	Agricultural land	Freehold land	281,000	2004 *
Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut (Old Lot No. 1557 & 1932) PT2789-PT2790	Planted with palm oil and approved for development	50.0042	Proposed mixed development – commercial and residential	Freehold	9,045,000	2004 *
PT6706-6724, Daerah Manjung	Vacant Land	0.7019	For Investment	Leasehold land	599,000	2001
Lot 140, Town of Lumut	Vacant Land	0.6875	Proposed mixed development	Freehold	164,000	2005 *
Lot 732, 733, all in Mukim of Sitiawan	Vacant Land	0.0166	Proposed mixed development	Freehold	89,000	2005 *
GM 2017 Lot 263 Town of Sitiawan	Vacant Land and approved for development	1.0000	Proposed development – commercial	Freehold	853,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
Lot 31776-31780 PT47587-47591 Mukim Sitiawan (Old Lot No. 15173-15177)	Vacant Land and approved for development	0.1977	Proposed mixed development – commercial and residential	99 years (5.5.2088)	163,000	2001
Balance Lot 4818 Mukim Lumut (PT6677, 6678, 4118-4133, 4510-4592, 4673-4778, 4840-4853, PN84692, PN84694)	Vacant Land and approved for development	0.6429	Taman Samudera, Phase 10 & 11 – commercial and residential	99 years (27.3.2093 [PT 6677 & 6678] and 19.5.2091 [the rest])	1,828,000	2001
Geran 7270-7273 Lot 14851-14854 Mukim Sitiawan	Vacant Land and approved for development	23.8745	Taman Limbungan, Kg. Acheh, Sitiawan – commercial and residential	Freehold	5,907,000	2001
Geran 7274 Lot 14855 Mukim Sitiawan (Old Lot No. 34043) (Lot 31656)						
Geran 7276 Lot 14857 Mukim Sitiawan (Old Lot No. 34045) (Lot 21658)						
GM 375 & 376 Lot 6493 & 6494 Mukim Lumut (Old EMR No. 2424 Lot 4275)	Vacant Land and approved for development	1.5976	Proposed development – commercial	Freehold	1,007,000	2001
EMR 9488 Lot 9187 Mukim Sitiawan	Vacant Land and approved for development	1.4364	Proposed mixed development – commercial and residential	Freehold	761,000	2001
HS (M) 1528 PT1728 Mukim Sitiawan	Vacant Land and approved for development	1.2150	Proposed mixed development – commercial and residential	Freehold		
PT22973-PT22975, Bandar Baru, Sri Manjung - Commercial Complex	Vacant Land and approved for development	0.3810	Commercial Land	99 years (25.2.2101)	675,000	2001
- Shops unit		0.0760		99 years (25.2.2101)		
Lot 246 Village of Pekan Gurney	Vacant Land and approved for development	2.9000	Taman Delima, Ayer Tawar – residential	Freehold	439,000	2001
Lot 4818 Mukim Lumut HS (D) Dgs 3618-3663 (Lot 10685)-Hawker Center	Vacant Land and approved for development	2.2692	Taman Samudera, Sri Manjung – commercial and residential	99 years (29.9.2094)	3,514,000	2001
Geran 18770 Lot 3335 Mukim Pengkalan Bharu	Vacant Land and approved for development	18.2026	Taman Bintang, Pantai Remis – commercial and residential	Freehold	2,552,000	2001
Geran 9851 Lot 379 Town of Lumut	Vacant Land and approved for development	1.7468	Lumut Ria Condominium, Lumut – residential	Freehold	3,842,000	2001
Lot 6555 – PT 2786 Mukim of Lumut	Vacant Land and approved for development	0.6458	Taman Desa, Manjung Point – residential	Freehold	230,000	1993 *

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
Lot 5,6,182,524,1145-1147 (Trong)	Vacant Land and approved for development	0.4421	Taman Seri Trong Perak, Taiping – commercial	Freehold	252,000	1996 *
Lot 15541, Geran 7305, Mukim of Sitiawan	Vacant Land	4.0395	Proposed mixed development	Freehold	1,296,000	2003 *
Geran 21668 Lot 6274 Mukim Beruas	Planted with palm oil and not approved for development	75.0000	Proposed mixed development – commercial and residential	Freehold	2,750,000	1989 *
Lot 14785-14788 (old lot 26789-26793), Mukim Sitiawan	Vacant Land and approved for development	3.1350	Proposed mixed development – commercial and residential	Freehold	4,251,000	2001
Lot 17768, PT4860 and Lot 17769, PT4861 & PT4862 Mukim Lumut	Vacant Land and approved for development	5.0783	Proposed mixed development – commercial and residential	99 years (29.04.2101)	4,779,000	2001
Lot 803, EMR1616, Mukim Sitiawan, Daerah Manjung	Vacant Land and approved for development	2.9749	Proposed mixed development	Freehold	1,240,000	2004 *
Lot 716, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung	Vacant Land and approved for development	0.0231	Proposed mixed development	Freehold	163,000	2005 *
Lot 717, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung	Vacant Land and approved for development	0.0214	Proposed mixed development	Freehold	155,000	2005 *
Lot 721, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung	Vacant Land and approved for development	0.0148	Proposed mixed development	Freehold	129,000	2005 *
Lot 722, undivided 1/3 land under HSM 86/68, Mukim Sitiawan	Vacant Land and approved for development	0.0255	Proposed mixed development	Freehold	91,000	2005 *
Lot 188, Mukim Lumut, Daerah Manjung	Vacant Land and approved for development	4.5000	Proposed mixed development	Freehold	1,915,000	2005 *
Lot 5614 (GRN61063) and Lot 5615 (GRN61064), Mukim Batang Padang	Vacant Land approved for development	14.7438	Proposed mixed development	Freehold	656,000	2005 *
Lot 15661, Mukim Sitiawan	Vacant Land approved for development	3.1087	Proposed mixed development	Freehold	1,269,000	2006 *
Lot 6509, Mukim Sitiawan	Vacant land approved for development	7.7640	Proposed mixed development	Freehold	3,281,000	2007 *
Lot 448 (New lot 13707, Mukim Batu, Daerah Kuala Lumpur	Vacant land approved for development	6.4870	Proposed mixed development	Freehold	23,001,000	2007 *
Lot 3719, HSD 83603, Wilayah Persekutuan, Daerah Kuala Lumpur	Vacant land approved for development	2.9800	Proposed mixed development	Freehold	12,180,000	2007 *

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
Lot 41023, 41024, 41025, 41026 Mukim Lumut, Daerah Manjung	Vacant land approved for development	48.6197	Proposed mixed development	Freehold	23,172,000	2007 *
Lot 299, Seksyen 98, Daerah Kuala Lumpur	Vacant land approved for development	0.7047	Proposed mixed development	Freehold	4,614,000	2007 *
Lot 1612, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.6813	Proposed mixed development	Freehold	207,000	2008 *
Lot 1616, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	7.6061	Proposed mixed development	Freehold	1,201,000	2008 *
Lot 15666, Mukim Sitiawan, Perak	Vacant land approved for development	2.3201	Proposed mixed development	Freehold	1,148,000	2008 *
Lot 15700, Mukim Sitiawan, Perak	Vacant land approved for development	1.5511	Proposed mixed development	Freehold	852,000	2008 *
Lot 15233, Mukim Batu, Daerah Kuala Lumpur	Vacant land approved for development	2.6683	Proposed mixed development	Freehold	33,020,000	2008 *
Lot 4947, Mukim Lumut, Perak	Vacant land approved for development	4.5499	Proposed mixed development	Freehold	2,005,000	2008 *
Lot 6254, Mukim Kampar, Perak	Vacant land approved for development	7.0000	Proposed mixed development	Leasehold (2107)	1,770,000	2008 *
Lot 307627-696, Lot 307398, Lot 307700-701, Mukim Kampar, Perak	Vacant land approved for development	2.7629	Proposed mixed development	Freehold	1,802,000	2008 *
Lot 308020-094 & Lot 308097, Mukim Kampar, Perak	Vacant land approved for development	2.4614	Proposed mixed development	Freehold	1,239,000	2008 *
PT 11202 & PT 11388, Mukim Bentong, Pahang Darul Makmur	Vacant land	94.8518	Proposed mixed development	Freehold	16,181,000	2008 *
PT 212710, Mukim Hulu Kinta Daerah Kinta, Perak	Vacant land approved for development	2.8039	Proposed mixed development	Leasehold (24.7.2105)	9,818,000	2008 *
PT 2788, Mukim Lumut, Daerah Manjung	Vacant land approved for development	15.0000	Proposed mixed development	Freehold	13,072,000	2008 *
PT 357017, Mukim Hulu Kinta, Daerah Kinta	Vacant land approved for development	2.0070	Proposed mixed development	Leasehold (4.6.2103)	4,385,000	2008 *
Lot 29760 & 29761, Mukim Sungai Terap, Daerah Kinta, Perak	Vacant land approved for development	36.0000	Proposed mixed development	Freehold	5,593,000	2008 *
Lot 25548, Mukim Kampar, Perak Darul Ridzuan	Vacant land approved for development	7.0000	Proposed mixed development	Freehold	2,570,000	2008 *
PT 6152, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.9208	Proposed mixed development	Freehold	542,000	2008 *
PT 6, Mukim Kuala Lumpur	Vacant land approved for development	1.7447	Proposed mixed development	Leasehold (21.3.2078)	30,533,000	2008 *

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
Lot 305190 (PT 10539), Mukim Kampar, Daerah Kampar	Vacant land approved for development	10.0000	Proposed mixed development	Leasehold (7.8.2101)	1,561,000	2009 *
Lot 307443-Lot 307541, Mukim Kampar, Daerah Kampar	Vacant land approved for development	3.4590	Proposed mixed development	Leasehold (10.2.2013)	1,507,000	2009 *
Lot PT 6676, 9445 and Lot 9240 to Lot 9248, Mukim of Lumut	2 adjoining parcel of commercial land	1.4394	Hotel - Commercial	Freehold	20,171,000	2001
DEVELOPMENT PROPERTIES						
Lot 374, Mukim Pengkalan Baru	Development properties	0.1929	Proposed development - commercial	Freehold	244,000	2004 *
Lot 4818 (PT4511-4571) Cosmos portion & 16 house, Mukim Lumut	Development properties	1.1937	Proposed development - commercial	Leasehold	1,635,000	2001
Lot 4818 - Balance of Phase 9 (Shop unit) Mukim Lumut (PT6398-PT6411, PT6412-PT6421)	Development properties	0.8434	Proposed development - commercial	99 years (19.5.2091)	185,000	2001
Lot 966 EMR 1237, Mukim Sitiawan	Development properties	0.8900	Taman Mutiara - residential	Freehold	227,000	2001
Geran 7444, Lot 15680, Mukim Sitiawan (Balance of land)	Development properties	0.6771	Taman Aman Muhibbah III, Sitiawan, residential	Freehold	227,000	2001
Lot 4818 (Balance of commercial) (Plot 1, 22 dsth, and balance of land)	Development properties	0.9100	Taman Samudera, residential	Leasehold (19.5.2091)	73,000	2003 *
PT 2812-2814 (Giant land)	Development properties	0.3856	Proposed development of commercial units	Freehold	164,000	2001
PT2812-2814 (residential - behind Giant 50 units)	Development properties		Proposed development of commercial units	Freehold	12,000	2001
Lot 4818 (behind office land - 24 shops land)	Development properties	2.1426	Proposed development of commercial units	Leasehold (19.5.2091)	70,000	2001
Lot 4818 (behind office land - 34 units 2 1/1 house)	Development properties		Proposed development of commercial units		899,000	2001
Lot 4818 (behind office land - LVSB car park & 2 vacant land)	Development properties		Proposed development of commercial units		1,899,000	2001
Lot 1889, GM1129, Mukim Batu, Sungai Teba, Daerah Kuala Lumpur (Lot 63884, Mukim Batu, Kuala Lumpur)	Development properties	3.0616	Ceriaan Kiara	Freehold	37,102,000	2002 *
CT 21241 Lot 10466 Mukim Sitiawan	Development properties	0.1060	Taman Desa Bintang II Sitiawan - commercial	Freehold	1,149,000	2002 *
HSD 15538, PT5018, Bandar Teluk Intan, Perak	Development properties	0.1289	Proposed development of commercial units	Leasehold (24.09.2100)	387,000	2003 *
Lot 44, Mukim of Sitiawan	Development properties	0.3650	Proposed development of commercial units	Freehold	1,730,000	2005 *

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
EMR 523 Lot 600 Mukim Pengkalan Bharu	Development properties	2.1875	Taman Embun – commercial and residential	Freehold	48,000	2001
PT2800, PT2801, PT2802 (New-Lot 9907, 9908, 9909),	Development properties	37.7900	Manjung Point Township	Freehold	9,570,000	2001
Geran 7593 Lot 16058 Mukim Sitiawan	Development properties	8.5744	Proposed mixed development – commercial and residential	Freehold	1,067,000	1999
Geran 7582 Lot 16047 Mukim Sitiawan	Development properties	9.2660	Taman Sejati IV, Sitiawan – commercial and residential	Freehold	2,591,000	2001
Lot 10231, Mukim Sitiawan	Development properties	9.7937	Proposed mixed development	Freehold	2,385,000	2006 *
CT 21662 Lot 11430 Mukim Sitiawan (New Lot 5942)	Development properties	2.5000	Proposed mixed development – commercial and residential	Freehold	240,000	2001
Geran 7372 Lot 15608 Mukim Sitiawan (Title surrendered to PTG for sub-division)	Development properties	3.1956	Taman Sejati II, Sitiawan – commercial and residential	Freehold	833,000	2001
Lot 26805 part of Geran 7255 Lot 14836 Mukim Sitiawan	Development properties	1.5820	Taman Pelabuhan, Kg Acheh, Sitiawan – commercial and residential	Freehold	1,435,000	2001
Geran Mukim 665 Lot 3500 Mukim Sungai Tinggi (1 acre used by school-price adjusted)	Development properties	4.7640	Proposed mixed development – commercial and residential	Freehold	1,306,000	2001
Lot 4818 - Tangki - 14 house land - PT 10353 - 10361, 10288 - 10292	Development properties	0.4400	Residential development	Leasehold (19.5.2091)	133,000	2001
PT 2796-2799, Mukim of Lumut	Development properties	50.5600	Proposed mixed development	Freehold	9,103,000	2001
CT 21250 Lot 10475 Mukim Sitiawan	Development properties	4.1375	Taman Desa Bintang II Sitiawan - residential	Freehold	4,768,000	1999
Plot 1105-1110, Trong	Development properties	1.0866	Proposed development – residential	Freehold	647,000	2001
Lot 10465, Mukim Sitiawan	Development properties	0.1600	Commercial development	Freehold	196,000	2002
Lot 1883 & Lot 1884, Mukim Batu, Kuala Lumpur	Development properties	6.0000	Commercial development	Freehold	144,878,000	2008 *
Lot 1077, Geran 11310, Section 57, Kuala Lumpur	Development properties	3.0033	Proposed Menara YNH	Freehold	81,065,000	2004
Lot 6555 - PT 2842 Mukim of Lumut	Development properties	12.5317	Residential development	Freehold	3,046,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.09 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.09 (RM)	Year of Acquisition/ Last Revaluation
PT 2783 - PT 2784 Mukim of Lumut	Development properties	16.5300	Residential development	Freehold	3,154,000	2001
Geran 7256 Lot 14837 Mukim Sitiawan	Development properties	4.9424	Residential development	Freehold	359,000	2001
Lot 12802, Geran 1933, Mukim Sitiawan, Daerah Manjung	Development properties	4.8625	Residential development	Freehold	1,990,000	2008 *
PT28260, Mukim Sitiawan, Daerah Manjung	Development properties	0.0440	Residential development	Freehold	6,000	2001
Lot 413, Mukim Pengkalan Bahu, Daerah Manjung	Development properties	1.1374	Commercial development	Freehold	2,276,000	2008 *
JOINT DEVELOPMENT PROPERTIES						
HSD DGS 16751, PT 9040 & PT 9041, Mukim Lumut, Daerah Manjung	Joint development properties	40.0000	Mixed development	Freehold	15,410,000	N/A
Lot 1235, Mukim Sitiawan, Daerah Manjung	Joint development properties	2.4624	Mixed development	Freehold	379,000	N/A
Lot 13079, Mukim Lumut, Perak	Joint development properties	5.9187	Mixed development	Freehold	1,223,000	N/A
Lot 14838, Mukim Sitiawan, Daerah Manjung	Joint development properties	3.8968	Mixed development	Freehold	242,000	N/A
Lot 16061, Mukim Sitiawan, Daerah Manjung	Joint development properties	8.9360	Mixed development	Freehold	13,000	N/A
Fasa 2B, Mukim Sitiawan, Daerah Manjung	Joint development properties	0.7018	Mixed development	Leasehold	16,000	N/A
Lot 2569, Mukim Sitiawan, Daerah Manjung	Joint development properties	4.9026	Mixed development	Freehold	131,000	N/A
Lot 3543, Mukim Sitiawan, Daerah Manjung	Joint development properties	2.8938	Mixed development	Freehold	2,475,000	N/A
Lot 15718, Mukim Sitiawan, Daerah Manjung	Joint development properties	2.1260	Mixed development	Freehold	585,000	N/A
Lot 730, Mukim Sitiawan, Daerah Manjung	Joint development properties	5.4688	Mixed development	Freehold	16,000	N/A
Lot 224018, Mukim Hulu Kinta, Ipoh	Joint development properties	0.1500	Mixed development	Freehold	195,000	N/A
Lot 224019, Mukim Hulu Kinta, Ipoh	Joint development properties	0.0300	Mixed development	Leasehold	13,000	N/A
GRAND TOTAL		1,195.7665			688,148,000	

* Year of Acquisition

STATEMENT OF SHAREHOLDINGS as at 17 May 2010

Authorised Capital	:	RM500,000,000.00
Issued and Fully Paid-up Capital	:	RM400,473,074.00 (Excluding 4,809,055 Treasury Shares)
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

BREAKDOWN OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
1 – 99	5,510	49.11	219,094	0.05
100 – 1,000	2,867	25.56	758,059	0.19
1,001 – 10,000	1,930	17.20	6,152,747	1.54
10,001 – 100,000	671	5.98	17,801,707	4.45
100,001 – 20,023,652 (*)	239	2.13	324,260,578	80.97
20,023,653 and above (**)	2	0.02	51,280,889	12.80
TOTAL	11,219	100.00	400,473,074	100.00

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS AS AT 17 MAY 2010

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Name of Substantial Shareholder	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	69,488,081	17.35	57,023,784	14.24	126,511,865	31.59
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	43,289,629	10.81	83,089,167	20.75	126,378,796	31.56
Lembaga Tabung Haji	25,847,738	6.45	-	-	25,847,738	6.45
Aberdeen Asset Management PLC and its subsidiaries	-	-	41,783,461	10.43	41,783,461	10.43
Credit Suisse Group AG	-	-	41,787,361	10.43	41,787,361	10.43
Mitsubishi UFJ Financial Group, Inc.	-	-	41,783,461	10.43	41,783,461	10.43
Aberdeen Asset Management Asia Limited	-	-	29,782,344	7.44	29,782,344	7.44
Aberdeen International Fund Managers Limited	-	-	20,965,517	5.24	20,965,517	5.24

STATEMENT OF SHAREHOLDINGS as at 17 May 2010
 (cont'd)

DIRECTORS' INTEREST AS AT 17 MAY 2010

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965 the Directors' interests in the ordinary share capital of RM1 each of the Company and its subsidiary companies are as follows:

Shares in the Company

Name of Director	Direct Interest		Deemed Interest		Total Interest	
	(A)	%	(B)	%	(A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	69,488,081	17.35	57,023,784	14.24	126,511,865	31.59
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	43,289,629	10.81	83,089,167	20.75	126,378,796	31.56
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	297,800	0.07	-	-	297,800	0.07
Ching Nye Mi @ Chieng Ngie Chay	700,194	0.17	543,980	0.14	1,244,174	0.31
Ding Ming Hea	764,751	0.19	-	-	764,751	0.19

Options over Ordinary Shares of RM1.00 each at a price of RM1.38 each

Options in the Company Name of Director	Granted		Exercised		Balance	
		%		%		%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	3,900,000	9.79	-	-	3,900,000	9.79
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	3,900,000	9.79	-	-	3,900,000	9.79
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	800,000	2.01	160,000	0.40	640,000	1.61
Ching Nye Mi @ Chieng Ngie Chay	800,000	2.01	-	-	800,000	2.01
Ding Ming Hea	800,000	2.01	-	-	800,000	2.01

By virtue of their interests in the Company, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT are deemed to be interested in shares in the subsidiary companies to the extent that the Company has an interest.

None of the other Directors had any interest in shares in the Company's related corporations.

STATEMENT OF SHAREHOLDINGS as at 17 May 2010
 (cont'd)

THIRTY LARGEST REGISTERED HOLDERS AS AT 17 MAY 2010

Name of Holder	Holdings	%
1. Lembaga Tabung Haji	25,847,738	6.46
2. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	25,433,151	6.35
3. Yu Kuan Huat	19,369,483	4.84
4. HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs SVS LUX for Aberdeen Global	16,823,407	4.20
5. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	16,060,893	4.01
6. ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yu Kuan Chon	15,120,216	3.78
7. Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	15,056,063	3.76
8. Employees Providend Fund Board	11,293,282	2.82
9. Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for American International Assurance Berhad	10,994,071	2.75
10. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Swee Ming	10,880,254	2.72
11. OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Yu Kuan Huat	8,998,000	2.25
12. Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (INV-IL PAR)	7,377,439	1.84
13. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	6,843,318	1.71
14. Amanahraya Trustees Berhad Sekim Amanah Saham Nasional	6,016,355	1.50
15. Mayban Nominees (Tempatan) Sdn Bhd Avenue Invest Berhad for Kumpulan Wang Amanah Pecen	5,795,497	1.45
16. Ling Mooi Hung	5,584,960	1.39
17. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	4,969,246	1.24
18. MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	4,712,791	1.18
19. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	4,705,438	1.17
20. Teh Nai Sim	4,454,769	1.11
21. Mayban Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Kumpulan Wang Persaraan (Diperbadankan) (FD 1 - 280305)	4,384,538	1.09
22. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund XCB9 for Aberdeen Asian Smaller Companies Investment Trust PLC	4,342,295	1.08
23. HSBC Nominees (Asing) Sdn Bhd CS (LUX) S.A. for Credit Suisse Equity Fund (LUX) Asian Property Aberdeen	3,992,110	1.00
24. TM Asia Life Malaysia Bhd. AS Beneficial Owner (PF)	3,800,058	0.95
25. SBB Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	3,556,800	0.89
26. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Yu Kuan Huat	3,379,390	0.84
27. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	3,151,666	0.79
28. HSBC Nominees (Asing) Sdn Bhd Exempt AN for BNP Paribas Securities Services (Singapore - SGD)	3,057,116	0.76
29. HSBC Nominees (Asing) Sdn Bhd Exempt AN for Deutsche Wertpapierservice Bank AG (Dresdner BK AG)	2,968,373	0.74
30. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad for Employees Providend Fund	2,860,802	0.71
TOTAL	261,829,519	65.38

PROXY FORM

I/We, _____
of _____
being a member of YNH Property Bhd hereby appoint +the Chairman of the Meeting _____ of
_____ or failing him, _____ of
_____ as my/our proxy, to vote for me/us and on my/our
behalf at the Eighth Annual General Meeting of the Company to be held on Wednesday, 30 June 2010 and at any
adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	For	Against
1. The declaration of a Share Dividend and a Final Dividend		
2. The payment of Directors' Fees		
3. The re-election of Director: Ching Nye Mi @ Chieng Ngie Chay		
4. The re-appointment of Director: Dato' Robert Lim @ Lim Git Hooi, DPMP, JP		
5. The appointment of Auditors and their remuneration		
Special Business		
6. Ordinary Resolution No. 1 - Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965		
7. Ordinary Resolution No. 2 - Authority to Allot and Issue Shares Pursuant to the Employees' Share Option Scheme		
8. Ordinary Resolution No. 3 - Proposed Renewal of Share Buy Back Authority		
9. Ordinary Resolution No. 4 - Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature		

Please indicate with (✓) how you wish your vote to be cast.

No. of shares held	
CDS Account No.	

Date:

.....
Signature of Shareholder

NOTES:

A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company, 55, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

If it is desired to appoint another person as a proxy, the words "the Chairman of the Meeting" should be deleted and the name of the proxy should be inserted in block capitals, and the alteration should be initialled.

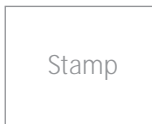
Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If this Form is signed and returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

In the case of a corporation, the proxy must be executed under its Common Seal, or under the hand of a duly authorised officer.



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The Secretary
YNH PROPERTY BHD (561986-V)
55, MEDAN IPOH 1A
MEDAN IPOH BISTARI
31400 IPOH, PERAK DARUL RIDZUAN
MALAYSIA

fold



YNH PROPERTY BHD

(Company No.: 561986-V)

(Incorporated in Malaysia)

No. 38, Jalan PPMP 7, Pusat Perniagaan Manjung Point 1, 32040 Seri Manjung, Perak Darul Ridzuan, Malaysia.
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